

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 2 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.

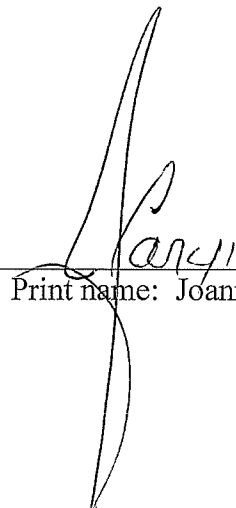
79. The Caryi Group of Companies own various properties with heritage designations and that are mid build and the timeline of 130 days proposed by Doane Grant Thornton as the proposed receiver to sell these properties seems optimistic at best. The Tramway for example had an offer but the due diligence 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

L

Form 39.09

Exhibit Stamp

Hfx No. 539955

This is Exhibit "L" 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 11th day of December, 2020

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

(hereinafter called the "Mortgagor")

- and -

ATLANTIC CENTRAL

(hereinafter called the "Mortgagee")

I. 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 society, the Mortgagor is a society established and organized and validly existing and in good standing under the laws of the jurisdiction of its establishment; it has the power to own or lease its property and to carry on the business conducted by it; it is qualified as a society to carry on the business or operations 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 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 membership agreement or any other agreement, indenture or undertaking to which the Mortgagor is a

party or by which it is bound;

- (d) if it is a society, 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;
- (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

"Hazardous Substance(s)" means any substance that, if added to any water or emitted into the air, soil or any portion of the building or improvements on the Property, would create or contribute to the creation of a condition of such water, air, soil, building or improvement that is detrimental to its use by or to the health, safety or welfare of persons or animals or causes damage to plant life or property; any radioactive material or explosive; any substance declared from time to time to be hazardous, dangerous or toxic under any Applicable Laws, including, without limitation, asbestos, polychlorinated biphenyls, lead and petroleum products; and any other substance which is or may become hazardous, toxic or dangerous to persons or property.

If the results of an environmental assessment conducted during the term of this Mortgage or any renewal or extension thereof are not satisfactory to the Mortgagee, in its sole discretion, then, at the option of the Mortgagee, the Indebtedness shall become immediately due and payable. The decision to accelerate this Mortgage shall be at the sole option of the Mortgagee. In this regard, the acceptance of payments by the Mortgagee at any time during or after the term of this Mortgage or any renewal or extension thereof shall not constitute a waiver of or otherwise prejudice the Mortgagee's right to demand and receive full repayment of this Mortgage as aforesaid.

All costs of such inspections, investigations and environmental assessments shall be borne by the Mortgagor and shall be paid forthwith upon receipt of notice from the Mortgagee or shall be added to the Principal Sum secured by this Mortgage, as determined by the Mortgagee in its sole discretion.

The Mortgagor hereby represents, warrants, covenants and agrees with the Mortgagee (which representation, warranty, covenant and agreement shall survive satisfaction or release of the Indebtedness (if the Mortgagee has been in possession or control of the Property at any time) or extinguishment of the Indebtedness (in the event the Mortgagee or a third party becomes owner of the Property upon default of the Mortgagor) that to the best of the knowledge of the Mortgagor and except as disclosed in the reports made available to the Mortgagee as of the date hereof:

- (a) after due and diligent inquiry, there are no Hazardous Substances on the Property, no Hazardous Substances have ever been used, stored or located on the Property except in accordance with Applicable Laws and no part of the Property is or has ever been contaminated in excess of levels permitted by Applicable Laws by any Hazardous Substances;
- (b) no Hazardous Substance shall be brought onto or used on the Property except in accordance with Applicable Laws without the prior written consent of the Mortgagee;
- (c) any Hazardous Substance brought onto the Property or used by any person on the Property shall be transported, used and stored only in accordance with all Applicable Laws, and other lawful requirements and prudent industrial standards;

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;
- (d) it shall promptly notify the Mortgagee as soon as it knows of or suspects that any Hazardous Substance has been brought onto the Property, except in accordance with Applicable Laws, or that there is any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from or under the Property.
- (e) 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;

- (f) 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; and
- (e) the Property will not, except in accordance with Applicable Laws, be used for the purpose of storing or using any Hazardous Substance and the Property will not be used in a manner which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from or under the Property, except in accordance with Applicable Laws or permit any policy of insurance in respect of the Property to be cancelled; and

The Mortgagor hereby indemnifies the Mortgagee their officers, directors, employees, shareholders, subsidiaries, affiliates and agents from and against any and all losses, claims, costs, expenses, damages or liabilities (including, without limitation, all legal fees and disbursements) which at any time may be paid or incurred by or claimed against it or them for or directly or indirectly arising out of, resulting from or attributable to the use, generation, storage, escape, seepage, leakage, spillage, release, disposal or presence on, from and under the Property of any Hazardous Substance, and such indemnification shall survive the satisfaction or release of the Indebtedness (if the Mortgagee has been in possession or control of the Property at any time) or extinguishment of the Indebtedness (in the event that the Mortgagee or a third party becomes owner of the Property upon default of the Mortgagor).

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. 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.

14. 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.

15. 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 mortgagor in possession.

16. 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 an order is made or a resolution is passed for the winding-up, dissolution or the liquidation of the Mortgagor or for the suspension of the operations of the Mortgagor or if a petition is filed or other processes taken for the winding-up, dissolution or liquidation of the Mortgagor or for the suspension of the operations of the Mortgagor in each case upon the request or application of a third party, and such step or proceeding is not withdrawn or stayed within ten (10) Business Days; 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

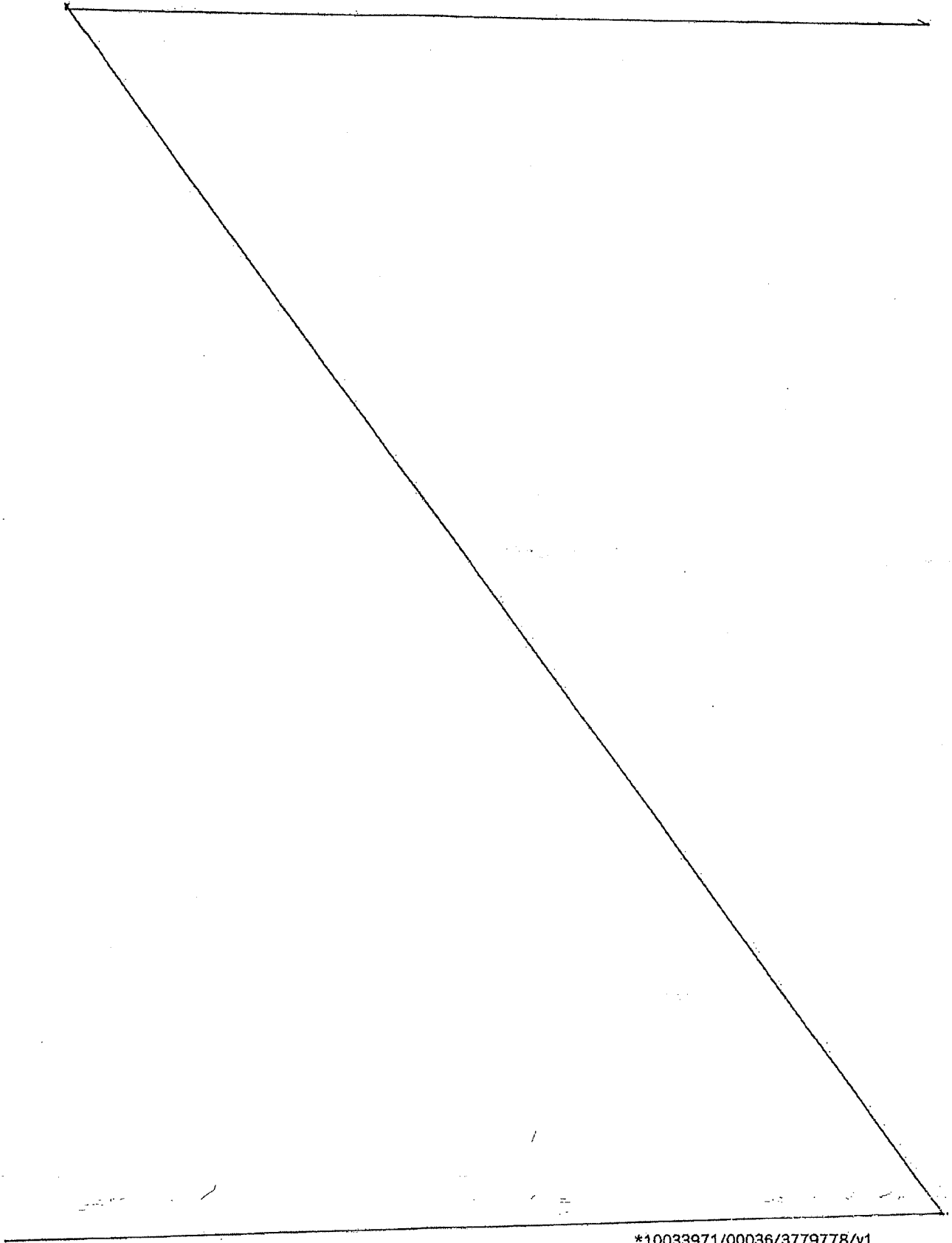
- (q) if any encumbrance or construction lien is registered upon the Property and is not discharged within 10 days of being registered; or
- (r) if any part of the Property is condemned or expropriated, provided that in respect of any expropriation, only if such expropriation gives rise to proceeds of 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.

17. 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

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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 by foreclosure and sale or 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.

18. 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 Mortgagee in any capacity and, whether or not due, against the Obligations.

19. DEFICIENCY

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

20. 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 Mortgagee 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 Mortgagee and the Mortgagee that may be in effect from time to time.

21. APPOINTMENT OF ATTORNEY

The Mortgagee hereby irrevocably appoints the Mortgagee or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Mortgagee for and in the name of the Mortgagee to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Mortgagee is obliged to sign, endorse or execute and generally to use the name of the Mortgagee 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.

22. 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 Mortgagee to the Mortgagee.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

33. TIME

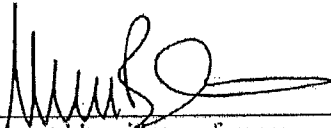
Time shall in all respects be of the essence.

34. JOINT AND SEVERAL

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

(signature page follows)

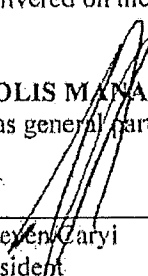
IN WITNESS WHEREOF this Mortgage has been signed and delivered on the date first written above.



Witnessed by videoconference

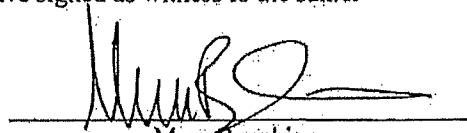
ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per: _____


Name: Steven Caryi
Title: President

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 1st day of December, 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.


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 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.


Marc Beaulieu
A Barrister of the Supreme Court of
Nova Scotia

Steven Garry

SCHEDULE "A" – PROPERTY

PID 444141

All that lot of land situate on the northeast corner of the intersection of Barrington Street and Salter Street in the City of Halifax and bounded and described as follows:

Beginning at the northeast angle or junction of Barrington and Salter Streets,

Thence running easterly by the northern boundary of Salter Street to the northwest angle or junction of Salter and Granville Street,

Thence northerly until it meets the southern boundary of property formerly owned by the Halifax Young Mens Christian Association,

Thence following the southern line of the Y.M.C.A. property 67 feet 8 inches more or less, or to a point distant 1 foot 9 inches westerly from the northwest angle of the old Masonic building erected on the corner of Salter and Granville Streets in 1875,

Thence southerly parallel to the Granville Street by a straight line distant 1 foot 9 inches from the western wall of said Masonic Hall a distance of 7 feet 6 inches,

Thence at right angles westerly a distance of 12 feet 9 inches to a point,

Thence at right angles northerly 7 feet 6 inches more or less to the southern boundary of the Y.M.C.A. property,

Thence westerly by the southern boundary of the Y.M.C.A. property a distance of 44 feet, 9 and three-quarters inches more or less to Barrington Street,

Thence southerly by the eastern side of Barrington Street 65 feet, 8 inches more or less to the place of beginning.

SUBJECT to a notice of registration of heritage designation by the City of Halifax dated September 30, 1981 and recorded on October 6, 1981 in the Halifax Registry of Deeds in Book 3525 at Page 654 as Document No. 41897.

SUBJECT to a notice of heritage designation by the City of Halifax dated October 7, 1980 and recorded on October 23, 1980 in the Halifax Registry of Deeds in Book 3441 at Page 1168 as Document No. 43700.

The description for this parcel originates with a deed dated August 10, 1925, registered in the Land Registration Office for the Registration District of Halifax as Document 1496 in Book 600 at Page 233 and the subdivision is validated by Section 291 of the Municipal Government Act.

SCHEDULE "C1-C2"

(attached):

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 11th day of December, 2020.

BETWEEN:

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

(the "Assignor")

- and -

ATLANTIC CENTRAL

(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 collateral charge of the Property (hereinafter defined) from the Assignor to and in favour of the Assignee, dated on or about the date hereof, together with

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interest thereon as therein set out, and registered against the Property (hereinafter defined) at the Land Registration Office.

- (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.

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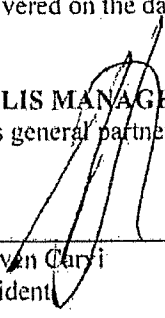
IN WITNESS WHEREOF this Mortgage has been signed and delivered on the date first written above.



Witnessed by videoconference

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


Per: _____



Name: Steven Caryi
Title: President

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 11th day of December, 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.

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

Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia

AFFIDAVIT

*10033971/00036/3779802/v1

SCHEDULE "A" – PROPERTY

PID 444141

All that lot of land situate on the northeast corner of the intersection of Barrington Street and Salter Street in the City of Halifax and bounded and described as follows:

Beginning at the northeast angle or junction of Barrington and Salter Streets,

Thence running easterly by the northern boundary of Salter Street to the northwest angle or junction of Salter and Granville Street,

Thence northerly until it meets the southern boundary of property formerly owned by the Halifax Young Mens Christian Association,

Thence following the southern line of the Y.M.C.A. property 67 feet 8 inches more or less, or to a point distant 1 foot 9 inches westerly from the northwest angle of the old Masonic building erected on the corner of Salter and Granville Streets in 1875,

Thence southerly parallel to the Granville Street by a straight line distant 1 foot 9 inches from the western wall of said Masonic Hall a distance of 7 feet 6 inches,

Thence at right angles westerly a distance of 12 feet 9 inches to a point,

Thence at right angles northerly 7 feet 6 inches more or less to the southern boundary of the Y.M.C.A. property,

Thence westerly by the southern boundary of the Y.M.C.A. property a distance of 44 feet, 9 and three-quarters inches more or less to Barrington Street,

Thence southerly by the eastern side of Barrington Street 65 feet, 8 inches more or less to the place of beginning.

SUBJECT to a notice of registration of heritage designation by the City of Halifax dated September 30, 1981 and recorded on October 6, 1981 in the Halifax Registry of Deeds in Book 3525 at Page 654 as Document No. 41897.

SUBJECT to a notice of heritage designation by the City of Halifax dated October 7, 1980 and recorded on October 23, 1980 in the Halifax Registry of Deeds in Book 3441 at Page 1168 as Document No. 43700.

The description for this parcel originates with a deed dated August 10, 1925, registered in the Land Registration Office for the Registration District of Halifax as Document 1496 in Book 600 at Page 233 and the subdivision is validated by Section 291 of the Municipal Government Act.

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 11th day of December, 2020.

BETWEEN:

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

(the "Assignor")

- and -

ATLANTIC CENTRAL

(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 collateral charge of the Property (hereinafter defined) from the Assignor to and in favour of the Assignee, dated on or about the date hereof, together with

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interest thereon as therein set out, and registered against the Property (hereinafter defined) at the Land Registration Office.

- (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.

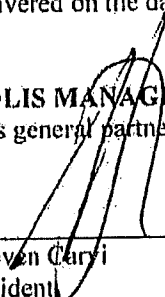
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IN WITNESS WHEREOF this Mortgage has been signed and delivered on the date first written above.

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

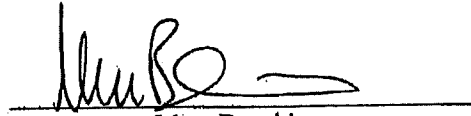

Witnessed by videoconference

Per: _____


Name: Steven Caryi
Title: President

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 11th day of December, 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.

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

Steven Caryi

SCHEDULE "A" – PROPERTY

PID 444141

All that lot of land situate on the northeast corner of the intersection of Barrington Street and Salter Street in the City of Halifax and bounded and described as follows:

Beginning at the northeast angle or junction of Barrington and Salter Streets,

Thence running easterly by the northern boundary of Salter Street to the northwest angle or junction of Salter and Granville Street,

Thence northerly until it meets the southern boundary of property formerly owned by the Halifax Young Mens Christian Association,

Thence following the southern line of the Y.M.C.A. property 67 feet 8 inches more or less, or to a point distant 1 foot 9 inches westerly from the northwest angle of the old Masonic building erected on the corner of Salter and Granville Streets in 1875,

Thence southerly parallel to the Granville Street by a straight line distant 1 foot 9 inches from the western wall of said Masonic Hall a distance of 7 feet 6 inches,

Thence at right angles westerly a distance of 12 feet 9 inches to a point,

Thence at right angles northerly 7 feet 6 inches more or less to the southern boundary of the Y.M.C.A. property,

Thence westerly by the southern boundary of the Y.M.C.A. property a distance of 44 feet, 9 and three-quarters inches more or less to Barrington Street,

Thence southerly by the eastern side of Barrington Street 65 feet, 8 inches more or less to the place of beginning.

SUBJECT to a notice of registration of heritage designation by the City of Halifax dated September 30, 1981 and recorded on October 6, 1981 in the Halifax Registry of Deeds in Book 3525 at Page 654 as Document No. 41897.

SUBJECT to a notice of heritage designation by the City of Halifax dated October 7, 1980 and recorded on October 23, 1980 in the Halifax Registry of Deeds in Book 3441 at Page 1168 as Document No. 43700.

The description for this parcel originates with a deed dated August 10, 1925, registered in the Land Registration Office for the Registration District of Halifax as Document 1496 in Book 600 at Page 233 and the subdivision is validated by Section 291 of the Municipal Government Act.

M

Form 39.09

Exhibit Stamp

Hfx No. 539955

This is Exhibit "M" 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



Retail Collateral Mortgage

THIS MORTGAGE made on this 28 day of September, 2023.

BETWEEN:

ANNAPOLIS MANAGEMENT, INC., a body corporate, in its capacity as
general partner of RUBY, LLP
(the "Mortgagor")

- and -

GRAYSBROOK CAPITAL LTD., a body corporate
("Graysbrook")

- and -

STEVEN CARYI
(the "Guarantor")

WITNESSETH that the Mortgagor in consideration of the sums of money advanced or to be advanced to the Mortgagor by Graysbrook, being the Obligations Secured (as that term is defined in the attached Set of Standard Mortgage Terms) mortgages the real property described below under Description of Property Covered to Graysbrook as security for the repayment of the Obligations Secured and the performance of the Mortgagor's obligations set out or referred to in this Mortgage including, without limitation, the Agreements (as this is defined in the attached set of Standard Mortgage Terms).

In this Mortgage "you" and "your" means each person who has signed this Mortgage as Mortgagor or if applicable, as Guarantor; "we", "our" and "us" mean Graysbrook.

You agree with us:

Firstly: That you will repay to Graysbrook the Obligations Secured and will perform all of your obligations, financial or otherwise, under the Agreements.

The debts and liabilities referred to above are all debts and liabilities, present or future, absolute or contingent, matured or not, at any time owing by you to Graysbrook or remaining unpaid by you to Graysbrook, either arising from dealings between you and Graysbrook or from any other dealings or proceedings by which Graysbrook may be or become in any manner whatever your creditor, and wherever incurred and whether incurred by you alone or with another or others and whether as principal or surety (the "Obligations Secured").

Secondly: That you will pay on demand, interest on the principal amount at a rate equal to Graysbrook's prime lending rate from time to time plus two per cent (2%) per annum, calculated daily and payable monthly, both before and after maturity and default, and interest on overdue interest at the same rate and calculated and payable in the same way.

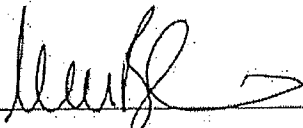
Thirdly: That you will pay all additional amounts to which Graysbrook may become entitled under this Mortgage or under the Agreements.

Fourthly: That you will do everything else that you have promised to do in this Mortgage.

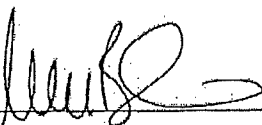
(Remainder of page Intentionally left blank)

The Mortgagor and the Guarantor confirms to have read and agreed to the terms of this Mortgage, including the Set of Standard Mortgage Terms attached, acknowledges receipt of a copy of the Mortgage and has signed below as evidence of its agreement and acknowledgement.

SIGNED this 28 day of September, 2023.



Witness



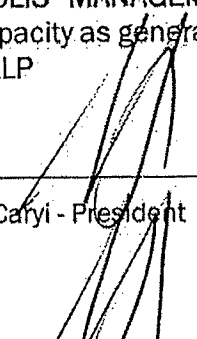
Witness

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

Per: _____



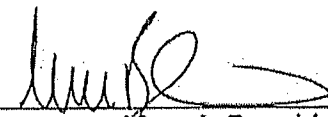
Steven Caryi - President



Steven Caryi - Guarantor

PROVINCE OF NOVA SCOTIA

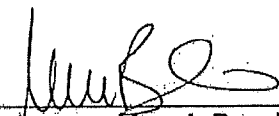
I CERTIFY that on the 28 day of September, 2023, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties hereto, caused the foregoing indenture to be executed by its duly authorized officer in my presence and that I signed as a witness to such execution.



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

PROVINCE OF NOVA SCOTIA

I CERTIFY that on the 28 day of September, 2023, STEVEN CARYI, the Guarantor in this Mortgage, signed, sealed and delivered this Mortgage in my presence and I signed as a witness to such execution.



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

AFFIDAVIT OF CORPORATE STATUS

I, Steve Caryi, make oath and say that:

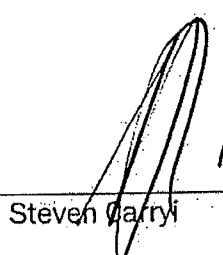
1. I am the President of ANNAPOLIS MANAGEMENT, INC. (the "Corporation"), general partner of RUBY, LLP (the "Partnership"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized 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 at Halifax, in the Province of
Nova Scotia, this 28 day of September,
2023, before me:



Marc A. Beaubien

A Barrister of the Supreme Court of
Nova Scotia



Steven Caryi

**SCHEDULE A
DESCRIPTION OF PROPERTY COVERED**

PID 00444141

All that lot of land situate on the northeast corner of the intersection of Barrington Street and Salter Street in the City of Halifax and bounded and described as follows:

Beginning at the northeast angle or junction of Barrington and Salter Streets,

Thence running easterly by the northern boundary of Salter Street to the northwest angle or junction of Salter and Granville Street,

Thence northerly until it meets the southern boundary of property formerly owned by the Halifax Young Mens Christian Association,

Thence following the southern line of the Y.M.C.A. property 67 feet 8 inches more or less, or to a point distant 1 foot 9 inches westerly from the northwest angle of the old Masonic building erected on the corner of Salter and Granville Streets in 1875,

Thence southerly parallel to the Granville Street by a straight line distant 1 foot 9 inches from the western wall of said Masonic Hall a distance of 7 feet 6 inches,

Thence at right angles westerly a distance of 12 feet 9 inches to a point,

Thence at right angles northerly 7 feet 6 inches more or less to the southern boundary of the Y.M.C.A. property,

Thence westerly by the southern boundary of the Y.M.C.A. property a distance of 44 feet, 9 and three-quarters inches more or less to Barrington Street,

Thence southerly by the eastern side of Barrington Street 65 feet, 8 inches more or less to the place of beginning.

SUBJECT to a notice of registration of heritage designation by the City of Halifax dated September 30, 1981 and recorded on October 6, 1981 in the Halifax Registry of Deeds in Book 3525 at Page 654 as Document No. 41897.

SUBJECT to a notice of heritage designation by the City of Halifax dated October 7, 1980 and recorded on October 23, 1980 in the Halifax Registry of Deeds in Book 3441 at Page 1168 as Document No. 43700.

The description for this parcel originates with a deed dated August 10, 1925, registered in the Land Registration Office for the Registration District of Halifax as Document 1496 in Book 600 at Page 233 and the subdivision is validated by Section 291 of the Municipal Government Act.

SET OF STANDARD MORTGAGE TERMS

1. DEFINITIONS

Mortgage means the mortgage, any schedule attached to it and this set of Standard Mortgage Terms; you and your mean each person who has signed or is bound by the Mortgage as Mortgagor; we, our and us mean Graysbrook, the mortgagee including our successors and assigns; **Property** means the property described under the heading **Description of Property Covered** on the Mortgage or any schedule attached to it and anything else included under the heading **Description of Property Covered** set out herein; **Obligations Secured** means all debts and liabilities described under the heading **Obligations Secured**. **Agreements** means all of the contracts, agreements, promissory notes, bills, notices or other documents which govern or relate to the **Obligations Secured** and all renewals, replacements and substitutions of them.

2. DESCRIPTION OF PROPERTY COVERED

Any buildings now or later on the Property and any other property that is at any time attached or fixed to the land, including additions, alterations and improvements to the buildings are covered by this Mortgage.

3. OBLIGATIONS SECURED

The debts and liabilities secured by this Mortgage are all debts and liabilities, present or future, absolute or contingent, matured or not, at any time owing by you to us or remaining unpaid by you to us, either arising from dealings between you and us or from any other dealings or proceedings by which we may be or become in any manner whatever your creditor, and wherever incurred and whether incurred by you alone or with another or others and whether as principal or surety.

You agree to pay in accordance with the Agreements and this Mortgage all amounts including but not limited to all costs and other amounts due to us under this Mortgage or under any of the Agreements, and all interest, including compound interest, accruing on the **Obligations Secured** from time to time. These amounts are secured by this Mortgage and form part of the **Obligations Secured**.

4. WHAT THE MORTGAGE DOES

By signing this Mortgage, you charge your entire interest in the Property to us, and to anyone to whom the Mortgage is transferred in any way, as security for the payment to us, on demand, of the **Obligations Secured**. The Mortgage secures a current or running account. The Mortgage is not satisfied or discharged by any intermediate payment of all or part of the **Obligations Secured** but remains a continuing security for payment of the **Obligations Secured**, notwithstanding any change in the amount, nature or form of the **Obligations Secured** or any renewal, extension, amendment or replacement of the Agreements.

Our charge upon your interest in the Property subject to the Mortgage will end when:

- (i) You have repaid the **Obligations Secured** including all amounts to which we may become entitled under the Mortgage, and
- (ii) You have done everything else you have promised to do in the Agreements and the Mortgage, and
- (iii) We have signed and delivered to you a Release of the Mortgage.

You may remain in possession of the Property as long as you are not in default under any of the Agreements and as long as you meet all your other obligations to us under the Mortgage.

5. NO OBLIGATION TO ADVANCE

We have no obligation to advance funds to you, even though the Mortgage is prepared, signed or registered, and whether or not any amounts have already been advanced; however, by signing the Mortgage you charge all of your interest in the Property to us. You will reimburse us, on demand, for all our expenses incurred in investigating the title to the Property and preparing and registering the Mortgage.

6. YOUR TITLE TO THE PROPERTY

As owner of the Property, you certify that, as of the date of this Mortgage and at each subsequent advance of the Obligations Secured:

- (i) You are the lawful owner of the Property;
- (ii) There are no encumbrances on the title to the Property other than those disclosed on the registered title to the Property; and
- (iii) There are no limitations or restrictions on your title to the Property except building by-laws, zoning regulations and registered restrictions which have been complied with.

You promise not to do anything that will interfere with our Mortgage upon your interest in the Property and you agree to sign any documents which we think are necessary to mortgage to us your interest in the Property.

You agree not to further mortgage, charge, hypothecate or encumber the property without our prior written consent.

7. YOUR RESPONSIBILITIES

- (i) **Payment** – You agree to pay us the Obligations Secured on demand, and to comply with all your other obligations under this Mortgage or under all Agreements.
- (ii) **Insurance** – You will insure without delay, and keep insured, in our favour and until the Mortgage is discharged, all buildings and improvements covered by the Mortgage (including those which will be built in the future both during construction and afterwards) (the "Buildings") against loss or damage by fire and other perils usually covered in fire insurance policies and against any other perils we request. Such insurance must be provided by a company approved by us for the replacement cost of the Buildings (the maximum amount for which the Buildings can be insured) in Canadian dollars. Your policy must be in form satisfactory to us and must include extended perils coverage and the Canadian Standard Mortgage Clause satisfactory to us stating that loss under the policy is payable to us. You shall, at our request, transfer to us all insurance policies and receipts you have on the Buildings and any proceeds from that insurance. Co-insurance is not permitted.

If you do not:

- maintain insurance on the Buildings that, in our opinion, complies with this paragraph;
- deliver a copy of any insurance policy or receipt to us at our request; or
- provide us with evidence, at our request, of any renewal or replacement of the insurance, at least fifteen full days before your insurance expires or is terminated,

we can, but are not obliged to, insure any of the Buildings. What we pay for any insurance we obtain under this paragraph shall be added to the Obligations Secured and will bear interest at the interest rate provided for in the Agreements. You will pay this amount to us immediately. Also, if the insurance you obtain is not acceptable to us in our reasonable estimation, we can require you to replace it with insurance which is acceptable. If any loss or damage occurs, you will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. Our providing a copy of this Mortgage will be sufficient authority for an insurance company to pay us any loss related to the insurance policy or to accept instructions from us dealing with the loss. If the Property includes a condominium unit you will seek to ensure the full compliance by the condominium corporation with its duties and obligations under the *Condominium Act* and the Declaration and By-Laws of the condominium corporation.

Insurance proceeds may, to the extent permitted by law, in whole or in part and, at our option, be applied to rebuild or repair the damaged Buildings or paid to you or paid to any other person who owns or did own the Property, (as established by the registered title) or applied, at our sole discretion, to reduce any part of the Obligations Secured, whether due or not yet due.

- (iii) **Taxes** – You agree to pay all taxes on the Property when they are due. If we require it, you will make monthly tax payments to us on account of Property taxes with each monthly loan payment. The amount of each monthly tax payment will be 1/12th of our estimate of a year's taxes on the Property next coming due and payable and may change from time to time to reflect changes in the annual taxes on the Property. The monthly tax payments should enable us to pay all taxes on or before their annual due date. Or, if the taxes are payable in instalments, the monthly payments should enable us to pay the full year's instalments of taxes on or before the date on which the first instalment is due.

You will also pay us, on demand, any amount by which the actual taxes on the Property exceed our estimate of your taxes or, at our option, we may increase the payment to cover this amount.

We will apply the monthly payments we receive from you towards payment of your property taxes as long as you are not in default under the Mortgage. We are not obliged to make tax payments on multiple instalment dates or more often than once a year. If you have not paid us enough for taxes, we may, at our option, still pay the taxes. This will create a debit balance in your tax account. Any debit balance is immediately payable by you. We are under no obligation to advise you that a debit balance has been created.

We will pay you interest on any credit balance in your tax account. The interest we pay will not be less than that paid by us on savings-chequing accounts with the same credit balance. We will charge you interest on the debit balance in your tax account at the interest rate provided for in the Agreements until the debit balance is paid to us in full. Any such debit balance and all accrued interest thereon will form a part of the Obligations Secured.

If you fail to pay us any Obligations Secured when it is due, we may apply the credit balance in your tax account towards payment of the Obligations Secured.

We can deduct from any advance of the Obligations Secured enough money to pay all taxes due which have not been paid.

You will immediately send us all assessment notices, tax bills or tax notices which you receive and provide us with receipted tax bills if we require.

- (iv) **Other charges** – You agree to pay all taxes, charges, mortgages, liens, common expenses and other encumbrances on the Property when they are due. If you do not pay any of these amounts when they are due, we can pay them. We can also pay off any liens, claims, common expenses or encumbrances against your Property which we consider to have priority over the Mortgage. If we pay on your behalf any taxes, charges, mortgages, liens or other encumbrances or any common expenses, you will immediately pay us our costs of so doing and until paid, all such costs will form part of the Obligations Secured and will bear interest at the interest rate provided for in the Agreements. You will also pay all our costs of collecting any payments not received from you when due. These costs will include all of our legal expenses on a solicitor and own client basis. All of these costs will form a part of the Obligations Secured and will bear interest at the interest rate provided for in the Agreements.

- (v) **Keeping the property in good condition** – You agree to keep the Property in good condition and to make any repairs that are needed. You also agree not to do anything, or let anyone else do anything that lowers the value of the Property. We can inspect the Property at any reasonable time and charge the cost of any inspections to you.

These costs shall be payable to us immediately shall bear interest as provided for in the Agreements and shall form part of the Obligations Secured.

If you don't keep the Property in good condition, or if you or anyone else does anything that lowers the value of the Property, we can make any repairs which we consider necessary and charge our cost of repairs to you. These amounts shall be payable to us immediately, shall bear interest as provided in the Agreements and shall form part of the Obligations Secured. You will not make any alterations, improvements or changes without our prior written consent.

You will not use the Property for any business purposes without our consent.

- (vi) **If you are a tenant of the property** – You promise:
- to pay the rents and other amounts due under the lease as they fall due;
 - to comply with all of the other terms of the lease and not to do anything that would cause the lease to be terminated;
 - not to surrender the lease;
 - not to make any change in the lease without first obtaining our written consent;
 - to give us a true copy of any notice or request you receive concerning the lease; and
 - to notify us immediately if your landlord advises you of early termination or takes any steps to effect early termination of the lease.

We shall have the right to cure any default by you under the lease but are not required to do so. If we cure any default under the lease, you will pay to us all costs we incur. These costs shall be payable to us immediately, shall bear interest as provided in the Agreements and shall form part of the Obligations Secured.

8. PREPAYMENT

Your right to prepay, if any, the principal amount will be set out in the Agreements.

9. BUILDING MORTGAGES

The word "Improvement" includes any construction, installation, alteration, addition, repair or demolition. If any portion of the Obligations Secured is to finance an Improvement, you must so inform us in writing immediately and before any advances of such portion of the Obligations Secured. You must also provide us immediately with copies of all contracts and subcontracts relating to the Improvement and any amendments to them. You agree that any Improvement shall be made only according to contracts, plans and specifications approved in writing by us in advance. You must complete all such buildings or Improvements as quickly as possible and provide us with proof of payment of all contracts from time to time as we require. If you do not complete the construction, we may do so and our expenses will form a part of the Obligations Secured and will bear interest at the interest rate provided for in the Agreements. You will pay us these expenses immediately. We will make advances to you based on the progress of the Improvement until either completion and occupation or sale of the Property. We will determine whether or not any advances will be made, when they will be made and in what amount. Whatever the purpose is of one or more of the Obligations Secured, we may in our sole and absolute discretion hold back funds from advances until we are satisfied that you have complied with the holdback provisions of the *Builders' Lien Act* as amended or re-enacted. You authorize us to provide information about the Mortgage to any person claiming a mechanics' lien on the Property.

10. TRANSFER OF LEASES AND RENTS

As additional and separate security for the Obligations Secured, you assign to us all existing and future rents and leases relating to the Property. In particular you transfer and assign to us as security:

- (i) All leases, lease agreements and their renewals;
- (ii) All rents and other money payable under the terms of all such leases and agreements; however, we may allow you to receive the rents so long as there is no default by you in making your payments to us or in complying with your other obligations to us under the Mortgage; and
- (iii) All of your rights under such leases and agreements.

In addition you confirm that:

- (iv) You must obtain our prior written consent for any future leases of the Property or for the renewal of any lease (other than a renewal provided for in any lease);
- (v) Nothing we do under this paragraph shall put us in possession of the Property;
- (vi) However, if you default under the Mortgage, we have the right to take possession of the Property, inspect, collect rents or manage the Property; and
- (vii) We are not obliged to collect any rent or other income from the Property nor to comply with any term of any lease or agreement.

11. APPOINTING A RECEIVER TO RECEIVE INCOME

If you default in making any regular loan payment or any other payment which you have agreed to make to us, or in complying with any of your obligations under any Agreement or the Mortgage, we can, in writing, appoint a receiver (which includes a receiver and manager) to

collect any income from the Property. We can also, in writing, appoint a new receiver in place of any receiver appointed by us. The receiver is considered to be your agent and not ours and his defaults are considered to be solely your defaults.

- (i) The receiver has the right to:
 - i) Use any available remedy (taken in your name or our name) to collect the income from the Property;
 - ii) Take possession of the Property or part of it;
 - iii) Manage the Property, maintain it in good condition and complete any construction or Improvements if applicable; and
 - iv) Lease the Property on whatever terms considered appropriate.

From the income collected the receiver may:

- (i) Retain a commission of 5% of the total money received or any higher rate permitted by a judge or other authorized officer.
- (ii) Retain enough money to pay disbursements spent on collecting the income.
- (iii) Pay all taxes, fire insurance premiums, expenses of keeping the Property in good condition or completing any construction or Improvements, interest on those payments and all charges that have priority over the Mortgage and interest on those charges.
- (iv) Pay us all interest that is due and payable under the Obligations Secured and then, at our option, pay us all or part of the Obligations Secured, whether due or not yet due.

Nothing done by the receiver puts us in possession of the Property or makes us accountable for any money except for money actually received by us.

12. ENVIRONMENTAL PROVISIONS

We may inspect the Property and the Buildings on it when we consider it appropriate. We may do this for any purpose but particularly to conduct environmental testing, site assessments, investigations or studies which we consider necessary. The costs of any inspection, testing, assessment or study will be payable by you and you will pay us the costs immediately after we give you notice of them. If you do not pay us when we request it, we can add the amounts to the Obligations Secured under your Mortgage and these amounts will bear interest at the interest rate provided for in the Agreements. If we do the things permitted under this paragraph, we will not be considered to be in possession or control of the Property.

13. SECURITIZATION

We may, at our option, sell or deposit all or any part of the Obligations Secured, any Agreement or this Mortgage to one or more third party(ies) without notice to you or your consent. If we do so, you agree that this Mortgage shall continue to secure all Obligations Secured, including all amounts owing under any Obligations Secured or Agreement that has been so sold, or assigned or deposited and all Obligations Secured that arise under any Agreement after such sale, assignment or deposit. This Mortgage and any Obligations Secured or Agreement once sold, assigned or deposited may be repurchased by us, whether or not in default.

14. IMMEDIATE PAYMENT

You will immediately, at our option, pay to us all of the Obligations Secured if any part of the Obligations Secured is not paid when it is due, or if you fail to comply with any of your obligations under the Mortgage or under any Agreement.

15. DELAY IN ENFORCEMENT

We can delay enforcing any of our rights under the Mortgage or the Obligations Secured without losing those rights and we can release others from their obligations under the Mortgage or any of the Obligations Secured without releasing you.

16. ENFORCING OUR RIGHTS

If you do not repay the Obligations Secured after we have demanded payment of them or if you have not corrected any other default under this Mortgage or Agreements we can take immediate possession of the Property. Upon giving you notice as required by law, we may sell the Property or lease it or pursue any other remedy available to us under Nova Scotia law. You will immediately pay all our expenses of enforcing or protecting our security or any of our rights under the Mortgage or any Agreements. Our expenses include our costs of taking or keeping possession of the Property, an allowance for the time and services of our employees utilized in so doing, our legal fees on a solicitor and own client basis and all other costs related to protecting or enforcing our interest under the Mortgage. These expenses will form part of the Obligations Secured and will bear interest as provided for in the Agreements. If the amount we receive from the sale or lease of the property is less than what you owe under the Obligations Secured you will have to pay us the difference.

You agree not to make any claims concerning the Property against anyone who buys it or leases it from us, or anyone who buys or leases the Property after that time. If you do have any claims concerning the Property, you agree to make them only against us and only for money damages.

If we obtain a court judgement against you for your failure to comply with any of your obligations to us under any of the Agreements or the Mortgage, the judgement will not result in a merger of the terms of the judgement with our other remedies or rights to enforce your other obligations under the Mortgage. We will continue to be entitled to receive interest on the Obligations Secured in the manner established in the Agreement(s). The rate of interest payable on any judgement shall be calculated and payable in the same way as interest is calculated under the Agreement(s) and at the same rate that interest is payable until the judgement has been paid in full.

17. SALE OF PROPERTY

If you sell or transfer the Property then, at our option, you will immediately pay to us all the Obligations Secured. If we do not require you to pay to us the Obligations Secured, your obligations to us under the Mortgage, and our rights against you or anyone else who is liable for the payment of the Obligations Secured, are not affected.

18. AMENDMENTS

We may from time to time enter into one or more written agreements with you (or with anyone to whom the Property is transferred) to amend the Agreements or the Mortgage. It will not be necessary to register the agreement on title in order to retain priority for the Mortgage, as amended, over any instrument registered after the Mortgage for the full amount of the Obligations Secured. Any reference in this set of Standard Mortgage Terms to the Mortgage means the Mortgage as amended by any such agreement.

19. GIVING NOTICE

Any written notice under this Mortgage or the Agreements may be given to you and shall be considered to have been received by you when we send it to the last address of which we have received written notice from you. Written notice to any one of you shall be considered to be notice to all of you. Written notice shall be considered to have been received by us when it is received at the address of the branch indicated on the Mortgage document or any other branch as we may notify you in writing.

20. EFFECT ON OTHER AGREEMENTS, OBLIGATIONS AND SECURITY

The Mortgage does not change or release you from any of your other obligations under the Agreements with us. Also, the Mortgage does not affect any other security we hold for the repayment of the Obligations Secured, or any other rights we may have to enforce repayment of the Obligations Secured.

21. CONDOMINIUM PROVISIONS

The *Condominium Act*, as amended or re-enacted, is called "the Act". Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression condominium property has the same meaning as the word "property" in the Act.

You will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "Corporation") relating to the property and provide us with proof of your compliance from time to time as we may request.

You will pay the common expenses for your Property to the Corporation on the due dates. In addition to our other rights and remedies contained in the Mortgage, you will pay us immediately all our expenses in relation to any by-law, resolution, rule or other matter (other than one for which only a vote of the majority present at the meeting is required) or the enforcement of our right to have the Corporation or any owner comply with the Act, declaration, by-laws and rules and our exercising any voting rights we may have. These costs will bear interest in accordance with the Agreements and will form a part of the Obligations Secured.

You irrevocably authorize us to exercise your rights in all matters concerning the Act and the condominium. You also authorize us to exercise your rights to demand the Corporation purchase the unit and common interest, where provided under the Act; elect to have the value of the unit and common interest or that of the condominium property determined by arbitration and receive your share of the Corporation's assets and the proceeds from the sale of the unit and common interest or of the condominium property or any part of the common elements.

If we do not exercise your rights, you may do so according to any instructions we may give you. Before making such a demand or election you must obtain our prior written approval. You must do this even if we do not have the right to make the demand or election as between ourselves and the Corporation, and even if we had previously arranged for you to exercise that right.

The above actions will not put us in possession of the Property. We are not liable for any action we may take in doing what you have authorized us to do or for any failure to act.

You authorize us to inspect the Corporation's records and remedy any failure of yours to comply with the Act or the declaration, by-laws and rules of the Corporation. You will forward to us, if we require, any notices, assessments, by-laws, rules and financial statements of the Corporation you receive (or are entitled to receive) from the Corporation.

The Obligations Secured will become payable immediately, at our option, if (i) the Corporation fails to comply with the Act and the declaration, by-laws and rules of the Corporation; (ii) the Corporation fails to insure all the condominium units and common elements according to law

and according to any additional requirements of ours or do all that is necessary to collect insurance proceeds; (iii) the Corporation makes any substantial modification to the common elements or the Corporation's assets without our approval; (iv) there has been substantial damage and the owners have voted for termination of the condominium; (v) a sale of the condominium property or any part of the common elements is authorized, or (vi) the property ceases to be governed by the Act.

If the Property ceases to be governed by the Act all the terms of the Mortgage continue to apply to the Property. You authorize us to agree with anyone to a partition of the condominium property. We can pay or receive money to ensure that the partition is equal and you will immediately reimburse us for any money we have paid. We can also execute all documents and do all acts needed to carry out the partition. Your share of the Corporation's assets and the proceeds from the sale of the unit and common interest or of the condominium property or any part of the common elements shall be paid to us (unless we notify you to the contrary in writing) and you will do all things necessary to accomplish this and any money received by us (after payment of all our expenses) may be applied to reduce any part of the Obligations Secured. Any balance remaining after all claims have been satisfied will be paid by you.

22. RELEASING THE PROPERTY FROM THE MORTGAGE

We may release, or partially release, the Property from the Mortgage whether we receive value for our release or not. If we release part of the Property from the Mortgage at any time, the rest of the Property will continue to secure the Obligations Secured.

If the Property is subdivided before our interest in the Property comes to an end, the Mortgage will be secured by each part into which the Property is subdivided. This means that each part will secure repayment of the total amount of the Obligations Secured you owe us, even if we release another part of the Property from the Mortgage.

We can release you, any guarantor, or any other person from performing any obligation contained in the Mortgage or any other security document without releasing any part of the Property secured by the Mortgage or any other security document. Any such release shall not release any other party from their obligations under the Mortgage or Agreements.

23. RELEASE OF MORTGAGE

When our interest in the Property comes to an end, we will prepare for you a full release of our claim (which is called a Release of Mortgage). You will give us a reasonable time in which to prepare and sign the release and you will pay our usual administrative fee for preparing, reviewing or signing the document and all legal and other expenses we incur in so doing. You will be responsible for registering and for the costs of registering any release.

24. WHO IS BOUND BY THE MORTGAGE

You agree to observe and be bound by all of the terms and obligations contained in the Mortgage. The Mortgage will also be binding on your heirs, personal representatives and any person to whom the Property is transferred and shall benefit us and our successors and assigns. All persons who sign or who are otherwise bound by the Mortgage as mortgagors are jointly and severally bound to comply with all obligations under the Mortgage.

25. GUARANTEE

In this paragraph, guarantor means each person who signs the Mortgage as guarantor of the Obligations Secured. Mortgagor means each person who signs or is otherwise bound by the Mortgage as mortgagor.

In return for us making a loan to the mortgagor, the guarantor, by signing the Mortgage, unconditionally guarantees to us the mortgagor's payments of the Obligations Secured (including interest, whether or not the interest rate is changed, and other costs and charges), when due and compliance with the mortgagor's other obligations under the Mortgage and Agreements. Each guarantor agrees that, if the mortgagor defaults in making any payment or in performing any other obligation under the Mortgage or Agreements, the guarantor will pay us upon demand all of the Obligations Secured and comply with all of the obligations under the Mortgage or Agreements which have not been complied with by the mortgagor. Each guarantor will be jointly and severally responsible with the mortgagor and with one another (if more than one) for all obligations under the Mortgage and Agreements, including payment of the Obligations Secured.

It is understood that we can without releasing or lessening the guarantor's liability and without obtaining the consent of or giving notice to the guarantor:

- Make new advances of the Obligations Secured;
- Grant any extensions of time for payment and extensions of the term of the Obligations Secured, including any amendments, replacements, additions or renewals of the Agreements covering the Obligations Secured;
- Increase the rate of interest payable under the Agreements, either during the initial term or in any subsequent renewal period;
- Release the whole or any part of the Property from the Mortgage or any other security;
- Otherwise deal with the mortgagor, any other person (including any guarantor), any security (including the Mortgage) or the Property, including releasing, realizing on or replacing any security we may hold;
- Waive any provision of the Mortgage or Agreements or change any of the terms of the Mortgage or Agreements at any time;

either before or after requiring payment from any other person. We may require payment from any guarantor without first trying to collect from the mortgagor or any other person (including any guarantor) or on any security (including the Mortgage). The obligations of the guarantor under this guarantee shall be as principal debtor and not as surety and are not affected by the release of any mortgagor or any other person (including any guarantor) of its obligations under the Obligations Secured or any compromise or termination of any Obligations Secured, whether in bankruptcy proceedings or otherwise. Each guarantor's obligations shall be binding upon the guarantor's successors or personal representatives.

26. HEADINGS

The headings in the body of the Mortgage form no part of the Mortgage. They are inserted for convenience only. You agree that all of the provisions stated in this set of Standard Mortgage Terms form a part of the Mortgage.

This GENERAL ASSIGNMENT OF RENTS AND LEASES made the 28th day of September, 2023.

BETWEEN:

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.

(the "Assignee")

OF THE SECOND PART

WHEREAS:

- A. The Assignor is the present owner of the lands situate at 1533 Barrington Street, 1532-1536 Granville Street and 5187 Salter Street, Halifax, NS, and comprised of the lands and premises described in Schedule "A" hereto (hereinafter collectively called the "Property");
- B. The Assignee has loaned certain money to the Assignor pursuant to the terms of a term sheet (the "Term Sheet") among, *inter alia*, the Assignor and the Assignee which indebtedness is secured, *inter alia*, by a first mortgage of even date herewith containing a mortgage of the Property (the "Mortgage");
- C. It was agreed as a condition of advancing the sums pursuant to the Term Sheet and the Mortgage that the Assignor would assign to the Assignee, its successors and assigns: (i) all leases, subleases, licenses, agreements to lease, options to lease, rights of renewal or other agreements by which the Assignor granted or will grant the right to use or occupy all or part of Property (whether presently existing or which may exist in the future) and includes agreements collateral thereto and any of the foregoing types of agreements entered into by any predecessor in title to the Assignor to the extent that any such agreements remain in effect (collectively, the "Leases"); (ii) all rents, issues and profits now due or to become due under and derived from the Leases and or the property (collectively, the "Rents"); and (iii) the benefit of all covenants and obligations of tenants, licensees and occupants contained in any Leases, including without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect and receive all rent, to enforce the Assignor's rights under any Leases or any of them (collectively, the "Lease Benefits"); as additional security of the payment of the moneys owed to the Assignee pursuant to the Term Sheet and the documents contemplated thereby (the "Indebtedness") and for the performance of the covenants and provisos therein contained (the "Obligations"). The Leases, the Rents and the Lease Benefits are hereinafter collectively referred to as the "Assigned Rights and Benefits".

NOW THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid to the Assignor by the Assignee, (the receipt and sufficiency of which is hereby acknowledged), the parties hereto covenant and agree as follows:

1. As continuing collateral security for the payment of the Indebtedness and performance of the Obligations, the Assignor does hereby sell, assign, transfer and set over unto the Assignee, all of the Assignor's right, title and interest, both at law and in equity, in and to the Assigned Rights and Benefits, to hold and receive the same unto the Assignee with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and to enforce payment of the same and enforce performance of the obligations in accordance with and subject to the terms of this Assignment.
2. This Assignment shall not extend or apply to the last day of the term, or the last day of any extended or renewed term, of any of the Leases and if the assignment be enforced by the Assignee, the Assignor shall stand possessed of each such last day and shall hold same in trust to assign the same at the direction of the Assignee or any person who may acquire any such term or renewal term or who in the course of enforcement hereof may be entitled to so direct.
3. It is expressly acknowledged and agreed that nothing herein contained shall obligate the Assignee to assume or perform any obligation of the Assignor to any third party in respect of or arising out of the Assigned Rights and Benefits or any of them. The Assignee may, however, only after Default (as hereinafter defined), and while such Default continues, at its option, assume or perform any such obligations as the Assignee considers necessary or desirable to obtain the benefit of the Assigned Rights and Benefits free of any set off, deduction, or abatement and any money expended by the Assignee in this regard shall form part of and shall be deemed to form part of the Indebtedness and bear interest at the rate stipulated in the Term Sheet.
4. The exercise by the Assignee of its rights under this Assignment or the assumption after Default of certain obligations of the Assignor as referred to in Section 3 above, shall not constitute or have the effect of making the Assignee a mortgagee in possession. Care, control and management of the Property shall remain and shall be deemed to be with the Assignor, in the absence of clear and unequivocal action by the Assignee depriving the Assignor of such care, control and management and the assumption thereof by the Assignee.
5. The Assignee may, at any time and whether or not Default has occurred, without further request or agreement by the Assignor, reassign to the Assignor, their successors and assigns, the Assigned Rights and Benefits or any part or parts thereof by an instrument of reassignment in writing executed by the Assignee delivered to the Assignor, their successors and assigns, at the address for notice herein provided. Such instrument upon delivery shall constitute a good and sufficient reassignment of all of the Assignee's right, title and interest in and benefit of the Assigned rights and Benefits to which it pertains and a good and valid release and termination of obligations (if any) of the Assignee with respect thereto. Such reassignment shall not expressly or impliedly constitute any representation or warranty to the Assignor as to the Assigned Rights and Benefits or anything related thereto.

6. A statement or recital referring to this Assignment in the discharge of the Mortgage shall operate as a good and sufficient reassignment to the Assignor, its successors and assigns, of the Assignee's right, title and interest in and to the Assigned Rights and Benefits without further instrument or agreement by the parties and on payment of the Indebtedness upon the request and at the cost and expense of the Assignor, the Assignee covenants to execute and deliver to the Assignor instruments in registrable form effective to evidence the termination of this Assignment and/or reassignment to the Assignors of the Assigned Rights and Benefits.
7. The Assignor covenants, represents and warrants to and with the Assignee that:
 - (a) the Assignor has good right, full power and absolute authority to assign the Assigned Rights and Benefits and each of them in the manner herein provided;
 - (b) other than Permitted Encumbrances referred to in the Term Sheet, there is no outstanding assignment, mortgage, pledge, hypothecation or other disposition or encumbrance affecting the Assigned Rights and Benefits;
 - (c) notwithstanding any act of the Assignor, the Leases which have been entered into as of the date hereof are valid, subsisting and enforceable leases;
 - (d) there is no right of set-off or abatement with respect to any rent or other moneys owing or to become owing by each lessee under the Leases;
 - (e) there has been no release of the obligations of the lessees under the Leases;
 - (f) all the Leases are in good standing;
 - (g) no rent or other amounts payable pursuant to the Leases has been prepaid for more than a one (1) month period.
8. The Assignor covenants with the Assignee:
 - (a) that except when prevented from doing so because of the actions of the Assignee, to at all times perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases (except to the extent that the same have been expressly waived by the other parties to such Leases);
 - (b) to maintain or cause to be maintained the Assigned Rights and Benefits 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 enforceability of the Leases;
 - (c) to cause the Property to be maintained and managed at all times to a standard of quality consistent with the management of other projects which are of a size, location and type comparable to the Property;
 - (d) not to execute any other assignment of the Assignor's interest in the Assigned Rights and Benefits;
 - (e) save for deposits for the first and last month rentals, the Assignor will not accept Rents more than one (1) month in advance of the dates when such Rents fall due and will not cause payment to be made in advance on its direction;

- (f) all offers to lease and all tenancy agreements, leases or subleases entered into with the lessees of the Property shall be on the standard forms previously approved by the Assignee acting reasonably, to be used in connection with the Property, amended as deemed appropriate in the circumstances by the Assignor acting reasonably to give effect to the arrangements made with each lessee or, if not on pre-approved standard form, then in all cases in form and substance acceptable to the Assignee acting reasonably;
 - (g) subject as hereinafter provided not to permit termination or, alter or amend, waive rights or remedies or otherwise take action with respect to the Leases which in the aggregate will create a material reduction in Rents, from those payable as of the date hereof, without the prior written approval of the Assignee such approval not to be unreasonably withheld or delayed;
 - (h) to furnish to the Assignee credit reports and financial statements all of which are obtained by or may be in the possession or control of the Assignor, when reasonably required by the Assignee;
 - (i) after Default and while such default continues, upon request of the Assignee to facilitate in all ways the Assignee's exercise of its rights hereunder, including without limitation upon request of the Assignee (i) delivery to the Assignee of up to date rent rolls and true copies of all then outstanding leases; (ii) access during regular business hours to records pertaining to the Property, wherever held; and (iii) execution by the Assignor of written notices to the Lessees directing them to make Rent payments to the Assignee;
 - (j) to furnish reports to the Assignee with respect to leasing activity and the status of Leases as set forth in the Term Sheet;
 - (k) to use its best efforts to obtain estoppel certificates from its lessees when and as required by the Assignee. In the event an estoppel certificate is not forthcoming, the Assignor shall furnish in lieu thereof, a certificate of a senior officer as to the information which would have been provided therein.
9. The Assignor covenants and agrees with the Assignee to promptly notify the Assignee of each and every breach, default, non-observance or non-performance, alleged, charged or claimed against the Assignor under any lease, of which it has or receives written notice or of any proceeding by or from any lessee of the Property, or any part thereof, which could likely result in:
- (a) the cancellation or termination of any lease; or
 - (b) the substantial reduction of or setting-off against Rent generated or to accrue from any lease.
10. Subject to the terms of the Assignment, the Assignor shall have the full right, while not in Default: (i) to continue to collect Rents; and (ii) to take all actions or cause all actions to be taken it deems necessary with respect to the Assigned Rights and Benefits, acting as a reasonable and prudent lessor, including without limitation the right to alter, modify, amend or change the terms of the Assigned Rights and Benefits or give any consent, concession or

waiver or exercise any option of the Assignor permitted by such terms, or cancel or terminate the Assigned Rights and Benefits or accept the surrender thereof or consent to any assignment of or subletting under the Leases, provided that the Assignor shall provide to the Assignee details of any of the foregoing in the annual reports referred to in Section 8.

11. "Default" for the purposes of this Assignment means: default has occurred under the terms of the Term Sheet and such default is not remedied within the time period provided in the Mortgage or the Letter of Offer, if any and is continuing or default has occurred under this Assignment; or any representation or warranty by the Assignor herein shall prove to be incorrect at any time in any material respect. Upon Default, the Assignee shall have, in addition to any remedy in respect of the Assigned Rights and Benefits as it has under any other agreement, (including foreclosure or sale under the Term Sheet), all remedies available at common law or in equity, including, without obligation, any one or more of the following rights:
- (a) to collect the Rents or any part thereof and in the name of the Assignor to take from time to time any proceeding which is in the opinion of the Assignee or its counsel, expedient for the purpose of collecting Rents or for securing the payment thereof or for enforcing any of the Assignor's rights under the Leases, also to demand and receive the same and to give acquittances therefor; also to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to the amount; and any settlement arrived at shall be binding upon the Assignor;
 - (b) to receive, enjoy or otherwise avail itself of the Lease benefits;
 - (c) to manage the Property, including without limitation, the making of repairs or replacements to maintain the building or buildings on the Property;
 - (d) to appoint and dismiss such agent or employees as shall be necessary or desirable for exercise of the Assignee's rights hereunder;
 - (e) to alter, modify, amend or change the terms of Leases; to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases, provided same are replaced with a lease or leases of equal or greater economic benefit; to give consents to assignment of or subletting under Leases; and to accept surrenders of Leases provided such surrendered Leases are contemporaneously replaced with new leases with the term of each new lease being equal to or greater than the duration of the balance of the term of the surrendered Lease and further provided that the Rent of the new lease is not materially less than Rent of the surrendered Lease;
 - (f) to enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and managing, operating and maintaining its interest in the Property;
 - (g) to send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and may employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
 - (h) by private instrument to appoint a receiver and manager in accordance with the receivership provisions of the Mortgage which are incorporated by reference into this Assignment;

- (i) to generally perform all such acts as may in the reasonable opinion of the Assignee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Assignor, or in the name of the Assignee.
- 12. The Assignee's obligations as to any Rents or other amounts actually collected shall be discharged by application of such Rents or other amounts against the Indebtedness and for any of the other purposes described in this Assignment. The Assignee shall not be liable for uncollected Rents or other uncollected amounts. The Assignee shall not be liable to any lessee for the return of any security deposit made under any Lease of any portion of the Property unless the Assignee shall have received such security deposit. 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 any of the Assigned Rights and Benefits. No credit shall be given to the Assignor for any sum or sums received from the Rents, until the money collected is actually received by the Assignee, and no credits shall be given for any uncollected Rents or other uncollected amounts or bills, nor shall credit on the Indebtedness be given for any Rents, after the Assignee shall obtain ownership of the Property under order of court or by operation of law.
- 13. 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 Assignment shall constitute a good and valid discharge therefor to each such lessee.
- 14. The Assignee may at any time after Default and while such default continues, with respect to any and all Assigned Rights and Benefits, give to any lessee or other person from whom the Assignor would have been entitled to receive or claim any benefit under the Assigned Right and Benefits in question (the "Other Parties" or "Other Party") express notice in writing of this Assignment and thereafter the Assignee shall be entitled to deal with the Other Party or Other Parties in respect of the Assigned Rights and Benefits without reference to or consent of the Assignor, as if the Assignee were the absolute owner of the Assigned Rights and Benefits.
- 15. The Assignor will at the reasonable request of the Assignee attempt to obtain from the Other Party or Other Parties, acknowledgments of good standing of the assigned Rights and Benefits and/or acknowledgments of notice of this Assignment, in form reasonably satisfactory to the Assignee.
- 16. The Assignor acknowledges and agrees that this Assignment constitutes an irrevocable direction and authorization of the Assignor to any Other Party to pay Rents to the Assignee in accordance with this Agreement and otherwise, honour the rights of the Assignee under this Assignment, the Assignor agrees that any Other Party may rely upon any notice given by the Assignee or on its behalf. The Assignor hereby waives as against any Other Party any claim they might otherwise have by reason of the Other Party acting on such notice.
- 17. In the event all Defaults are subsequently cured, the Assignee shall upon request of the Assignor, and at the Assignor's expense, execute and deliver to the Assignor, directions and authorizations to any Other party who received notice of this Assignment in connection with the Default now cured as aforesaid, authorizing and directing such Other Party(ies) to resume payment of Rents to the Assignor until such time as a further written notice is delivered by the Assignee pursuant to the terms of this Assignment.

18. 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 in no respect be terminated but instead remain in 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 Agreement, have all the rights granted hereby.
19. 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 Term Sheet. The said remedies shall be cumulative and concurrent and not alternative, may be pursued separately, successively or together against the Assignor, against the Property or any or all of them at the sole discretion of the Assignee and may be exercised as often as occasion therefore shall arise.
20. The Assignor acknowledges and agrees that if and to the extent the Assignor's right, title and interest in any Assigned Right and Benefit is not acquired until after the delivery of this Assignment, this Assignment shall nonetheless apply thereto and the security interest of the Assignee hereby created shall attach to any such Assigned Right and Benefit at the same time as the Assignor acquires rights therein without the necessity of any further assignment or other assurances. The Assignor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered every further act, deed, document or further assurance as may be required to give effect to this Agreement.
21. This Assignment shall ensure to the benefit of and be binding upon the successors and assigns of the Assignor and the Assignee.
22. In any action, suit or proceedings for enforcing this Assignment or to recover payment of the monies hereby secured, service of any notice, writ or a summons, originating summons, statement of claim, order of court or a judge, or of any legal or other proceedings by the Assignee, or by or pursuant to any statute, ordinance, rule, order or practice required to be given or serviced, and every notice and/or demand or request permitted or required to be served hereunder, shall be deemed to be properly and effectively served if delivered by hand to one or more of the respective officers or directors or the Assignor and Assignee, or mailed by depositing the same in any post office or letter box, in Canada enclosed in a postage pre-paid envelope, registered, addressed as set out below, or sent by facsimile transmission, or other similar form of communication (collectively, "Electronic Communication") to the intended recipient at:

If to the Assignor at:

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

PO Box 1011, Halifax, NS B3J 2X1

If to the Assignee at:


Graysbrook Capital Ltd.
Suite 350, 7150 Chebucto Road
Halifax, NS B3L 4W8

The Assignor and the Assignee may change their respective addresses for service by giving the other party hereto written notice thereof, in the manner aforesaid. Notice shall be deemed to have been received on the date of delivery, where applicable, or, where mailed in Canada, five (5) business days after the date of registration of the postage pre-paid envelope, containing a notice, demand, request or document except in the event of mail strike or reasonably anticipated or actual disruption of postal service which would prevent or substantially delay receipt of anything mailed in the manner aforesaid, in which case notice, for the duration of such mail strike or reasonably anticipated or actual disruption of postal service, shall be effected by personal delivery, or, when sent by Electronic Communication, on the business day next following the day on which it was sent.

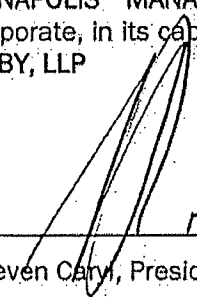
23. This Assignment shall be governed by and construed in accordance with the laws of the Province of Nova Scotia.
24. If any term or provision contained in this Assignment or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this 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.
25. Time shall be of the essence in this Assignment in all respects.
26. The Assignor shall forthwith on demand enter into, execute and deliver to the Assignee, at the Assignor's expense, such further instruments and assurances in respect of this Assignment as the Assignee may reasonably require.
27. Any provision in this Assignment which is prohibited or unenforceable in any applicable jurisdiction will be ineffective to the extent of such prohibition or unenforceability without invalidating any remaining provisions hereof. To the extent permitted by law, the parties hereto hereby waive any provision of law which renders any such provision prohibited or unenforceable in any respect.
28. The Assignor agrees to pay all reasonable legal and other costs of the Assignee in connection with renewing this assignment from time to time and realizing upon, enforcing and attempting to enforce the terms of this Assignment or the security granted hereby; all such other costs when incurred shall be secured hereby and failure to pay the same as and when demanded shall also constitute a default hereunder, the Assignor shall indemnify and save the Assignee harmless from all actions, suits, costs, losses, charges, demands and expenses now or hereafter incurred or arising as a result of the default by the Assignor hereunder or as lessor in any of the Leases.
29. This Assignment and the rights and remedies contained herein shall be assignable by the Assignee in its sole discretion, and shall be successively assignable by such assignee in its sole discretion without the consent of the Assignor and without prior notice of such assignment by the Assignee to the Assignor provided that such assignment shall only be made in conjunction with an assignment of the Mortgage and other security granted as collateral security to the obligations of the Assignor thereunder and shall not be an assignment of this Assignment only. If so assigned, the Assignee shall have and be entitled to exercise any and all discretion, rights and powers of the Assignee hereunder and all references herein to the Assignee shall include such Assignee.

IN WITNESS WHEREOF the Assignor has duly executed this General Assignment of Rents and Leases, as of the date first set out above.

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



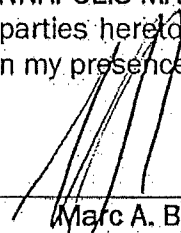
Witness

Per: 

Steven Cary, President

PROVINCE OF NOVA SCOTIA

I CERTIFY that on the 28th day of September, 2023, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties hereto, caused the foregoing indenture to be executed by its duly authorized officer in my presence and that I signed as a witness to such execution.



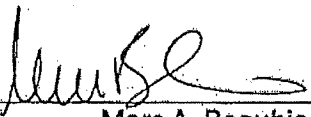
Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia

AFFIDAVIT OF CORPORATE STATUS

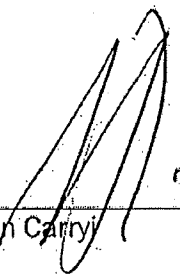
I, Steve Caryi, make oath and say that:

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 at Halifax, in the Province of
Nova Scotia, this 26 day of September,
2023, before me:



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



Steven Caryi

**SCHEDULE A
DESCRIPTION OF PROPERTY COVERED**

PID 00444141

All that lot of land situate on the northeast corner of the intersection of Barrington Street and Salter Street in the City of Halifax and bounded and described as follows:

Beginning at the northeast angle or junction of Barrington and Salter Streets,

Thence running easterly by the northern boundary of Salter Street to the northwest angle or junction of Salter and Granville Street,

Thence northerly until it meets the southern boundary of property formerly owned by the Halifax Young Mens Christian Association,

Thence following the southern line of the Y.M.C.A. property 67 feet 8 inches more or less, or to a point distant 1 foot 9 inches westerly from the northwest angle of the old Masonic building erected on the corner of Salter and Granville Streets in 1875,

Thence southerly parallel to the Granville Street by a straight line distant 1 foot 9 inches from the western wall of said Masonic Hall a distance of 7 feet 6 inches,

Thence at right angles westerly a distance of 12 feet 9 inches to a point,

Thence at right angles northerly 7 feet 6 inches more or less to the southern boundary of the Y.M.C.A. property,

Thence westerly by the southern boundary of the Y.M.C.A. property a distance of 44 feet, 9 and three-quarters inches more or less to Barrington Street,

Thence southerly by the eastern side of Barrington Street 65 feet, 8 inches more or less to the place of beginning.

SUBJECT to a notice of registration of heritage designation by the City of Halifax dated September 30, 1981 and recorded on October 6, 1981 in the Halifax Registry of Deeds in Book 3525 at Page 654 as Document No. 41897.

SUBJECT to a notice of heritage designation by the City of Halifax dated October 7, 1980 and recorded on October 23, 1980 in the Halifax Registry of Deeds in Book 3441 at Page 1168 as Document No. 43700.

The description for this parcel originates with a deed dated August 10, 1925, registered in the Land Registration Office for the Registration District of Halifax as Document 1496 in Book 600 at Page 233 and the subdivision is validated by Section 291 of the Municipal Government Act.

This GENERAL ASSIGNMENT OF RENTS AND LEASES made the 28th day of September, 2023.

BETWEEN:

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.

(the "Assignee")

OF THE SECOND PART

WHEREAS:

- A. The Assignor is the present owner of the lands situate at 1533 Barrington Street, 1532-1536 Granville Street and 5187 Salter Street, Halifax, NS, and comprised of the lands and premises described in Schedule "A" hereto (hereinafter collectively called the "Property");
- B. The Assignee has loaned certain money to the Assignor pursuant to the terms of a term sheet (the "Term Sheet") among, *inter alia*, the Assignor and the Assignee which indebtedness is secured, *inter alia*, by a first mortgage of even date herewith containing a mortgage of the Property (the "Mortgage");
- C. It was agreed as a condition of advancing the sums pursuant to the Term Sheet and the Mortgage that the Assignor would assign to the Assignee, its successors and assigns: (i) all leases, subleases, licenses, agreements to lease, options to lease, rights of renewal or other agreements by which the Assignor granted or will grant the right to use or occupy all or part of Property (whether presently existing or which may exist in the future) and includes agreements collateral thereto and any of the foregoing types of agreements entered into by any predecessor in title to the Assignor to the extent that any such agreements remain in effect (collectively, the "Leases"); (ii) all rents, issues and profits now due or to become due under and derived from the Leases and or the property (collectively, the "Rents"); and (iii) the benefit of all covenants and obligations of tenants, licensees and occupants contained in any Leases, including without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect and receive all rent, to enforce the Assignor's rights under any Leases or any of them (collectively, the "Lease Benefits"); as additional security of the payment of the moneys owed to the Assignee pursuant to the Term Sheet and the documents contemplated thereby (the "Indebtedness") and for the performance of the covenants and provisos therein contained (the "Obligations"). The Leases, the Rents and the Lease Benefits are hereinafter collectively referred to as the "Assigned Rights and Benefits".

NOW THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid to the Assignor by the Assignee, (the receipt and sufficiency of which is hereby acknowledged), the parties hereto covenant and agree as follows:

1. As continuing collateral security for the payment of the Indebtedness and performance of the Obligations, the Assignor does hereby sell, assign, transfer and set over unto the Assignee, all of the Assignor's right, title and interest, both at law and in equity, in and to the Assigned Rights and Benefits, to hold and receive the same unto the Assignee with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and to enforce payment of the same and enforce performance of the obligations in accordance with and subject to the terms of this Assignment.
2. This Assignment shall not extend or apply to the last day of the term, or the last day of any extended or renewed term, of any of the Leases and if the assignment be enforced by the Assignee, the Assignor shall stand possessed of each such last day and shall hold same in trust to assign the same at the direction of the Assignee or any person who may acquire any such term or renewal term or who in the course of enforcement hereof may be entitled to so direct.
3. It is expressly acknowledged and agreed that nothing herein contained shall obligate the Assignee to assume or perform any obligation of the Assignor to any third party in respect of or arising out of the Assigned Rights and Benefits or any of them. The Assignee may, however, only after Default (as hereinafter defined), and while such Default continues, at its option, assume or perform any such obligations as the Assignee considers necessary or desirable to obtain the benefit of the Assigned Rights and Benefits free of any set off, deduction, or abatement and any money expended by the Assignee in this regard shall form part of and shall be deemed to form part of the Indebtedness and bear interest at the rate stipulated in the Term Sheet.
4. The exercise by the Assignee of its rights under this Assignment or the assumption after Default of certain obligations of the Assignor as referred to in Section 3 above, shall not constitute or have the effect of making the Assignee a mortgagee in possession. Care, control and management of the Property shall remain and shall be deemed to be with the Assignor, in the absence of clear and unequivocal action by the Assignee depriving the Assignor of such care, control and management and the assumption thereof by the Assignee.
5. The Assignee may, at any time and whether or not Default has occurred, without further request or agreement by the Assignor, reassign to the Assignor, their successors and assigns, the Assigned Rights and Benefits or any part or parts thereof by an Instrument of reassignment in writing executed by the Assignee delivered to the Assignor, their successors and assigns, at the address for notice herein provided. Such instrument upon delivery shall constitute a good and sufficient reassignment of all of the Assignee's right, title and interest in and benefit of the Assigned rights and Benefits to which it pertains and a good and valid release and termination of obligations (if any) of the Assignee with respect thereto. Such reassignment shall not expressly or impliedly constitute any representation or warranty to the Assignor as to the Assigned Rights and Benefits or anything related thereto.

6. A statement or recital referring to this Assignment in the discharge of the Mortgage shall operate as a good and sufficient reassignment to the Assignor, its successors and assigns, of the Assignee's right, title and interest in and to the Assigned Rights and Benefits without further instrument or agreement by the parties and on payment of the Indebtedness upon the request and at the cost and expense of the Assignor, the Assignee covenants to execute and deliver to the Assignor instruments in registrable form effective to evidence the termination of this Assignment and/or reassignment to the Assignors of the Assigned Rights and Benefits.
7. The Assignor covenants, represents and warrants to and with the Assignee that:
 - (a) the Assignor has good right, full power and absolute authority to assign the Assigned Rights and Benefits and each of them in the manner herein provided;
 - (b) other than Permitted Encumbrances referred to in the Term Sheet, there is no outstanding assignment, mortgage, pledge, hypothecation or other disposition or encumbrance affecting the Assigned Rights and Benefits;
 - (c) notwithstanding any act of the Assignor, the Leases which have been entered into as of the date hereof are valid, subsisting and enforceable leases;
 - (d) there is no right of set-off or abatement with respect to any rent or other moneys owing or to become owing by each lessee under the Leases;
 - (e) there has been no release of the obligations of the lessees under the Leases;
 - (f) all the Leases are in good standing;
 - (g) no rent or other amounts payable pursuant to the Leases has been prepaid for more than a one (1) month period.
8. The Assignor covenants with the Assignee:
 - (a) that except when prevented from doing so because of the actions of the Assignee, to at all times perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases (except to the extent that the same have been expressly waived by the other parties to such Leases);
 - (b) to maintain or cause to be maintained the Assigned Rights and Benefits 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 enforceability of the Leases;
 - (c) to cause the Property to be maintained and managed at all times to a standard of quality consistent with the management of other projects which are of a size, location and type comparable to the Property;
 - (d) not to execute any other assignment of the Assignor's interest in the Assigned Rights and Benefits;
 - (e) save for deposits for the first and last month rentals, the Assignor will not accept Rents more than one (1) month in advance of the dates when such Rents fall due and will not cause payment to be made in advance on its direction;

- (f) all offers to lease and all tenancy agreements, leases or subleases entered into with the lessees of the Property shall be on the standard forms previously approved by the Assignee acting reasonably, to be used in connection with the Property, amended as deemed appropriate in the circumstances by the Assignor acting reasonably to give effect to the arrangements made with each lessee or, if not on pre-approved standard form, then in all cases in form and substance acceptable to the Assignee acting reasonably;
 - (g) subject as hereinafter provided not to permit termination or, alter or amend, waive rights or remedies or otherwise take action with respect to the Leases which in the aggregate will create a material reduction in Rents, from those payable as of the date hereof, without the prior written approval of the Assignee such approval not to be unreasonably withheld or delayed;
 - (h) to furnish to the Assignee credit reports and financial statements all of which are obtained by or may be in the possession or control of the Assignor, when reasonably required by the Assignee;
 - (i) after Default and while such default continues, upon request of the Assignee to facilitate in all ways the Assignee's exercise of its rights hereunder, including without limitation upon request of the Assignee (i) delivery to the Assignee of up to date rent rolls and true copies of all then outstanding leases; (ii) access during regular business hours to records pertaining to the Property, wherever held; and (iii) execution by the Assignor of written notices to the Lessees directing them to make Rent payments to the Assignee;
 - (j) to furnish reports to the Assignee with respect to leasing activity and the status of Leases as set forth in the Term Sheet;
 - (k) to use its best efforts to obtain estoppel certificates from its lessees when and as required by the Assignee. In the event an estoppel certificate is not forthcoming, the Assignor shall furnish in lieu thereof, a certificate of a senior officer as to the information which would have been provided therein.
9. The Assignor covenants and agrees with the Assignee to promptly notify the Assignee of each and every breach, default, non-observance or non-performance, alleged, charged or claimed against the Assignor under any lease, of which it has or receives written notice or of any proceeding by or from any lessee of the Property, or any part thereof, which could likely result in:
- (a) the cancellation or termination of any lease; or
 - (b) the substantial reduction of or setting-off against Rent generated or to accrue from any lease.
10. Subject to the terms of the Assignment, the Assignor shall have the full right, while not in Default: (i) to continue to collect Rents; and (ii) to take all actions or cause all actions to be taken it deems necessary with respect to the Assigned Rights and Benefits, acting as a reasonable and prudent lessor, including without limitation the right to alter, modify, amend or change the terms of the Assigned Rights and Benefits or give any consent, concession or

waiver or exercise any option of the Assignor permitted by such terms, or cancel or terminate the Assigned Rights and Benefits or accept the surrender thereof or consent to any assignment of or subletting under the Leases, provided that the Assignor shall provide to the Assignee details of any of the foregoing in the annual reports referred to in Section 8.

11. "Default" for the purposes of this Assignment means: default has occurred under the terms of the Term Sheet and such default is not remedied within the time period provided in the Mortgage or the Letter of Offer, if any and is continuing or default has occurred under this Assignment; or any representation or warranty by the Assignor herein shall prove to be incorrect at any time in any material respect. Upon Default, the Assignee shall have, in addition to any remedy in respect of the Assigned Rights and Benefits as it has under any other agreement, (including foreclosure or sale under the Term Sheet), all remedies available at common law or in equity, including, without obligation, any one or more of the following rights:
- (a) to collect the Rents or any part thereof and in the name of the Assignor to take from time to time any proceeding which is in the opinion of the Assignee or its counsel, expedient for the purpose of collecting Rents or for securing the payment thereof or for enforcing any of the Assignor's rights under the Leases, also to demand and receive the same and to give acquittances therefor; also to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to the amount; and any settlement arrived at shall be binding upon the Assignor;
 - (b) to receive, enjoy or otherwise avail itself of the Lease benefits;
 - (c) to manage the Property, including without limitation, the making of repairs or replacements to maintain the building or buildings on the Property;
 - (d) to appoint and dismiss such agent or employees as shall be necessary or desirable for exercise of the Assignee's rights hereunder;
 - (e) to alter, modify, amend or change the terms of Leases; to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases, provided same are replaced with a lease or leases of equal or greater economic benefit; to give consents to assignment of or subletting under Leases; and to accept surrenders of Leases provided such surrendered Leases are contemporaneously replaced with new leases with the term of each new lease being equal to or greater than the duration of the balance of the term of the surrendered Lease and further provided that the Rent of the new lease is not materially less than Rent of the surrendered Lease;
 - (f) to enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and managing, operating and maintaining its interest in the Property;
 - (g) to send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and may employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
 - (h) by private Instrument to appoint a receiver and manager in accordance with the receivership provisions of the Mortgage which are incorporated by reference into this Assignment;

- (i) to generally perform all such acts as may in the reasonable opinion of the Assignee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Assignor, or in the name of the Assignee.
- 12. The Assignee's obligations as to any Rents or other amounts actually collected shall be discharged by application of such Rents or other amounts against the Indebtedness and for any of the other purposes described in this Assignment. The Assignee shall not be liable for any of the other purposes described in this Assignment. The Assignee shall not be liable to any lessee for uncollected Rents or other uncollected amounts. The Assignee shall not be liable to any lessee for the return of any security deposit made under any Lease of any portion of the Property unless the Assignee shall have received such security deposit. 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 any of the Assigned Rights and Benefits. No credit shall be given to the Assignor for any sum or sums received from the Rents, until the money collected is actually received by the Assignee, and no credits shall be given for any uncollected Rents or other uncollected amounts or bills, nor shall credit on the Indebtedness be given for any Rents, after the Assignee shall obtain ownership of the Property under order of court or by operation of law.
- 13. 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 Assignment shall constitute a good and valid discharge therefor to each such lessee.
- 14. The Assignee may at any time after Default and while such default continues, with respect to any and all Assigned Rights and Benefits, give to any lessee or other person from whom the Assignor would have been entitled to receive or claim any benefit under the Assigned Right and Benefits in question (the "Other Parties" or "Other Party") express notice in writing of this Assignment and thereafter the Assignee shall be entitled to deal with the Other Party or Other Parties in respect of the Assigned Rights and Benefits without reference to or consent of the Assignor, as if the Assignee were the absolute owner of the Assigned Rights and Benefits.
- 15. The Assignor will at the reasonable request of the Assignee attempt to obtain from the Other Party or Other Parties, acknowledgments of good standing of the assigned Rights and Benefits and/or acknowledgments of notice of this Assignment, in form reasonably satisfactory to the Assignee.
- 16. The Assignor acknowledges and agrees that this Assignment constitutes an irrevocable direction and authorization of the Assignor to any Other Party to pay Rents to the Assignee in accordance with this Agreement and otherwise, honour the rights of the Assignee under this Assignment, the Assignor agrees that any Other Party may rely upon any notice given by the Assignee or on its behalf. The Assignor hereby waives as against any Other Party any claim they might otherwise have by reason of the Other Party acting on such notice.
- 17. In the event all Defaults are subsequently cured, the Assignee shall upon request of the Assignor, and at the Assignor's expense, execute and deliver to the Assignor, directions and authorizations to any Other party who received notice of this Assignment in connection with the Default now cured as aforesaid, authorizing and directing such Other Party(ies) to resume payment of Rents to the Assignor until such time as a further written notice is delivered by the Assignee pursuant to the terms of this Assignment.

18. 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 in no respect be terminated but instead remain in 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 Agreement, have all the rights granted hereby.
19. 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 Term Sheet. The said remedies shall be cumulative and concurrent and not alternative, may be pursued separately, successively or together against the Assignor, against the Property or any or all of them at the sole discretion of the Assignee and may be exercised as often as occasion therefore shall arise.
20. The Assignor acknowledges and agrees that if and to the extent the Assignor's right, title and interest in any Assigned Right and Benefit is not acquired until after the delivery of this Assignment, this Assignment shall nonetheless apply thereto and the security interest of the Assignee hereby created shall attach to any such Assigned Right and Benefit at the same time as the Assignor acquires rights therein without the necessity of any further assignment or other assurances. The Assignor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered every further act, deed, document or further assurance as may be required to give effect to this Agreement.
21. This Assignment shall ensure to the benefit of and be binding upon the successors and assigns of the Assignor and the Assignee.
22. In any action, suit or proceedings for enforcing this Assignment or to recover payment of the monies hereby secured, service of any notice, writ or a summons, originating summons, statement of claim, order of court or a Judge, or of any legal or other proceedings by the Assignee, or by or pursuant to any statute, ordinance, rule, order or practice required to be given or serviced, and every notice and/or demand or request permitted or required to be served hereunder, shall be deemed to be properly and effectively served if delivered by hand to one or more of the respective officers or directors or the Assignor and Assignee, or mailed by depositing the same in any post office or letter box, in Canada enclosed in a postage pre-paid envelope, registered, addressed as set out below, or sent by facsimile transmission, or other similar form of communication (collectively, "Electronic Communication") to the intended recipient at:

If to the Assignor at:

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

PO Box 1011, Halifax, NS B3J 2X1

If to the Assignee at:

Graysbrook Capital Ltd.
Suite 350, 7150 Chebucto Road
Halifax, NS B3L 4W8

The Assignor and the Assignee may change their respective addresses for service by giving the other party hereto written notice thereof, in the manner aforesaid. Notice shall be deemed to have been received on the date of delivery, where applicable, or, where mailed in Canada, five (5) business days after the date of registration of the postage pre-paid envelope, containing a notice, demand, request or document except in the event of mail strike or reasonably anticipated or actual disruption of postal service which would prevent or substantially delay receipt of anything mailed in the manner aforesaid, in which case notice, for the duration of such mail strike or reasonably anticipated or actual disruption of postal service, shall be effected by personal delivery, or, when sent by Electronic Communication, on the business day next following the day on which it was sent.

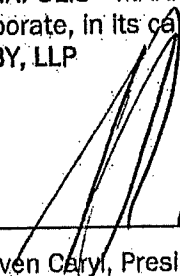
23. This Assignment shall be governed by and construed in accordance with the laws of the Province of Nova Scotia.
24. If any term or provision contained in this Assignment or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this 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.
25. Time shall be of the essence in this Assignment in all respects.
26. The Assignor shall forthwith on demand enter into, execute and deliver to the Assignee, at the Assignor's expense, such further Instruments and assurances in respect of this Assignment as the Assignee may reasonably require.
27. Any provision in this Assignment which is prohibited or unenforceable in any applicable jurisdiction will be ineffective to the extent of such prohibition or unenforceability without invalidating any remaining provisions hereof. To the extent permitted by law, the parties hereto hereby waive any provision of law which renders any such provision prohibited or unenforceable in any respect.
28. The Assignor agrees to pay all reasonable legal and other costs of the Assignee in connection with renewing this assignment from time to time and realizing upon, enforcing and attempting to enforce the terms of this Assignment or the security granted hereby; all such other costs when incurred shall be secured hereby and failure to pay the same as and when demanded shall also constitute a default hereunder, the Assignor shall indemnify and save the Assignee harmless from all actions, suits, costs, losses, charges, demands and expenses now or hereafter incurred or arising as a result of the default by the Assignor hereunder or as lessor in any of the Leases.
29. This Assignment and the rights and remedies contained herein shall be assignable by the Assignee in its sole discretion, and shall be successively assignable by such assignee in its sole discretion without the consent of the Assignor and without prior notice of such assignment by the Assignee to the Assignor provided that such assignment shall only be made in conjunction with an assignment of the Mortgage and other security granted as collateral security to the obligations of the Assignor thereunder and shall not be an assignment of this Assignment only. If so assigned, the Assignee shall have and be entitled to exercise any and all discretion, rights and powers of the Assignee hereunder and all references herein to the Assignee shall include such Assignee.

IN WITNESS WHEREOF the Assignor has duly executed this General Assignment of Rents and Leases, as of the date first set out above.



Witness

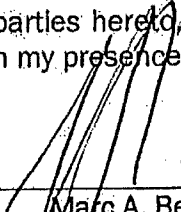
ANNAPOLIS MANAGEMENT, INC., a body
corporate, in its capacity as general partner of
RUBY, LLP

Per: 

Steven Caryl, President

PROVINCE OF NOVA SCOTIA

I CERTIFY that on the 28th day of September, 2023, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties hereto, caused the foregoing indenture to be executed by its duly authorized officer in my presence and that I signed as a witness to such execution.



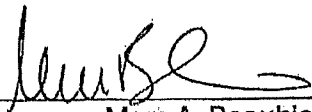
Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia

AFFIDAVIT OF CORPORATE STATUS

I, Steve Caryi, make oath and say that:

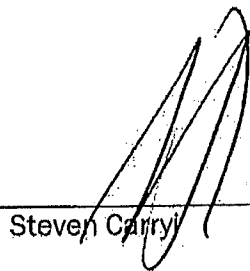
1. I am the President of ANNAPOLIS MANAGEMENT, INC. (the "Corporation"), general partner of RUBY, LLP (the "Partnership"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized 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 at Halifax, in the Province of
Nova Scotia, this 28 day of September,
2023, before me:



Marc A. Beaubien

A Barrister of the Supreme Court of
Nova Scotia



Steven Caryi

**SCHEDULE A
DESCRIPTION OF PROPERTY COVERED**

PID 00444141

All that lot of land situate on the northeast corner of the intersection of Barrington Street and Salter Street in the City of Halifax and bounded and described as follows:

Beginning at the northeast angle or junction of Barrington and Salter Streets,

Thence running easterly by the northern boundary of Salter Street to the northwest angle or junction of Salter and Granville Street,

Thence northerly until it meets the southern boundary of property formerly owned by the Halifax Young Mens Christian Association,

Thence following the southern line of the Y.M.C.A. property 67 feet 8 inches more or less, or to a point distant 1 foot 9 inches westerly from the northwest angle of the old Masonic building erected on the corner of Salter and Granville Streets in 1875,

Thence southerly parallel to the Granville Street by a straight line distant 1 foot 9 inches from the western wall of said Masonic Hall a distance of 7 feet 6 inches,

Thence at right angles westerly a distance of 12 feet 9 inches to a point,

Thence at right angles northerly 7 feet 6 inches more or less to the southern boundary of the Y.M.C.A. property,

Thence westerly by the southern boundary of the Y.M.C.A. property a distance of 44 feet, 9 and three-quarters inches more or less to Barrington Street,

Thence southerly by the eastern side of Barrington Street 65 feet, 8 inches more or less to the place of beginning.

SUBJECT to a notice of registration of heritage designation by the City of Halifax dated September 30, 1981 and recorded on October 6, 1981 in the Halifax Registry of Deeds in Book 3525 at Page 654 as Document No. 41897.

SUBJECT to a notice of heritage designation by the City of Halifax dated October 7, 1980 and recorded on October 23, 1980 in the Halifax Registry of Deeds in Book 3441 at Page 1168 as Document No. 43700.

The description for this parcel originates with a deed dated August 10, 1925, registered in the Land Registration Office for the Registration District of Halifax as Document 1496 in Book 600 at Page 233 and the subdivision is validated by Section 291 of the Municipal Government Act.

N

Exhibit Stamp

Hfx No. 539955

This is Exhibit "N" 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

The parties to this mortgage are:

Annapolis Management, Inc., in its capacity as General Partner for Ruby, LLP

the "Mortgagor (s)"

and

Canadian Imperial Bank of Commerce, a Chartered Bank, having an office, among others, at 1809 Barrington Street, Halifax, Nova Scotia

the "Mortgagee"

and

the "Spouse of the Mortgagor"

and

Steven Caryi

the "Guarantor"

In consideration of the Principal Sum received by the Mortgagor and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Mortgagor as beneficial owner grants, bargains, sells, aliens, releases, conveys and confirms unto the Mortgagee, its successors and assigns forever, all and singular those lands and premises described in Schedule "A" hereto;

Together with all buildings and improvements thereon, and the rights and appurtenances to the lands and premises belonging or appertaining, and all the estate, right, title, right and title, dower, right of dower, property, claim and demand, both at law and in equity of the Mortgagor of, in, to or out of the lands, and every part thereof;

To have and to hold the said lands and the appurtenances unto the Mortgagee, its successors and assigns forever.

Provided this mortgage shall be void on the payment to the Mortgagee, its successors or assigns, of the Principal Sum in dollars of lawful money of Canada with interest at the rate hereinafter provided from the date hereof (as well after as before maturity and both before and after default and judgment) to be calculated half-yearly not in advance in each year on so much of the Principal Sum hereby secured as shall from time to time remain unpaid until the whole of the Principal Sum is paid; and payment of taxes and all other amounts to which the Mortgagee is entitled under the provisions of this mortgage, and for the performance of statute labour. The Principal Sum and interest to be paid as follows:

Principal Sum: \$ 1,975,000.00 of lawful money of Canada advanced to the Mortgagor on this mortgage.

Interest Rate: The rate of interest chargeable on the Principal Sum and on all other amounts payable under this mortgage is a variable rate a year. The following completed section applies:

☒ Applicable to CIBC Variable Flex Mortgage

This is a CIBC Variable Flex Mortgage.

The interest rate for the CIBC Variable Flex Mortgage is equal to the CIBC Prime Rate plus .450 % a year

calculated daily using a simple interest formula, which is the same as if it was calculated yearly, not in advance.

The variable rate open mortgage is a 5-year term mortgage.

How Interest Calculated: as stated above.

Interest Adjustment Date: January 11, 2016.

Term: 60 months commencing on the Interest Adjustment Date and ending on the Maturity Date.

Payments: The Mortgagor will pay to the Mortgagee in Canadian Dollars at such place as the Mortgagee may from time to time require the Principal Sum with interest at the rate set out and determined above, and taxes and all other amounts as and when payable under this mortgage:

- a) Until the Interest Adjustment Date, interest at the current mortgage rate in effect from time to time on the Principal Sum, or on such part thereof as has been from time to time advanced, computed from (and including) the date the Principal Sum or any such part is advanced until (but excluding) the Interest Adjustment Date, shall, if the Mortgagee so requires, become due and shall be paid in monthly instalments commencing on the first day of the month next following the first such advance of the Principal Sum, and continuing on the first day of each and every month thereafter, and the balance, if any, of such interest shall become due and shall be paid on the Interest Adjustment Date. If the Mortgagee does not so require, all of such interest shall become due and shall be paid on the Interest Adjustment Date. At the option of the Mortgagee, interest so due and payable may be deducted from such advances.
- b) Following the Interest Adjustment Date, the sum of \$ 7,549.36 shall become due and shall be paid, on account of the Principal Sum and interest, on the 11th day of February, 2016, and on the 11th day of each and every month thereafter up to and including the 11th day of January, 2021, (each such date is referred to as an "Instalment Payment Date"); and the balance of the Principal Sum and all interest and other moneys (if any) owing under this mortgage shall become due and shall be paid on the date last mentioned, unless payable prior thereto by virtue of any express provision hereof. Reference is made to the terms and conditions incorporated in this mortgage by reference which set forth a method of calculating the interest component of each monthly instalment.

Payment Dates: commencing on the 11th day of February, 2016 and continuing on the 11th day of each and every following month of the term, and the balance of the Principal Sum and all interest thereon and all other moneys owing under this mortgage shall become due and be paid on the Maturity Date.

Maturity Date: January 11, 2021.

Place of Payment: to the Mortgagee at such place as the Mortgagee may designate from time to time.

The terms, conditions and covenants set out in Schedule "B" hereto are incorporated in and form part of this mortgage and the signatories hereto agree to be bound thereby.

The Spouse of the Mortgagor consents to this mortgage and conveys to the Mortgagee all of the right, title and interest of such spouse in the lands and premises hereby mortgaged, subject to the provisions for payment described in this mortgage.

Dated on: January, 2016.

Annapolis Management, Inc., in its capacity as
General Partner for Ruby, LLP

Signed, sealed and delivered
in the presence of:

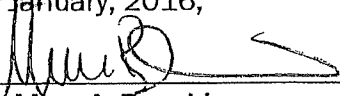
_____	Per: <u>Steven Caryl</u>	Signature	LS
_____		Signature	LS
Mortgagor			
Mortgagor			

AFFIDAVIT OF CORPORATE STATUS

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

1. **THAT** I am a President of Annapolis Management, Inc. (the "Company"), the Mortgagor in the attached Mortgage, and as such have a personal knowledge of the matters herein deposed to.
2. **THAT** I have executed the foregoing indenture on behalf of the Company as President of the Company and have authority to do so and confirm that my signature binds the Company.
3. **THAT** the Company is not now nor will it be on the date of delivery of the foregoing Deed, a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
4. **THAT** for purposes of this my Affidavit, "Matrimonial Home" means the 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 other than a leasehold interest.
5. **THAT** the lands described in the Deed are not occupied by any shareholder of the Company as a Matrimonial Home and have never been so occupied while the lands have been owned by the Company; nor does the ownership of a share in the Company entitle the owner or owners thereof to occupy such lands as a Matrimonial Home.

Sworn to before me, at Halifax,
Province of Nova Scotia, this 8th
day of January, 2016,


Marc A. Beaubien

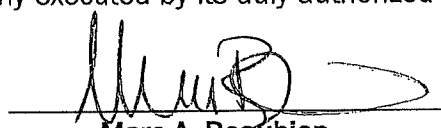
A Barrister of the Supreme Court
of Nova Scotia

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Steven Caryi

PROVINCE OF NOVA SCOTIA

I CERTIFY that on the 8th day of January, 2016, Annapolis Management, Inc., the Mortgagor hereto, caused this Indenture to be properly executed by its duly authorized officer(s). I have signed as a witness to such execution.


Marc A. Beaubien

A Barrister of the Supreme Court
of Nova Scotia

Schedule "A"

PID 47183

ALL that certain lot of land situated on the eastern side of Young Avenue in the City of Halifax, Province of Nova Scotia shown as Lot A-4 on a plan (Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 13-331A-0) of survey of Lots A-3 and A-4, Resubdivision of Lots A-1 and A-2, Robert Archibald and Veronica Seabrook signed by Robert A. Daniels, N.S.L.S. dated September 30, 1991, approved by the Development Officer for the City of Halifax November 28, 1991, filed at the Registry of Deeds as Plan No. 28271 in Drawer 291 and described as follows:

BEGINNING at the intersection of the eastern street line of Young Avenue with the southern street line of Ogilvie Street; said point being distant 675.69 feet on a bearing of South 27 degrees 42 minutes 58 seconds East from Nova Scotia Coordinate Monument No. 4848;

THENCE North 67 degrees 55 minutes 01 seconds East 149.50 feet along the southern street line of Ogilvie Street to the northwestern corner of Lot B;

THENCE South 22 degrees 01 minutes 45 seconds East 66.00 feet along the western boundary of said Lot B to the northeastern corner of Lot A-3;

THENCE South 67 degrees 55 minutes 01 seconds West 39.56 feet along the northern boundary of said Lot A-3 to an angle therein;

THENCE South 22 degrees 04 minutes 59 seconds East 1.00 feet along the western boundary of said Lot A-3 to an angle therein;

THENCE South 67 degrees 55 minutes 01 seconds West 17.45 feet along the northern boundary of said Lot A-3 to an angle therein;

THENCE North 22 degrees 04 minutes 59 seconds West 1.00 feet along the eastern boundary of said Lot A-3 to an angle therein;

THENCE South 67 degrees 55 minutes 01 seconds West 92.49 feet along the northern boundary of said Lot A-3 to its intersection with the eastern street line of Young Avenue;

THENCE North 22 degrees 01 minutes 45 seconds West 66.00 feet along the eastern street line of Young Avenue to the place of beginning.

CONTAINING 9,884 square feet.

ALL bearings are Nova Scotia Coordinate Survey System Grid Bearings and are referred to Central Meridian 64 degrees 30 minutes West.



SCHEDULE "B"

5453-2015/03
Atlantic
Page 1 of 34

Additional Terms and Conditions

Filed By:	Canadian Imperial Bank of Commerce
Filing Number:	CIBC-2545
Filing Date:	December 15, 2014

The following set of additional terms and conditions is attached as Schedule B to Canadian Imperial Bank of Commerce Residential Mortgages in Newfoundland and Labrador, Nova Scotia and Prince Edward Island. In New Brunswick, this document is referenced in your mortgage as being filed in the Land Titles System as Optional Covenant Number CIBC - 2545.

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1. Definitions

This section defines specific terms you will find in this set of Additional Terms and Conditions:

Mortgage means:

- the registered document;
- this set of Additional Terms and Conditions together with any statutory and optional covenants and conditions stated in the registered document;
- any Schedules and affidavits attached to it; and
- any renewals or amendments.

Registered document means the Mortgage of Land that you sign to give this mortgage and any schedules and affidavits attached to it, which is registered or recorded according to the relevant Act.

Act means the relevant legislation in the province where your property is located:

- in Newfoundland and Labrador, the *Registration of Deeds Act*;
- in New Brunswick, the *Registry Act*, or the *Land Titles Act*;
- in Nova Scotia, the *Registry Act* or the *Land Registration Act*; and
- in Prince Edward Island, the *Registry Act*.

You and **your** mean each person, corporation and other entity who has signed the mortgage as a borrower. This includes the personal and legal representatives of each person, corporation and other entity.

We and **us** mean the financial institution (mortgagee) that is lending you the money. **Our** also refers to this lender.

CIBC means Canadian Imperial Bank of Commerce.

Your property means the land described on the Charge/Mortgage of Land. It includes all buildings and structures on the land now or added later, as well as anything attached now or later to the land or to any building or structure on the land. This includes any improvements, substitutions, additions or alterations made to any building, structure or the land. If your property is a condominium unit, your property includes your interest in the common elements and any other interest that you may have in the assets of the condominium corporation. Any references to your property mean all or any part of your property.

Principal amount is the amount of money identified as the principal amount on the mortgage.

Your regular payment means the amount of each payment as described in the mortgage.

Loan amount means the amount of money you owe us at any given time under this mortgage. It is the balance you owe on the loan. The loan amount may include unpaid principal, interest on unpaid principal, defaulted payments, interest on defaulted payments, other charges and interest on other charges. Other charges may include the expenses of enforcing our rights as well as paying off any prior charges against your property. These may include such things as:

of the interest adjustment date in Section 36(1) of the National Housing Loan Regulations will apply to all mortgages insured by Canada Mortgage and Housing Corporation.

CIBC Prime Rate is the annual variable reference rate of interest that CIBC declares from time to time as its prime rate for Canadian dollar loans made by CIBC in Canada. The CIBC Prime Rate can change at any time.

Condominium Act means the relevant legislation in the property where the condominium is located:

- in Newfoundland and Labrador, the *Condominium Act*;
- in New Brunswick, the *Condominium Property Act*;
- in Nova Scotia, the *Condominium Act*; and
- in Prince Edward Island, the *Condominium Act*.

Construction lien means a mechanic's lien or builder's lien, according to the following laws where your property is located:

- in Newfoundland and Labrador, the *Mechanics' Lien Act*;
- in New Brunswick, the *Mechanics' Lien Act*;
- in Nova Scotia, the *Builders' Lien Act*; and
- in Prince Edward Island, the *Mechanics' Lien Act*.

Family Law Act means the relevant laws in the province where your property is located:

- in Newfoundland and Labrador, the *Family Law Act*;
- in New Brunswick, the *Marital Property Act*;
- in Nova Scotia, the *Matrimonial Property Act*; and
- in Prince Edward Island, the *Family Law Act*.

Taxes means all taxes, assessments and levies of any kind and includes any interest and penalties. Examples of taxes include property taxes, local improvement assessments, school taxes and development charges. Taxes could also include penalties or costs associated with a cleanup following a fire, explosion or other destruction or damage.

2. What this mortgage does

By signing the Charge/Mortgage of Land, you charge your entire interest in your property to us. In return, we make a loan to you for the principal amount, or any part of the principal amount as is advanced to you from time to time. This means that your interest in your property is security to us for repayment of the loan amount and your performance of all your obligations under the mortgage.

You agree to pay the loan amount as required by the mortgage, and to meet all of your other obligations under this mortgage, including paying all taxes on your property. You agree to make all payments required by this mortgage in full, without delay, without making any set off, abatement, counterclaim or deductions, and without withholding any amounts. You agree not to cancel, offset or reduce any payments that you have made or that you are required to make.

Our interest in your property ends when you have repaid the total loan amount, as

In all cases, you also certify that there are no encumbrances or limitations affecting title to your property, except those that we have agreed to in our loan approval document and except building and zoning by-laws that you have complied with. Examples of an encumbrance or limitation would be another mortgage or a lien.

You also agree that you will sign any other document or do what is necessary, in our opinion, to make sure that all of your interest in your property has been completely charged to us so that our loan to you is adequately secured. You will be responsible for any costs associated with obtaining these documents, taking any actions we require, and proving that all of your interest in the property has been charged to us.

You agree to pay us all of our costs, including any legal fees and expenses, for investigating the title to your property and registering the mortgage. You must pay these amounts to us immediately. If you do not pay them, we may declare you in default on the mortgage, or add these amounts to the loan amount, or do both.

2.2 Who is obligated by this mortgage

The obligations under this mortgage are the collective and individual responsibility of each person, corporation and other entity who signed it. This means that each borrower and guarantor is responsible for meeting all obligations in this mortgage and paying the entire loan amount, even if others have also signed this mortgage.

In addition, your legal and personal representatives and anyone else to whom your property is transferred must meet the obligations in this mortgage. Our successors and anyone to whom we transfer this mortgage is also obligated by this mortgage.

2.3 Changing or renewing this mortgage (also important to anyone who has a subsequent interest in your property)

We may make written agreements with you to change any part of this mortgage. These agreements could include renewing the mortgage, amending the mortgage, or extending the length of time for the mortgage. These agreements may or may not include a change in the interest rate.

We do not have to register these agreements on the title to your property to retain our rights under the mortgage. Even if we do not register these agreements, this mortgage, as renewed, extended or amended, maintains priority over anything else that may be registered against the title to your property after the mortgage.

Any new agreement we make with any borrower or any other person who is obligated to pay the loan amount will not release or affect the liability of others who are obligated under this mortgage, even if they do not sign or are not advised of the new agreement.

2.4 Building mortgage

If the mortgage is used to finance an improvement, you agree to make the improvement only according to plans and specifications that we have approved. Improvements include any construction or installation on your property or any alteration, addition or repair to any building or structure on your property.

that are based on progress. You must pay us these administration and processing fees immediately. If you do not pay them, we may declare that you are in default on the mortgage, or add the fees to the loan amount, or do both.

We may hold back money from any advances until we are satisfied that all obligations under any construction lien are met. You authorize us to give information about the mortgage to anyone who claims a construction lien on your property.

We may obtain an order removing any construction lien, and, if we think it is necessary, we may provide financial guarantees or other security to obtain such an order. You must immediately pay all of our expenses for this, including any charges for providing financial guarantees. If you do not pay these expenses, we may declare that you are in default on the mortgage, or we may add the amount payable to the loan amount, or we may do both.

2.5 Making material changes

Any agreement, whether verbal or in writing, to make material changes to the mortgage terms and conditions will apply not only to those who agree to the changes but also to any person who signed the original mortgage, including guarantors, but did not receive notice of the changes or agree to the changes in writing. Examples of these changes include extensions of the time for payments, changes in the interest rate and renewals or extensions of the term of the mortgage.

3. Interest

3.1 Interest rate

You will find the interest rate in the registered document.

Interest is payable on the loan amount at this rate until the total loan amount has been paid, both before and after the balance due date, before and after default, and before and after we obtain any court judgment against you.

3.2 Payment frequency

Interest is payable at the frequency shown in the registered document.

3.3 If you have a fixed interest rate mortgage

If you have a fixed interest rate mortgage, interest is compounded semi-annually, not in advance. Interest is calculated on each regular payment date. Although the annual interest rate is based on a full year, if the mortgage is prepaid or paid off in February of a leap year, daily interest will be calculated on the basis of a 29-day month.

Interest is calculated half-yearly, not in advance, within the meaning of the *Interest Act* (Canada).

3.4 If you have a variable interest rate mortgage

If you have a variable interest rate mortgage, interest on your loan is calculated

The interest rate will change **automatically** every time there is a change in the CIBC Prime Rate. These changes will occur without you being notified.

You can always find the current CIBC Prime Rate at any CIBC branch in Canada.

If there is a need to prove the CIBC Prime Rate in effect at any time, you agree that a certificate from us stating the rate will be considered as conclusive evidence of the rate in effect at that time.

The amount of interest that has accumulated on your loan amount from one regular payment date to the next that is more than your regular payment is called deferred interest. We will charge you interest on the deferred interest at the current mortgage rate starting on the payment date on which the interest became deferred interest. On the next payment date, interest on the deferred interest will be added to the deferred interest. Once it is added, it becomes part of the deferred interest owing, and interest is charged on it. This will continue until all of the deferred interest is paid. You can find out the amount of any deferred interest owing at any time by contacting us.

3.5 *Interest on amounts advanced to you before the interest adjustment date*

If this is a fixed rate mortgage, interest on any part of the principal amount that we advance to you before the interest adjustment date will be calculated using the rate and method in effect for your mortgage on the date we advance you the money. You can find out what this rate is by contacting us or any CIBC branch in Canada.

If this is a variable rate mortgage, interest on any part of the principal amount that we advance to you before the interest adjustment date will be calculated daily at your current mortgage rate.

If this is a building mortgage, interest on progress advances is calculated daily. It is payable monthly up to the interest adjustment date established for the initial term of the mortgage. We may deduct the interest owing on any advance from future advances, without making any adjustment. In cases where more than 30 days have passed between advances, you must pay interest on previous advances as soon as it is invoiced or deducted from your account. Interest on any overdue interest, compounded monthly, will be calculated on the same basis until paid. We will deduct any interest owed on the interest adjustment date established for the initial term of the mortgage from the last substantial advance.

3.6 *Interest on overdue amounts*

If you do not make the regular mortgage payment or any other payment when required, we will charge interest on **all** overdue amounts, including unpaid interest.

The rate we will use is shown on the Mortgage of Land and is payable both before and after the balance due date, before and after default, and before and after any court judgment we obtain against you. If we demand, you must pay us this additional interest immediately, both before and after the balance due date, before and after default, and before and after any court judgment we obtain against you.

3.7 *Interest adjustment when payment frequency changes*

If you are not in default on your loan, you may change your payment frequency to

4. Payments on the loan amount

4.1 *Currency and place of payment*

You will pay the loan amount to us in Canadian dollars at the address stated in the registered document.

In some cases, we may write to you to tell you to send your payments to a different address. If we do this, you must send your payments to that different address.

4.2 *Regular payments*

You must make regular payments to us for the principal and interest. The amount of each payment and the payment dates are stated in the registered document. You must make these payments starting with the first payment date up to and including the last payment date.

You must pay any outstanding balance of the loan amount on the balance due date. You can find the balance due date in the registered document.

4.3 *Bank account for payments*

You must maintain a bank account that is satisfactory to us with a CIBC branch and give us authorization to automatically deduct each payment of principal, interest, taxes and creditor insurance premiums (if applicable) when they are due.

You must make sure that the account always contains sufficient funds to meet each payment amount. If you don't maintain sufficient funds in the account, or if you cancel the authorization to deduct payments, or if you close the account, we will consider you to be in default on your mortgage. In these cases, you agree to pay us immediately our administration and processing fees in effect at that time for any actions that we have to take. If you do not immediately pay us these fees, we may declare that you are in default on your loan, or add these fees to the loan amount, or do both.

4.4 *Payments on amounts advanced to you before the interest adjustment date*

We may advance to you part of the principal amount before the interest adjustment date. In these cases, we will decide which of the following methods will be used to pay interest on the amount advanced to you before the interest adjustment date:

- we may ask you to pay the interest on this amount on the interest adjustment date;
- we may deduct the interest from your bank account on the interest adjustment date;
- we may deduct the interest from the remaining amount of the principal that we advance to you; or
- we may deduct the interest from your bank account on the first regular payment date.

4.5 *The effect of variable interest rates on your payments*

(applies ONLY to variable rate mortgages)

If the interest rate increases to the point that your payment amount no longer covers the interest portion of your regular payments, the amortization period of the mortgage may increase. If this happens, you may be required to increase the amount of your regular payment so that the mortgage will be repaid over the remaining balance of the original amortization period. The rate of interest that will cause this to happen is stated in the Mortgage Disclosure Statement that you signed.

4.6 *Payment on default*

If you do not meet one or more of your obligations under the mortgage, including your obligation to make payments, you must immediately pay to us all outstanding amounts. We also have the right to change your payment dates to once a month, and require you to pay principal and interest, taxes and creditor insurance premiums (if applicable) on a monthly basis. If we do this, we may require you to pay interest up to the first day of the following month. You must pay this interest within 15 days of notice from us. If you do not, we will add this interest to the loan amount. We may also use any of our rights stated in section 4.7 below.

4.7 *Demand to repay the total loan amount immediately*

We may require you to repay the total loan amount immediately if:

- you do not make any payment required by the mortgage;
- you do not meet one or more of your obligations under the mortgage;
- we discover that a statement, certification, or representation you made to us or an agreement you made with us in this mortgage, or when you applied for the mortgage, is not true;
- we receive notice of a construction lien, conditional sale agreement, notice of security interest or other lien registered against the title to your property;
- any buildings being erected on your property, or any additions, alterations or improvements done to your property, remain unfinished without work being done on them for 10 consecutive days; or
- your property is abandoned.

If any one of these circumstances listed above occurs, you are not meeting your obligations under this mortgage.

If we require that you repay the total loan amount because you are not meeting your obligations, we may also require that you pay any prepayment charge that applies to this mortgage.

4.8 *How we apply your payments*

We will apply payments we receive from you in the following order:

1. To pay any collection expenses.
2. To pay any creditor insurance premiums on the mortgage.
3. To bring into good standing any accounts related to the mortgage in which we hold funds for payment to others or from which amounts are debited, including tax accounts.
4. To pay any applicable administration and processing fees.

much will be applied to interest. The result you get will only be an estimate. We use a precise formula to calculate these amounts, which has been simplified for the example. The actual amounts may be higher or lower than the estimates. You can contact us to find out exactly how each of your payments is applied.

Example of how to estimate how much of your payment is applied to principal and how much is applied to interest

Mary and Sebastian have a variable rate mortgage with monthly payment dates. Every month, they pay \$557.50. Of this payment, \$62.00 is for creditor insurance premiums and \$55.00 is for estimated taxes. At the last payment date, the principal amount they still owed was \$87,500.00. Their current mortgage rate for the period is 4.000%, and there are 28 days in the current payment period.

In addition, they owe the following amounts:

Deferred Interest: \$40.00
Collection Expenses: \$45.00

Here is how they can estimate how much of their next payment will be applied to interest and how much will be applied to principal.

Step 1: Total payment	\$557.50
Step 2: Subtract collection expenses	\$45.00
Step 3: Subtract creditor insurance premiums	\$62.00
Step 4: Subtract estimated taxes	\$55.00
Step 5: Estimate and subtract interest on the principal amount	

Interest on the principal amount can be estimated using the following formula:

$$\begin{array}{rcl} \text{Principal Amount} & \times & \text{Current Mortgage Rate} \times \frac{\text{Number of Days in the Payment Period}}{365} \\ \$87,500.00 & \times & \frac{4}{100} \times \frac{28}{365} \\ & & \$268.49 \end{array}$$

Step 6: Subtract deferred interest owing	\$40.00
Step 7: Estimate and subtract interest on the deferred interest	

Interest on deferred interest can be estimated using the following formula:

$$\begin{array}{rcl} \text{Deferred Interest} & \times & \text{Current Mortgage Rate} \times \frac{\text{Number of Days in the Payment Period}}{365} \\ \$40.00 & \times & \frac{4}{100} \times \frac{28}{365} \\ & & \$0.12 \end{array}$$

Step 8: Estimated amount left to be used to reduce the principal amount	\$86.89
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You may increase the amount of your regular payment at any time without paying a prepayment charge. The total of these increases during the term of your mortgage cannot be more than 100% of your original regular payment amount. However, if you have a **CIBC Variable Flex Mortgage**, these payment increases can only be made if the amortization period that results from the increased payment amount is 5 years or more.

You may also decrease the amount of your payment, but only if the amortization period for the mortgage which results from that decreased payment amount does not exceed the remaining amount of time left in the original amortization period.

To qualify for increasing or decreasing your payments, you must also meet the following conditions:

- you must have met all your obligations under the mortgage;
- your property must contain no more than four living units, or be a single residential condominium unit; and
- no part of your property may be used for commercial, industrial or other non-residential purposes.

4.10 Prepaying your open mortgage without paying a prepayment charge

(applies ONLY if you have a fixed rate open mortgage or a variable rate open mortgage)

If this is a **fixed rate open mortgage** or a **variable rate open mortgage**, you may prepay all or any part of the loan amount without paying a prepayment charge. You may prepay the entire loan amount at anytime, but a partial prepayment can only be made on a regular payment date. To qualify, you must meet the following conditions:

- you must have met all your obligations under the mortgage;
- your property must contain no more than four living units, or be a single residential condominium unit; and
- no part of your property may be used for commercial, industrial or other non-residential purposes.

If you want to prepay the **entire** outstanding principal amount of your mortgage, you can ask us to provide you with a statement of the amount required to pay off your mortgage loan amount. You can specify the date you wish to make the full prepayment. However, the date you select cannot be more than 30 days after the date you ask us to prepare the statement. The date you choose is called the Statement Effective Date.

We will not process any mortgage payments, or any other payments that we receive, between the date we prepare the mortgage payout statement and the Statement Effective Date. We will charge you interest on accrued interest on any amounts we do not process during this time, including your regular mortgage payments. Note that the interest on accrued interest for payments and amounts not processed during this time will be charged in addition to regular interest at the rate specified in your mortgage.

If you do not pay off your mortgage on the Statement Effective Date, we will, within 60 days following the Statement Effective Date, process all mortgage payments, and any other payments, that we did not process between the date we prepared

- you may make more than one prepayment in a calendar year, but the total of all prepayments in any calendar year cannot be more than the 10% or 20% limit, whichever applies;
- each prepayment must be at least \$100.00;
- if you do not use any or all of this privilege in a calendar year, you cannot carry forward any unused portion of the privilege to a future calendar year;
- this privilege of prepayment without paying a prepayment charge does not apply if you prepay the entire principal amount of the mortgage, even if you have not used this privilege in the calendar year when the mortgage is paid off;
- you must have met all your obligations under the mortgage;
- your property must contain no more than four living units or be a single residential condominium unit; and
- no part of your property may be used for commercial, industrial or other non-residential purposes.

4.12 Prepaying your mortgage with prepayment charges

Ordering the mortgage payout statement

If you want to prepay the **entire** outstanding principal amount of your mortgage, you can ask us to provide you with a statement of the amount required to pay off your mortgage loan amount. You can specify the date you wish to make the full prepayment. However, the date you select cannot be more than 30 days after the date you ask us to prepare the statement. The date you choose is called the Statement Effective Date.

We will not process any mortgage payments, or any other payments that we receive, between the date we prepare the mortgage payout statement and the Statement Effective Date. We will charge you interest on accrued interest on any amounts we do not process during this time, including your regular mortgage payments. Note that the interest on accrued interest for payments and amounts not processed during this time will be charged in addition to regular interest at the rate specified in your mortgage.

If you do not pay off your mortgage on the Statement Effective Date, we will, within 60 days following the Statement Effective Date, process all mortgage payments, and any other payments, that we did not process between the date we prepared the mortgage payout statement and the Statement Effective Date.

After the end of the fifth year of your mortgage

If the term of your mortgage is greater than five years and you are not a corporation, you may prepay the entire outstanding principal amount of the mortgage at any time after the end of the fifth year of the term. In this case, you agree to pay us a prepayment charge equal to three months' interest on the amount you prepay, in addition to the outstanding loan amount owing on the date of prepayment. Interest costs will be calculated at your mortgage interest rate that is in effect on the date the mortgage payout statement is prepared.

Before the end of the fifth year of your mortgage

To take advantage of any of the following prepayment privileges, the following conditions apply:

If you are making a **partial** prepayment, the prepayment can only be made on a regular payment date. The prepayment charge will be equal to three months' interest on the amount of your prepayment that is more than the 20% allowed in any calendar year and the interest costs will be calculated at the CIBC Prime Rate in effect on the date of prepayment.

If you are paying the **entire** outstanding principal amount, the prepayment charge will be equal to three months' interest on the total amount you are prepaying. The interest rate we will use to calculate the prepayment charge will be the CIBC Prime Rate in effect on the date we prepare the mortgage payout statement. You can prepay your mortgage in full at any time before the maturity date.

Prepaying a fixed rate closed mortgage or a 6-month convertible closed mortgage

If you have a **fixed rate closed mortgage** or a **6-month convertible closed mortgage**, you may prepay some or all of the outstanding principal amount of your mortgage before maturity. The following conditions will apply.

If you make a **partial** prepayment that is more than what is allowed in section 4.11, the prepayment can only be made on a regular payment date and a prepayment charge will be applied to the amount of your prepayment that is more than what is allowed in section 4.11. If you prepay the **entire** outstanding principal amount, the prepayment can be made at any time before the maturity date and a prepayment charge will be applied to the full amount of the prepayment.

In both cases, this prepayment charge will be payable in addition to regular interest at the rate specified in your mortgage. Also, in both cases, the prepayment charge will be the **higher** amount of the following two amounts:

- three months' interest costs on the amount you are prepaying that is subject to a prepayment charge, calculated at your existing annual interest rate, plus any discount you received on your existing annual interest rate; or
- the interest rate differential amount, which is explained below.

If you are making a **partial** prepayment that is more than what is allowed in section 4.11, the interest rate differential amount is the **difference** between the following two amounts:

1. The interest costs on the amount you are prepaying that is subject to a prepayment charge, calculated over a period of time equal to the period of time from the prepayment date to the maturity date of your mortgage. Interest is calculated at your existing annual interest rate, plus any discount you received on your existing annual interest rate. Interest is compounded semi-annually not in advance, and is calculated using your principal and interest payment amount in effect at the time you prepay.
2. The interest costs on the amount you are prepaying that is subject to a prepayment charge, calculated over a period of time equal to the period of time from the prepayment date to the maturity date of your mortgage at the interest rate posted by us on the date of prepayment for the type of mortgage described in the chart below. Interest is compounded semi-annually not in advance, and is calculated using your principal and interest payment amount in effect at the time you prepay. Use the chart below to find out what interest rate would apply in your case.

If the length of time between the prepayment date and the maturity date of your mortgage is:	We will use the posted interest rate charged by us on the date of prepayment for a CIBC brand closed mortgage product similar to yours with a term of:
Less than or equal to 12 months	6 months
Greater than 12 months and less than or equal to 18 months	1 year
Greater than 18 months and less than or equal to 30 months	2 years
Greater than 30 months and less than or equal to 42 months	3 years
Greater than 42 months and less than or equal to 54 months	4 years
Greater than 54 months and less than or equal to 78 months	5 years
Greater than 78 months and less than or equal to 102 months	7 years
Greater than 102 months and less than or equal to 120 months	10 years

Note: Any discount you received on your existing annual interest rate includes any program discount you received, such as the CIBC Better Than Posted Mortgage® Promotional Rate and the CIBC Better Than Posted Mortgage Ongoing Rate.

If you are prepaying the **entire** outstanding principal amount, the interest rate differential amount is the **difference** between the following two amounts:

1. The interest costs on the amount you are prepaying, calculated over a period of time equal to the period of time from your last scheduled regular payment date that is on or before the date of prepayment, whether or not it was actually paid, to the maturity date of your mortgage. Interest is calculated at your existing annual interest rate, plus any discount you received on your existing annual interest rate. Interest is compounded semi-annually not in advance, and is calculated using your principal and interest payment amount in effect on the date we prepare the payout statement.
2. The interest costs on the amount you are prepaying, calculated over a period of time equal to the period of time from your last scheduled regular payment date that is on or before the date of prepayment, whether or not it was actually paid, to the maturity date of your mortgage. Interest is calculated at the interest rate posted by us on the date we prepare the payout statement for the type of mortgage described in the chart below. Interest is compounded semi-annually not in advance, and is calculated using your principal and interest payment amount in effect on the date we prepare the payout statement. Use the chart below to find out what interest rate would apply in your case.

If the length of time between the Statement Effective Date and the maturity date of your mortgage is:	We will use the posted interest rate charged by us on the date the mortgage payout statement is prepared for a CIBC brand closed mortgage product similar to yours with a term of:
Less than or equal to 12 months	6 months
Greater than 12 months and less than or equal to 18 months	1 year
Greater than 18 months and less than or equal to 30 months	2 years
Greater than 30 months and less than or equal to 42 months	3 years
Greater than 42 months and less than or equal to 54 months	4 years
Greater than 54 months and less than or equal to 78 months	5 years
Greater than 78 months and less than or equal to 102 months	7 years
Greater than 102 months and less than or equal to 120 months	10 years

Note: Any discount you received on your existing annual interest rate includes any program discounts you received such as the CIBC Better Than Posted Mortgage Promotional Rate and the CIBC Better Than Posted Mortgage Ongoing Rate.

4.13 Prepayments if the property has more than four living units or if the property is used for commercial, industrial or non-residential purposes

If your property has more than four living units or is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no prepayment rights.

4.14 Prepayment after default

We may require you to pay any prepayment charge that applies to your mortgage if we demand repayment of the loan amount following default by you.

4.15 Date of the mortgage

You agree that for purposes of defining the date of the mortgage for any statutory right of prepayment, renewal and early renewal, the date of the mortgage is the interest adjustment date. This is the case even if the mortgage or renewal agreement or early renewal agreement was signed on a different date.

4.16 Repaying the cash back option

If you have a mortgage that offered a cash back option, you may be required to repay us all or a portion of the cash amount received. Depending on the terms of the cash back agreement that you signed, you may be required to do this if, for any reason, any of the following occurs before the maturity date of the mortgage:

- your property is sold under power of sale or foreclosure.

We will determine the amount and method of calculation for the amount to be repaid based on your mortgage documents, including the cash back agreement.

The repayment of the cash received under a cash back option is separate from any prepayment charges or fees that are applicable to the mortgage.

We may add the repayment amount to the principal amount owing at the time of the transfer of title or at the time the mortgage is amended, discharged, assumed, converted, refinanced, transferred, assigned, paid in full, or the property is sold under power of sale or foreclosure, or when you take advantage of early renewal or portability.

5. Early renewal of open mortgages

(applies ONLY if you have a fixed rate open mortgage or a variable rate open mortgage)

If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you cannot renew your mortgage early.

If your property contains no more than four living units, or if your property is a single residential condominium unit, you may renew the mortgage before the balance due date. However, the following conditions apply:

- you must have met all your obligations under the mortgage;
- you must apply in person at any CIBC branch;
- you must select from the mortgage options that we offer under the CIBC brand at the time you apply for early renewal;
- you must sign a mortgage amending agreement or an early renewal agreement, in a form acceptable to us, which will contain all of the changed terms and conditions;
- the interest rate will be the interest rate that is in effect for the mortgage option you select on the date you sign the mortgage amending agreement or the early renewal agreement;
- you must pay us any administration and processing fees that apply to early renewal;
- you must pay us any accumulated interest that results from a change in the frequency of your regular mortgage payments, as well as any deferred interest; and
- you must pay all legal expenses related to the early renewal of your mortgage, including the costs of registration of the renewal documents.

You must pay us all amounts related to the early renewal immediately. If you do not pay them, we may declare that you are in default on the mortgage, or we may add these amounts to the loan amount, or we may do both.

6. Converting your mortgage

(applies ONLY if you have a 6-month convertible closed mortgage, a CIBC Variable Flex Mortgage or a variable rate open mortgage)

If your property contains no more than four living units, or if your property is a single

- you must sign our mortgage conversion or amending agreement, which will contain all changed terms and conditions of the mortgage option you select;
- the interest rate will be the interest rate that is in effect for the mortgage option you select on the date you sign the mortgage conversion or amending agreement;
- you must pay us any administration and processing fees that apply to converting the mortgage;
- you must pay us any interest that results from a change in the frequency of your regular mortgage payments, as well as any deferred interest; and
- you must pay all legal expenses related to converting your mortgage, including the costs of registration of the conversion documents.

You must pay us all amounts related to converting your mortgage immediately. If you do not pay them, we may declare that you are in default on the mortgage, or we may add these amounts to the loan amount, or we may do both.

Once the mortgage has been converted, the prepayment privileges of the original mortgage will no longer apply. Any prepayment privileges will be contained in the conversion or amending agreement you sign.

7. Automatic renewal of the mortgage

7.1 Automatic renewal of fixed rate mortgages

You agree to pay all money owing under the mortgage on the maturity date or, if we have offered to renew your mortgage, to enter into a renewal agreement with us on or before the maturity date. If you do not, provided that we have not advised you that we will not renew your mortgage, the mortgage will be renewed as a 6 month fixed rate open mortgage with the terms and conditions stated in the renewal agreement.

7.2 Automatic renewal of variable rate mortgages

You agree to pay all money owing under the mortgage on the maturity date or, if we have offered to renew your mortgage, to enter into a renewal agreement with us on or before the maturity date. If you do not, provided that we have not advised you that we will not renew your mortgage, the mortgage will be renewed as a 5 year variable rate open mortgage with the terms and conditions stated in the renewal agreement.

8. Designated amount

(applies ONLY if you have a CIBC Variable Flex Mortgage or a variable rate open mortgage)

The designated amount is equal to 105% of the original principal amount of the mortgage or may be another amount that we have agreed to in writing.

If at any time the outstanding loan amount exceeds the designated amount, we will require you to do one or more of the following:

- increase the amount of your regular payment so the mortgage will be repaid completely over the remaining time in the original amortization period;
- reduce the loan amount owing by making a lump sum payment to reduce the outstanding loan amount below the designated amount; or

9. Your obligations related to your property

9.1 *Protecting your title and our interest*

You will take any necessary action to protect your title to your property. You also agree not to interfere in any way with our interest in your property.

9.2 *If you are a tenant or a lessee of your property*

If you are a tenant or a lessee of your property, you certify all of the following to us, and you agree that:

- Your property is leased to you under a valid lease, and that you have given us a complete copy of your lease, and that you have good leasehold title to your property.
- All rents and other amounts payable under your lease have been paid up to the date you sign the mortgage.
- You have met all of your obligations under your lease up to the date you sign the mortgage.
- Your landlord, or the person leasing your property to you, has agreed that you may mortgage your interest in your property to us. If we ask you to, you will provide us with evidence that you have this consent, or that you have the right to mortgage your interest in your property without the consent of your landlord or the person who leases your property to you. The evidence must be in writing and it must be satisfactory to us.
- There are no liens or limitations on your interest in your lease except those identified in your lease, or registered against the title to your property, or contained in building and zoning by-laws.
- You and your landlord, or the person leasing your property to you, have complied with all restrictions registered against the title to your property, and with all building and zoning by-laws.
- You will pay all rents and all other payments required by your lease when they are due.
- You will meet all of your obligations under your lease.
- You will not surrender your lease or cause your lease to be terminated.
- You will not make any change in your lease without first obtaining our written consent.
- You will give us a copy of any notice, demand or request that you receive relating to your lease. You must give this to us immediately after you receive it.
- You will sign any other document or take any further action that we think is necessary, to ensure that your interest in the property and in your lease has been fully charged to us and that the loan amount is adequately secured. You will pay all costs and charges related to doing so.
- You will protect and indemnify us from all actions, claims, costs and demands if you default on your lease.
- You will hold the last day of the term of your lease, and the last day of any renewal term of your lease in trust for us. You will only deal with your property on the last day in the way that we require. You will have the same rights arising from this paragraph of your mortgage as you already have under the

- You appoint us as your attorney so that we may assign your lease and the last day of the term of your lease and the last day of any renewal term of your lease on your behalf and in your name. You also appoint us as your attorney so that we may transfer your interest in your property as required to enforce any of our rights under the mortgage, including our right to sell your property under power of sale.

9.3 Demolition and alterations

You will not demolish any building or structure, or part of any building or structure, on your property without first obtaining our written approval.

You will not make any substantial alterations, additions or improvements to your property without first obtaining our written approval of your proposed plans for these changes.

If we agree to let you make alterations, additions or improvements to your property, the following conditions apply:

- The work must be completed as quickly as is reasonably possible.
- The work must meet all government requirements and zoning and building by-laws and other standards that apply to your property. If we ask you to, you will give us proof that the work meets all government requirements and building standards.
- You will pay all costs associated with the work, and you will provide us with proof that all amounts that are owed for the work have been paid.
- You must retain all required holdbacks, unless we choose to do so.
- We may obtain an order removing any construction lien. If we think it is necessary, we may provide financial guarantees or other security to obtain this order. If we do this, you must pay to us immediately **all** of our charges, costs and expenses related to this. If you do not, we may declare that you are in default on the mortgage, or we may add these amounts to the loan amount, or we may do both.

9.4 Insurance

(does NOT apply if your property is a single residential condominium unit)

You must insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than full replacement value in Canadian dollars. You must keep this insurance coverage in place at all times until the loan amount has been fully paid.

Your insurance must include coverage for loss or damage caused by fire with extended perils coverage. At any time, we may require that you also obtain coverage for additional perils, risks or events. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system or any other comparable equipment is operated on your property, then you must also have insurance coverage for loss or damage caused to the equipment, or by the equipment, or by the explosion of the equipment.

If we ask you to, you must provide us with certified copies of all insurance policies. At least 15 days before any insurance policy expires, you must provide us with evidence that you have renewed the policy. All insurance policies must remain in effect until the mortgage has been fully paid. All insurance policies must

not, we may declare that you are in default on your mortgage, or add the amount to the loan amount, or do both.

If any loss or damage occurs, you must immediately do everything necessary to enable us to obtain the insurance money payable to us under this mortgage. You must pay all expenses related to this. You agree that if we produce the mortgage, that will be sufficient authority for the insurance company to pay us any insurance money that is payable because of a loss. By signing this mortgage, you authorize and direct the insurance company to do so. We have the right to decide how to use the insurance money. We may use part or all of the insurance money to:

- repair or rebuild your property;
- reduce any part of the loan amount, whether it is due or not, including paying any prepayment charges that are payable; or
- pay you.

9.5 *Property taxes*

On or before the interest adjustment date, we may withhold from any advance under the mortgage any amount we feel necessary to pay current or future taxes.

After the interest adjustment date, you agree to pay us, on each regular payment date, a tax instalment in an amount based on the estimated annual taxes that will be payable for the year following that regular payment date. We have the right to determine the amount of the estimated annual taxes, and the amount of your tax instalments. The table below outlines how we calculate your tax instalments.

If your regular mortgage payments are:	Then your tax instalment will be calculated as follows:
Weekly	Estimated annual taxes divided by 365 and then multiplied by 7 (the number of days in the payment period)
Bi-Weekly	Estimated annual taxes divided by 365 and then multiplied by 14 (the number of days in the payment period)
Semi-Monthly	Estimated annual taxes divided by 24 (the number of payments in the year)
Monthly	Estimated annual taxes divided by 12 (the number of payments in a year)

You agree to send us all tax bills and other notices or communications related to taxes as soon as you receive them. If you do not, you must repay to us the cost of obtaining these notices. If you do not pay us, we will add these costs to the loan amount.

If the taxes on your property are more than our estimate, or if for any other reason the amount you have paid to us for taxes is less than the amount we have paid for taxes, we will charge you interest at the mortgage rate on the difference.

If you want to take advantage of any discount or avoid any penalty or interest in connection with the payment of taxes, you must pay us the appropriate amount in addition to the instalments we calculate.

If the taxes on your property are more than our estimate, you will immediately pay us the difference when we ask you to.

We may choose not to require that you pay property taxes to us, in which case you will be responsible for paying all taxes relating to your property. If this is the case, you will provide us with all of the receipted tax bills by the end of each calendar year. If you do not, you must repay to us the cost of obtaining these tax bills. If you do not pay us, we will add these costs to the loan amount. If, for any reason, you do not pay the taxes when required, then we will require that you pay the property taxes to us as described above.

9.6 Repairs

You must keep your property in good condition and in a good state of repair.

You must carry out all necessary repairs and you must not do anything, or let anyone else do anything, that lowers the value of your property.

You must also comply with every present and future law, by-law, ordinance, regulation and order that affects the condition, repair, use or occupation of your property.

You authorize us to enter your property at all reasonable times to inspect and repair your property. By entering your property to inspect it or do repairs, we are not becoming a mortgagee in possession of your property.

We can make any repairs we think are necessary if, in our opinion:

- you do not keep your property in good condition and a good state of repair;
- you do not carry out all necessary repairs, or you do anything, or you allow anything to happen, that lowers the value of your property; or
- you do not comply with all present and future laws, by-laws, ordinances, regulations and orders that affect the condition, repair, use or occupation of your property.

You are responsible for the costs of any repairs and any inspections. You must pay us these costs immediately. If you do not pay these costs immediately, we may declare that you are in default on your mortgage, or add the costs to the loan amount, or do both.

9.7 Leasing or renting your property to another person

If your property is approved by us as owner-occupied residential premises, you certify that no part of your property is rented or occupied by a tenant. You also agree **not** to rent or lease any part of your property, or enter into a tenancy agreement of any part of your property, or renew any lease (unless the renewal is provided for in a lease we have already approved), without first getting our written approval. We are under no obligation to approve your request to rent, lease, or enter into a tenancy agreement for any part of your property, or to approve the renewal of a lease on your property.

If your property is a rental property, we must consent to any rental. You also assign to us all leases, lease agreements and renewals, present and future, and all rents payable under these leases and agreements, and all rights under these leases and agreements as they affect your property. You must obtain our written approval before any future leases of your property are made, and before the renewal of any lease (unless it is a renewal provided for in a lease we have already approved).

- Give us security on fixtures, equipment and other movable property or chattels as we may reasonably require.

You must pay all of our expenses related to the additional security. These expenses may include legal fees and registration costs.

If you are not meeting one or more of your obligations under the mortgage and you rent out any part of your property without our written approval, you will be considered to have done this to discourage us from taking possession of your property.

If you are not meeting one or more of your obligations under the mortgage and you rent out any part of your property without our written approval, you will also be considered to have done this to adversely affect the value of our interest in the property.

If you do not meet one or more of these obligations related to leasing or renting out your property, or if one or more of the certifications you made to us related to leasing or renting out your property is not true, then we may require you to pay the full loan amount immediately. If we do this, we may pay any tenants what is necessary to obtain their cooperation in showing and selling your property and to obtain possession of your property from the tenant. You agree that these payments will be a cost of enforcing our security, and that they will be added to the loan amount. You also appoint us as your attorney and agent to enforce the terms of any lease or agreement you entered into, and to cancel or terminate any lease or agreement.

We are not obligated to collect any rent or income from your property. We are also not obligated to comply with any part of a lease or agreement related to your property.

Nothing we do under this section will be considered as us taking possession of your property.

9.8 *Hazardous or illegal substances, environmental regulations, and illegal activities*

You certify that you have made reasonable investigations and enquiries and that, to the best of your knowledge, no part of your property (or any land next to your property) is, or has ever been, or will in the future be, used to manufacture, refine, handle, treat, store, dispose of or in any other way deal with any hazardous or illegal substances, except as allowed by laws, regulations and orders. You may not use your property to manufacture, refine, handle, treat, store, dispose of or in any other way deal with any hazardous or illegal substances as allowed by laws, regulations and orders, unless you have first notified us in writing that you intend to do so, and you have received our written approval.

You also certify that you have made reasonable investigations and enquiries and that, to the best of your knowledge, no part of your property now contains, nor has it ever contained, nor will it contain in the future, any hazardous or illegal substance that may lower the value of your property or negatively affect the marketability of your property.

You certify that no part of your property is or will be used for any illegal purpose, including as a brothel, a gaming house, or for the cultivation or processing of marijuana or other illegal substances.

You must pay us these costs, including interest, immediately and they will be a charge on the property.

If your mortgage is insured by the Canada Mortgage and Housing Corporation (CMHC) or other mortgage insurer approved by us from time to time, the mortgage insurer or its agents, may enter and inspect your property and conduct any environmental testing, site assessment, investigation or study that they consider necessary. You are responsible for the costs of any testing, assessment, investigation or study, including interest at your mortgage rate. You must pay us these costs, including interest, immediately and they will be a charge on the property.

If hazardous or illegal substances are found on your property, regardless of the source or cause, you must immediately carry out all work required to remove the hazardous or illegal substances from your property and repair the damage to your property. The plans and proposals for doing the work and repairs must have been prepared in consultation with us and must have been approved, in writing, by us in advance. When the work is completed, you must provide us with confirmation in writing that the work is completed. This confirmation must be in a form acceptable to us. You are responsible for all of the costs associated with this work, including providing evidence that the work has been completed.

If you fail to meet one or more of your obligations under this section, you agree that we may do all or any part of the work we feel is necessary. However, we are not obligated to do so. If we do, you will be responsible for all of the costs associated with this.

In all cases, you will protect and indemnify us against all actions, claims, lawsuits, costs or other demands relating to hazardous substances or illegal substances on your property, and any breach of your obligations under this section.

If we, or the mortgage insurer enforce our rights under this section, we or the mortgage insurer, will not be considered to have taken possession, management or control of your property. This also applies to our agents and the agents of the mortgage insurer.

9.9 New Home Warranty Plan

If any New Home Warranty or insurance applies to your property, you agree to meet all of its requirements. You also agree to reimburse us for any costs that we incur in complying with its requirements, or enforcing your rights on your behalf if you fail to do so.

9.10 Possession of your property on default

You certify to us that if you fail to meet any of your obligations under the mortgage, we may take possession of your property without any encumbrances or interference.

10. Condominium

(applies ONLY to property that is a condominium unit)

10.1 Compliance with the Condominium Act

If you do not pay any amounts that you are obligated to pay, we may do so on your behalf. If we do, you must reimburse us immediately for these payments. If you do not, we may declare that you are in default on the mortgage, or add these amounts to the loan amount, or do both.

10.3 Notices and demands

You will mail to us by prepaid registered mail, or deliver to us, copies of all communications related to your unit or the common elements of the condominium corporation, including:

- notices;
- assessments;
- claims or demands for payment;
- new rules or regulations;
- requests or demands of us to consent to any matter; and
- every other communication relating to your unit or to the common elements of the condominium corporation.

You must ensure that we receive these communications at least 5 days before any claim or demand is payable or, in the case of other communications, within 5 days of the date you receive them.

10.4 Voting rights

You authorize us to do the following in your name and on your behalf:

- exercise your right to vote at any meeting of the condominium corporation; and
- consent to any matter relevant to the management, sale or other dealings with the property or assets of the condominium corporation or the termination of the application of the *Condominium Act* to the condominium corporation's property or to your property.

We can do this whether or not you are in default.

We may decide not to use our rights to vote or consent. If we decide not to use these rights, we may notify the condominium corporation, in which case you may vote or consent yourself. Our decision not to vote or consent can be for a limited time or for a particular meeting or matter.

When we do vote or consent for you, we do not become a mortgagee in possession, nor are we responsible to protect your interests nor for the way we vote or consent. We are also not responsible if we do not vote or consent.

10.5 Acceleration of repayment of the loan amount

At our option, the loan amount will become payable immediately if:

- government of the condominium corporation's property by the *Condominium Act* is terminated;
- a vote of the unit owners authorizes the sale of the property of the condominium corporation or of a part of its common elements;
- the condominium corporation fails to meet the requirements of the

10.6 Insurance

Under the *Condominium Act*, the condominium corporation must have appropriate insurance. In addition, you must insure all improvements which at any time have been made to your property against loss or damage by fire and, as well, against additional risks as we may require. The insurance company or companies must be approved by us.

You and the condominium corporation assign and transfer the policy or policies of insurance and any payments under them to us. If we ask for them, you must give us certified copies of every insurance policy.

If you or the condominium corporation fail to keep the buildings and improvements insured or do not provide us with evidence of renewal at least fifteen days before the termination of any insurance we may obtain insurance for the buildings or improvements. However, we are not obligated to do this.

If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance money. We may use all or any part of the proceeds to do any one or more of the following, as permitted by law:

- repair the damage;
- pay you; or
- reduce any part of the loan amount whether or not it is due, including paying any prepayment charges that result.

The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the declaration and by-laws of the condominium corporation.

You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws and that, as a member of the condominium corporation, you will insist that the condominium corporation comply with these terms.

11. Our rights

11.1 We are under no obligation to make advances to you under the mortgage

We may, for any reason, decide not to advance you all or any part of the principal amount, even if:

- you have signed this mortgage;
- this mortgage has been registered; or
- we have already given you part of the principal amount.

In this case, you will pay us, when we demand, all of our costs and expenses related to investigating title to your property and for registering the mortgage. These costs will include legal fees, charged on a "solicitor-and client" basis. You will pay us these costs immediately. If you do not pay them, we may declare you to be in default on the mortgage, or add them to the loan amount, or do both.

11.2 Releasing your property from the mortgage

11.3 Enforcing our rights

If you do not make one or more payments when required or if you do not meet one or more of your other obligations under the mortgage, we may enforce our rights by taking certain actions. We have the right to take one or more of these actions at the same time or in any order we choose. These actions include:

- **Enter your property.** We may enter your property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. We may lease or sell your property without actually taking possession of it. We will not be considered to be a mortgagee in possession of your property unless we actually take possession of it. While in possession, we will only be accountable for money actually received. We may take possession of your property without any encumbrances or interference.
- **Appoint a receiver.** We can appoint in writing a receiver (including a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you alone will be responsible for anything the receiver does or fails to do. We are not accountable for any money received by the receiver except for money that we actually receive. The receiver may use every available remedy or action that we have under the mortgage to collect the income from your property, take possession of part or all of your property, or to manage your property and keep it in good condition. From the income collected, the receiver will pay the following:
 - ♦ all rents, taxes, insurance premiums and other expenses required to keep your property in good condition;
 - ♦ its own commission as receiver;
 - ♦ all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing;
 - ♦ interest owing under the mortgage; and
 - ♦ all or any part of the loan amount, whether it is due or not.
- **Sue you.** We may take any action that is necessary to collect the loan amount.
- **Lease your property or collect rents.** If you are in default on the mortgage for more than 15 days, we may enter and lease your property after giving you 15 days notice. If you are in default on the mortgage for more than 30 days, we may enter on and lease your property without informing you. You assign to us all rents from your property. This assignment becomes effective when a default on the mortgage occurs. If we think it is reasonable, we may cancel or amend any lease or enter into new leases without being responsible for any resulting loss. We may apply the money collected under or in connection with any lease, after paying all costs and expenses, to any part of the loan amount. We will only be accountable for the money remaining after payment of all costs and expenses when we actually receive it. If the money remaining, after paying all costs and expenses, does not pay the loan amount in full, you must pay us the difference.
- **Power of sale.** We may exercise the power of sale and all other powers conferred to us by the applicable laws of the province where your property is located. We may sell your property for cash or on credit, or partly for cash and partly on credit. We may sell your property by private sale or public auction and for whatever terms we can obtain. If we think it is reasonable to do so, we may cancel or amend any contract of sale, or postpone any sale, without being

"Provided that the mortgagee on default of payment may enter on or lease or sell the lands, but no power of sale to be exercised till after four (4) weeks' notice."

- **Foreclosure or sale.** We may take court proceedings to foreclose your right, title and equity of redemption to your property. If we obtain a final order of foreclosure from the court, your property will belong to us. We may also ask the court to order the sale of your property under the court's supervision. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.
- **Cure any defaults.** We can cure any defaults under the mortgage and take any other steps or proceedings against you that are allowed by the laws of the province where your property is located and the laws of Canada.

If we take possession of your property to enforce our rights, you will not interfere with our possession. You also will not interfere with the possession of your property by any receiver we appoint, nor with the possession of your property by any person we have leased or sold your property to. You will not make any claim against any person to whom your property has been leased or sold.

You must pay all of our expenses related to our enforcing our rights. You must pay these amounts immediately when we ask for them. These expenses may include legal fees. Our legal fees will be charged on a "solicitor and client" basis. You must also pay all other costs we have to pay to protect our interests and to enforce any of our rights under the mortgage, as well as a reasonable allowance for the time and services of our employees and CIBC employees. You must also pay any prepayment charge applicable to this mortgage.

11.4 Delay in enforcing our rights

If we delay enforcing any of our rights, the delay will not affect any of our other rights under the mortgage. If we give you or any other person an extension of time, it does not affect any of our rights under this mortgage. If we do either of these things, we may still:

- require you to make all payments on time and meet your obligations under the mortgage;
- require payment of the loan amount (including any applicable prepayment charge) if you are in default; and
- require any other person who has obligations under the mortgage, including a guarantor, to meet those obligations.

11.5 If we do not enforce our rights on a particular default

In some cases, we may not enforce our rights on a particular default by you or a guarantor. However, by doing so, we are not forgiving any other existing default by you or a guarantor, or any other defaults by you or a guarantor in the future.

11.6 Court orders and judgments

If we obtain a court order or judgment against you to enforce our rights, the judgment will not prevent us from pursuing our other remedies or rights to enforce your obligations under the mortgage, including our right to receive interest as required by the mortgage.

11.8 Administration and processing fees

In addition to the administration and processing fees outlined elsewhere in these Additional Terms and Conditions, you also agree to pay to us, when due, our administration and processing fees in connection with:

- the preparation of any assumption statement, amending or other agreement, or statements for information purposes;
- failure to have sufficient funds in your account to meet a payment amount, closure of the account from which you authorized us to deduct your payments, or cancellation of your authorization to deduct payments from your account;
- replacement of cheques if a payment has been refused because of insufficient funds; and
- any other reason related to the administration of your mortgage.

We will charge you our fees in effect at the time we do the work.

If you do not pay us these fees when they are due, we will add these fees to the loan amount. We will charge you interest on these fees at the mortgage rate from the date the fees are incurred.

You also agree to pay us, when due, our fees for providing any services of an administrative or clerical nature requested by you. Examples of these fees include:

- providing copies of documents from your file;
- providing duplicate documents;
- providing an amortization schedule;
- retrieval of your file or information or documents from offsite storage at your request;
- providing a detailed breakdown of your payment history or tax account;
- audit verification;
- courier charges; and
- our fees in effect from time to time for any other special requests by you for similar services of a clerical or administrative nature.

You must pay us these fees immediately. If you do not pay them, we may declare that you are in default on your mortgage, or add these fees to the loan amount, or do both.

We have the right to change the fees we charge from time to time without notifying you. The fees in effect at any particular time are available from any CIBC branch in Canada, or by contacting us.

11.9 Certain actions we can take

We can, if we think it is necessary, pay off any encumbrances, claims or liens which have priority over the mortgage. Also, we can pay all expenses that we incur in collecting any payment under the mortgage that you did not make when due and in enforcing your other obligations. If we do this, you must pay us these amounts immediately. If you do not, we may declare that you are in default on the mortgage, or add these amounts to the loan amount, or do both.

If you are a tenant or a lessee of your property, we can cure any defaults existing

Any payments we make under the mortgage will be added to the loan amount. We will charge you interest on these payments from the date we pay them at the interest rate specified in the registered document. We are entitled to rely on any statement we receive for the purpose of making any payment required to protect our interest in your property. These statements will be considered to be conclusive evidence of the amount owing.

If we have not received a solicitor's final report and certificate of title within sixty days of the final advance of funds under the mortgage, we are entitled to retain another solicitor of our choice to provide a final report and certificate of title. You will be responsible for all costs related to doing this.

12. If you sell or transfer your property

Our written approval must be obtained before your property is transferred to anyone else, or before an agreement is made to transfer your property to anyone else. At our option we may require that the entire loan amount be paid immediately (including the outstanding principal amount, accrued interest, any prepayment charges and any other amounts owing), if any of the following occurs:

- if you transfer your property without first applying to us in writing for approval of the terms of the transfer and approval of the person that you wish to transfer your property to; or
- if you transfer your property without first obtaining our written approval of the terms of the transfer and our written approval of the person that you are transferring to; or
- if the person you transfer your property to does not enter into an assumption agreement with us that is satisfactory to us. In an assumption agreement that is satisfactory to us, the person that you transfer your property to will agree to assume this mortgage and any amendments to it and any related agreements, and to be bound by all the terms, conditions and obligations of the mortgage, amendments and related agreements.

If we accept any payment from any person who we have not first approved in writing, that will not mean that we have granted our prior written approval or that we have given up our right to require you to pay the entire loan amount immediately.

You agree to give us sufficient information to enable us to decide whether to give our written approval. After we have received this information, we will make our decision as soon as possible.

If you exercise this privilege, there may be an administration and processing fee. You must pay us these fees immediately. If you do not, we may declare that the mortgage is in default, or add these amounts to the loan amount, or do both.

13. Guarantee

Each person who signs the mortgage as a guarantor signs as a principal debtor and not as surety. This means that each guarantor agrees:

- to pay us the loan amount as and when required by the mortgage, in full, without delay, without making any set off, abatement, counterclaim or deductions, and without withholding any amounts; and
- to meet all other obligations of the borrower under the mortgage.

- amend any agreement;
- give an extension;
- deal with additional security;
- give a release or discharge;
- change the interest rate;
- change the terms of the mortgage; and
- deal with any other matter affecting the mortgage and the borrower's obligations.

Doing any of these things will not in any way affect the guarantee or the obligations of any guarantor.

We may require payment from any guarantor before we attempt to obtain payment from the borrower. All obligations of any guarantor will also be obligations of the guarantor's heirs, executors, successors or personal representatives. The obligations of a guarantor will not be affected by the bankruptcy of the borrower or any guarantor.

14. Assumption of the mortgage

If you are not the original borrower, you agree to all obligations of the original borrower under the mortgage as if you had signed the original mortgage.

15. Portability

15.1 If this mortgage is a CIBC Variable Flex Mortgage

If this is a CIBC Variable Flex Mortgage, your mortgage cannot be transferred to another property. However if you have met all your obligations under this mortgage, and if you have agreed to sell your property and purchase another property within 60 days of the sale of your original property, at our sole discretion we may provide financing for the purchase of the new property; and if we do, we will refund to you the prepayment charge in connection with your prepayment of this mortgage upon sale of your original property. The following conditions apply:

- You must apply in writing.
- The principal amount of the new mortgage must be the same as or more than the principal amount of this mortgage on the date of prepayment.
- The new mortgage on the new property must be a CIBC Variable Flex Mortgage or a closed fixed rate mortgage with a term of three years or greater. The interest rate and terms will be those that we offer to you for that type of mortgage at the time the new mortgage is advanced.
- The sale of your original property must be in good faith and be an "arms-length" sale.
- Our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the new mortgage must be met, including any requirements of the mortgage insurer, if applicable.
- You will be responsible for paying all applicable processing or administration fees, mortgage insurance premiums, all legal and appraisal fees, and other expenses incurred in connection with the new mortgage.

- The term of the new mortgage must be equal to the remaining term of the current mortgage.
- The sale of your original property must be in good faith and be an "arms-length" sale.
- On the date you complete the sale of your original property, the loan amount must be paid in full, including all applicable prepayment charges. However, if the new mortgage is advanced to you within 60 days of the prepayment of the current mortgage, we will refund the prepayment charge to you, **unless** the principal amount of the new mortgage is less than the principal amount still owing under the current mortgage on the date of prepayment (see below).
- If the principal amount of the new mortgage is the **same as** the principal amount still owing on the current mortgage on the date of prepayment, the interest rate applicable to the current mortgage will apply to the new mortgage.
- If the principal amount of the new mortgage is **less than** the principal amount still owing on the current mortgage on the date of prepayment, the interest rate applicable to the current mortgage will apply to the new mortgage. In this case, we will **not** refund to you any prepayment charge you paid on the amount of the outstanding principal amount of the current mortgage that is greater than the principal amount of the new mortgage.
- If the principal amount of the new mortgage is **greater than** the principal amount still owing on the current mortgage on the date of prepayment, the interest rate for the new mortgage will be:

Original Mortgage Type	Interest Rate
Variable rate mortgage (except for CIBC Variable Flex Mortgage)	The variable interest rate for this mortgage.
Fixed rate mortgage (with a remaining term of 12 months or less)	A rate that blends: <ul style="list-style-type: none"> ▪ the interest rate for the current mortgage, and ▪ the rate of interest we offer on the date the new mortgage is advanced for a fixed rate closed CIBC brand mortgage product similar to yours having a 6-month term.
Fixed rate mortgage (with a remaining term of more than 12 months)	A rate that blends: <ul style="list-style-type: none"> ▪ the interest rate for the current, and ▪ the rate of interest we offer on the date the new mortgage is advanced for a fixed rate closed CIBC brand mortgage product similar to yours having a term similar to the remaining term of the current.

- Our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the new mortgage must be met, including any requirements of the mortgage insurer, if applicable.
- You will be responsible for paying all applicable processing or administration fees, mortgage insurance premiums, all legal and appraisal fees, and other expenses incurred in connection with the new mortgage.

16. Expropriation

If your entire property is expropriated, the loan amount will immediately become payable.

17. Family Law Act

You certify to us that all information that you gave us about your marital status and your property when applying for the loan, and the statements made in the Charge/Mortgage of Land are true and accurate under the applicable *Family Law Act* in the province where your property is located.

18. If part of the mortgage is not valid

If any part of the mortgage is found to be illegal or unenforceable, the validity or enforceability of all other parts of the mortgage will not be affected.

19. Governing law

This mortgage is to be governed by the laws of the province where your property is located and the laws of Canada that are applicable to the province where your property is located.

20. National Housing Act

All CMHC insured mortgages are made according to the *National Housing Act*.

21. Reference to laws

Any reference to legislation in the mortgage includes amendments and replacements to that legislation in force from time to time.

22. Collecting, using, and disclosing your personal information

During the course of our relationship we may collect financial and related information about you. This information includes:

- information about your mortgage;
- information about your transactions using our products and services;
- information to identify you or qualify you for products and services; and
- information we need for regulatory purposes.

We may collect this information from a number of different sources including your application for this mortgage, references you provide, credit reporting agencies, other financial institutions, service providers, our internal records and from individuals authorized to act on your behalf.

We may use your personal information to open, process, service, insure, maintain and collect upon your mortgage, and we may disclose your personal information, including information about your mortgage, to credit reporting agencies. We will also use and disclose your personal information according to CIBC's privacy policies which are outlined in CIBC's brochure, "Your Privacy Is Protected". This privacy policy may be amended, replaced or supplemented from time to time. You can get information on our current privacy policy by contacting any branch of CIBC.

You agree that we may enter into this mortgage on behalf of another entity, as an agent or nominee, and also that we may assign this mortgage to another entity. In

- provides services or benefits to you under the mortgage, including loyalty programs.

Your personal information includes all information provided by you or obtained by us in connection with your mortgage application, and ongoing information and documentation about you and your mortgage sufficient for the beneficial owner, agent, assignee, mortgage insurer and service provider to administer the mortgage and exercise their rights under it.

23. Discharge

After you have paid us the loan amount, we will sign a discharge and send it to you within a reasonable time. Or, if you ask us to, we will give an assignment or transfer of the mortgage instead of a discharge.

You will pay our usual administration and processing fee for preparing, reviewing and signing any such documents and all legal and other expenses, if applicable. You will pay us these fees whether the discharge or assignment is prepared by your lawyer, by our lawyers or by us.

It is your responsibility to register the discharge or assignment on the title to your property and to pay the registration fee. If electronic registration is available for your mortgage, you agree to pay us the registration fee and we will register the discharge on your behalf. After we have done so, we will send you or your lawyer confirmation that the discharge has been registered.

Appendix 1 Equivalent Interest Rates

If the interest rate specified in your mortgage is compounded monthly not in advance, you may determine the equivalent interest rate compounded semi-annually not in advance by referring to the table below.

MORTGAGE RATE COMPOUNDED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE COMPOUNDED HALF-YEARLY	MORTGAGE RATE COMPOUNDED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE COMPOUNDED HALF-YEARLY	MORTGAGE RATE COMPOUNDED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE COMPOUNDED HALF-YEARLY
1.000	1.00209	9.000	9.17045	17.000	17.61358
1.125	1.12764	9.125	9.30024	17.125	17.74772
1.250	1.25326	9.250	9.43010	17.250	17.88193
1.375	1.37894	9.375	9.56002	17.375	18.01621
1.500	1.50470	9.500	9.69002	17.500	18.15056
1.625	1.63051	9.625	9.82008	17.625	18.28498
1.750	1.75639	9.750	9.95021	17.750	18.41947
1.875	1.88234	9.875	10.08040	17.875	18.55403
2.000	2.00835	10.000	10.21066	18.000	18.68865
2.125	2.13443	10.125	10.34099	18.125	18.82335
2.250	2.26057	10.250	10.47139	18.250	18.95811
2.375	2.38678	10.375	10.60185	18.375	19.09295
2.500	2.51306	10.500	10.73238	18.500	19.22785
2.625	2.63940	10.625	10.86298	18.625	19.36282
2.750	2.76580	10.750	10.99365	18.750	19.49766
2.875	2.89228	10.875	11.12438	18.875	19.63297
3.000	3.01881	11.000	11.25519	19.000	19.76815
3.125	3.14542	11.125	11.38605	19.125	19.90340
3.250	3.27208	11.250	11.51699	19.250	20.03872
3.375	3.39882	11.375	11.64800	19.375	20.17411
3.500	3.52562	11.500	11.77909	19.500	20.30956
3.625	3.65249	11.625	11.91021	19.625	20.44509
3.750	3.77942	11.750	12.04141	19.750	20.58068
3.875	3.90642	11.875	12.17269	19.875	20.71635
4.000	4.03348	12.000	12.30403	20.000	20.85208
4.125	4.16061	12.125	12.43544	20.125	20.98789
4.250	4.28781	12.250	12.56692	20.250	21.12376
4.375	4.41507	12.375	12.69846	20.375	21.25971
4.500	4.54240	12.500	12.83008	20.500	21.39572
4.625	4.66979	12.625	12.96176	20.625	21.53180
4.750	4.79725	12.750	13.09351	20.750	21.66796
4.875	4.92478	12.875	13.22533	20.875	21.80418
5.000	5.05237	13.000	13.35721	21.000	21.94047
5.125	5.18003	13.125	13.48916	21.125	22.07683
5.250	5.30776	13.250	13.62118	21.250	22.21326
5.375	5.43555	13.375	13.75327	21.375	22.34977
5.500	5.56341	13.500	13.88543	21.500	22.48634
5.625	5.69133	13.625	14.01766	21.625	22.62298
5.750	5.81932	13.750	14.14995	21.750	22.75969
5.875	5.94738	13.875	14.28231	21.875	22.89647
6.000	6.07550	14.000	14.41474	22.000	23.03332
6.125	6.20369	14.125	14.54724	22.125	23.17024
6.250	6.33195	14.250	14.67981	22.250	23.30724
6.375	6.46027	14.375	14.81244	22.375	23.44430
6.500	6.58866	14.500	14.94514	22.500	23.58143
6.625	6.71711	14.625	15.07791	22.625	23.71863
6.750	6.84564	14.750	15.21075	22.750	23.85590
6.875	6.97423	14.875	15.34366	22.875	23.99324
7.000	7.10288	15.000	15.47664	23.000	24.13066
7.125	7.23160	15.125	15.60968	23.125	24.26814
7.250	7.36039	15.250	15.74279	23.250	24.40569

0

Form 39.09

Exhibit Stamp

Hfx No. 539955

This is Exhibit "O" 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



Retail Collateral Mortgage

THIS MORTGAGE made on this 31 day of July, 2023.

BETWEEN:

ANNAPOLIS MANAGEMENT, INC., a body corporate, in its capacity as
general partner of RUBY, LLP
(the "Mortgagor")

- and -

GRAYSBROOK CAPITAL LTD., a body corporate
("Graysbrook")

- and -

STEVEN CARYI
(the "Guarantor")

WITNESSETH that the Mortgagor in consideration of the sums of money advanced or to be advanced to the Mortgagor by Graysbrook, being the Obligations Secured (as that term is defined in the attached Set of Standard Mortgage Terms) mortgages the real property described below under **Description of Property Covered** to Graysbrook as security for the repayment of the Obligations Secured and the performance of the Mortgagor's obligations set out or referred to in this Mortgage including, without limitation, the Agreements (as this is defined in the attached set of Standard Mortgage Terms).

In this Mortgage "you" and "your" means each person who has signed this Mortgage as Mortgagor or if applicable, as Guarantor; "we", "our" and "us" mean Graysbrook.

You agree with us:

Firstly: That you will repay to Graysbrook the Obligations Secured and will perform all of your obligations, financial or otherwise, under the Agreements.

The debts and liabilities referred to above are all debts and liabilities, present or future, absolute or contingent, matured or not, at any time owing by you to Graysbrook or remaining unpaid by you to Graysbrook, either arising from dealings between you and Graysbrook or from any other dealings or proceedings by which Graysbrook may be or become in any manner whatever your creditor, and wherever incurred and whether incurred by you alone or with another or others and whether as principal or surety (the "Obligations Secured").

Secondly: That you will pay on demand, interest on the principal amount at a rate equal to Graysbrook's prime lending rate from time to time plus two per cent (2%) per annum, calculated daily and payable monthly, both before and after maturity and default, and interest on overdue interest at the same rate and calculated and payable in the same way.

Thirdly: That you will pay all additional amounts to which Graysbrook may become entitled under this Mortgage or under the Agreements.

Fourthly: That you will do everything else that you have promised to do in this Mortgage.

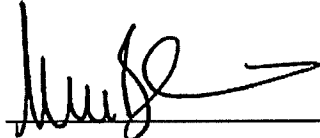
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The Mortgagor and the Guarantor confirms to have read and agreed to the terms of this Mortgage, including the Set of Standard Mortgage Terms attached, acknowledges receipt of a copy of the Mortgage and has signed below as evidence of its agreement and acknowledgement.

SIGNED this 31st day of July, 2023.



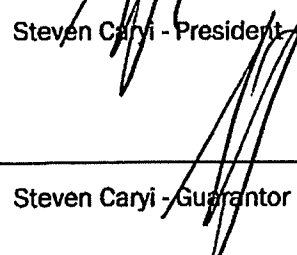
Witness



Witness

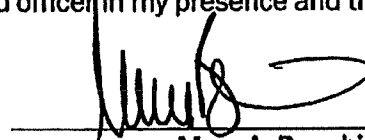
ANNAPOLIS MANAGEMENT, INC.,
in its capacity as general partner of
RUBY, LLP

Per:


Steven Caryi - President
Steven Caryi - Guarantor

PROVINCE OF NOVA SCOTIA

I CERTIFY that on the 31st day of July, 2023, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties hereto, caused the foregoing indenture to be executed by its duly authorized officer in my presence and that I signed as a witness to such execution.

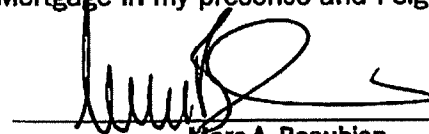


Marc A. Beaubien

A Barrister of the Supreme Court of
Nova Scotia

PROVINCE OF NOVA SCOTIA

I CERTIFY that on the 31st day of July, 2023, STEVEN CARYI, the Guarantor in this Mortgage, signed, sealed and delivered this Mortgage in my presence and I signed as a witness to such execution.



Marc A. Beaubien

A Barrister of the Supreme Court of Nova
Scotia

AFFIDAVIT OF CORPORATE STATUS

I, Steve Caryl, make oath and say that:

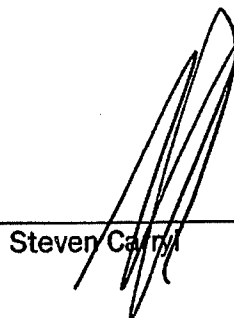
1. I am the President of ANNAPOLIS MANAGEMENT, INC. (the "Corporation"), general partner of RUBY, LLP (the "Partnership"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized 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 at Halifax, in the Province of
Nova Scotia, this 31st day of July, 2023,
before me:



Marc A. Beaubien

A Barrister of the Supreme Court of
Nova Scotia



Steven Caryl

**SCHEDULE A
DESCRIPTION OF PROPERTY COVERED**

PID 00047183

ALL that certain lot of land situated on the eastern side of Young Avenue in the City of Halifax, Province of Nova Scotia shown as Lot A-4 on a plan (Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 13-331A-0) of survey of Lots A-3 and A-4, Resubdivision of Lots A-1 and A-2, Robert Archibald and Veronica Seabrook signed by Robert A. Daniels, N.S.L.S. dated September 30, 1991, approved by the Development Officer for the City of Halifax November 28, 1991, filed at the Registry of Deeds as Plan No. 28271 in Drawer 291 and described as follows:

BEGINNING at the intersection of the eastern street line of Young Avenue with the southern street line of Ogilvie Street; said point being distant 675.69 feet on a bearing of South 27 degrees 42 minutes 58 seconds East from Nova Scotia Coordinate Monument No. 4848;

THENCE North 67 degrees 55 minutes 01 seconds East 149.50 feet along the southern street line of Ogilvie Street to the northwestern corner of Lot B;

THENCE South 22 degrees 01 minutes 45 seconds East 66.00 feet along the western boundary of said Lot B to the northeastern corner of Lot A-3;

THENCE South 67 degrees 55 minutes 01 seconds West 39.56 feet along the northern boundary of said Lot A-3 to an angle therein;

THENCE South 22 degrees 04 minutes 59 seconds East 1.00 feet along the western boundary of said Lot A-3 to an angle therein;

THENCE South 67 degrees 55 minutes 01 seconds West 17.45 feet along the northern boundary of said Lot A-3 to an angle therein;

THENCE North 22 degrees 04 minutes 59 seconds West 1.00 feet along the eastern boundary of said Lot A-3 to an angle therein;

THENCE South 67 degrees 55 minutes 01 seconds West 92.49 feet along the northern boundary of said Lot A-3 to its intersection with the eastern street line of Young Avenue;

THENCE North 22 degrees 01 minutes 45 seconds West 66.00 feet along the eastern street line of Young Avenue to the place of beginning.

CONTAINING 9,884 square feet.

ALL bearings are Nova Scotia Coordinate Survey System Grid Bearings and are referred to Central Meridian 64 degrees 30 minutes West.

The parcel originates with an approved plan of subdivision that has been filed under the Registry Act or registered under the Land Registration Act at the Land Registration Office for the registration district of Halifax as plan or document number 28271.

PID 00047076

Municipality/County: HALIFAX COUNTY

Designation of Parcel on Plan: LOT B

Title of Plan: PLAN SHOWING PROPOSED SUBDIVISION LOT AT CIVIC NUMBER 11 YOUNG AVE

Registration County: HALIFAX COUNTY

Registration Number of Plan: 5501

Registration Date of Plan: August 14, 1961

***** 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: 1961

Plan or Document Number: 5501

SET OF STANDARD MORTGAGE TERMS

1. DEFINITIONS

Mortgage means the mortgage, any schedule attached to it and this set of Standard Mortgage Terms; **you and your** mean each person who has signed or is bound by the Mortgage as Mortgagor; **we, our and us** mean Graysbrook, the mortgagee including our successors and assigns; **Property** means the property described under the heading **Description of Property Covered** on the Mortgage or any schedule attached to it and anything else included under the heading **Description of Property Covered** set out herein; **Obligations Secured** means all debts and liabilities described under the heading **Obligations Secured**. **Agreements** means all of the contracts, agreements, promissory notes, bills, notices or other documents which govern or relate to the Obligations Secured and all renewals, replacements and substitutions of them.

2. DESCRIPTION OF PROPERTY COVERED

Any buildings now or later on the Property and any other property that is at any time attached or fixed to the land, including additions, alterations and improvements to the buildings are covered by this Mortgage.

3. OBLIGATIONS SECURED

The debts and liabilities secured by this Mortgage are all debts and liabilities, present or future, absolute or contingent, matured or not, at any time owing by you to us or remaining unpaid by you to us, either arising from dealings between you and us or from any other dealings or proceedings by which we may be or become in any manner whatever your creditor, and wherever incurred and whether incurred by you alone or with another or others and whether as principal or surety.

You agree to pay in accordance with the Agreements and this Mortgage all amounts including but not limited to all costs and other amounts due to us under this Mortgage or under any of the Agreements, and all interest, including compound interest, accruing on the Obligations Secured from time to time. These amounts are secured by this Mortgage and form part of the Obligations Secured.

4. WHAT THE MORTGAGE DOES

By signing this Mortgage, you charge your entire interest in the Property to us, and to anyone to whom the Mortgage is transferred in any way, as security for the payment to us, on demand, of the Obligations Secured. The Mortgage secures a current or running account. The Mortgage is not satisfied or discharged by any intermediate payment of all or part of the Obligations Secured but remains a continuing security for payment of the Obligations Secured, notwithstanding any change in the amount, nature or form of the Obligations Secured or any renewal, extension, amendment or replacement of the Agreements.

Our charge upon your interest in the Property subject to the Mortgage will end when:

- (i) You have repaid the Obligations Secured including all amounts to which we may become entitled under the Mortgage, and
- (ii) You have done everything else you have promised to do in the Agreements and the Mortgage, and
- (iii) We have signed and delivered to you a Release of the Mortgage.

You may remain in possession of the Property as long as you are not in default under any of the Agreements and as long as you meet all your other obligations to us under the Mortgage.

5. NO OBLIGATION TO ADVANCE

We have no obligation to advance funds to you, even though the Mortgage is prepared, signed or registered, and whether or not any amounts have already been advanced; however, by signing the Mortgage you charge all of your interest in the Property to us. You will reimburse us, on demand, for all our expenses incurred in investigating the title to the Property and preparing and registering the Mortgage.

6. YOUR TITLE TO THE PROPERTY

As owner of the Property, you certify that, as of the date of this Mortgage and at each subsequent advance of the Obligations Secured:

- (i) You are the lawful owner of the Property;
- (ii) There are no encumbrances on the title to the Property other than those disclosed on the registered title to the Property; and
- (iii) There are no limitations or restrictions on your title to the Property except building by-laws, zoning regulations and registered restrictions which have been complied with.

You promise not to do anything that will interfere with our Mortgage upon your interest in the Property and you agree to sign any documents which we think are necessary to mortgage to us your interest in the Property.

You agree not to further mortgage, charge, hypothecate or encumber the property without our prior written consent.

7. YOUR RESPONSIBILITIES

- (i) **Payment** – You agree to pay us the Obligations Secured on demand, and to comply with all your other obligations under this Mortgage or under all Agreements.
- (ii) **Insurance** – You will insure without delay, and keep insured, in our favour and until the Mortgage is discharged, all buildings and improvements covered by the Mortgage (including those which will be built in the future both during construction and afterwards) (the "Buildings") against loss or damage by fire and other perils usually covered in fire insurance policies and against any other perils we request. Such insurance must be provided by a company approved by us for the replacement cost of the Buildings (the maximum amount for which the Buildings can be insured) in Canadian dollars. Your policy must be in form satisfactory to us and must include extended perils coverage and the Canadian Standard Mortgage Clause satisfactory to us stating that loss under the policy is payable to us. You shall, at our request, transfer to us all insurance policies and receipts you have on the Buildings and any proceeds from that insurance. Co-insurance is not permitted.

If you do not:

- maintain insurance on the Buildings that, in our opinion, complies with this paragraph;
- deliver a copy of any insurance policy or receipt to us at our request; or

- provide us with evidence, at our request, of any renewal or replacement of the insurance, at least fifteen full days before your insurance expires or is terminated,

we can, but are not obliged to, insure any of the Buildings. What we pay for any insurance we obtain under this paragraph shall be added to the Obligations Secured and will bear interest at the interest rate provided for in the Agreements. You will pay this amount to us immediately. Also, if the insurance you obtain is not acceptable to us in our reasonable estimation, we can require you to replace it with insurance which is acceptable. If any loss or damage occurs, you will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. Our providing a copy of this Mortgage will be sufficient authority for an insurance company to pay us any loss related to the insurance policy or to accept instructions from us dealing with the loss. If the Property includes a condominium unit you will seek to ensure the full compliance by the condominium corporation with its duties and obligations under the *Condominium Act* and the Declaration and By-Laws of the condominium corporation.

Insurance proceeds may, to the extent permitted by law, in whole or in part and, at our option, be applied to rebuild or repair the damaged Buildings or paid to you or paid to any other person who owns or did own the Property, (as established by the registered title) or applied, at our sole discretion, to reduce any part of the Obligations Secured, whether due or not yet due.

- (iii) **Taxes** - You agree to pay all taxes on the Property when they are due. If we require it, you will make monthly tax payments to us on account of Property taxes with each monthly loan payment. The amount of each monthly tax payment will be 1/12th of our estimate of a year's taxes on the Property next coming due and payable and may change from time to time to reflect changes in the annual taxes on the Property. The monthly tax payments should enable us to pay all taxes on or before their annual due date. Or, if the taxes are payable in instalments, the monthly payments should enable us to pay the full year's instalments of taxes on or before the date on which the first instalment is due.

You will also pay us, on demand, any amount by which the actual taxes on the Property exceed our estimate of your taxes or, at our option, we may increase the payment to cover this amount.

We will apply the monthly payments we receive from you towards payment of your property taxes as long as you are not in default under the Mortgage. We are not obliged to make tax payments on multiple instalment dates or more often than once a year. If you have not paid us enough for taxes, we may, at our option, still pay the taxes. This will create a debit balance in your tax account. Any debit balance is immediately payable by you. We are under no obligation to advise you that a debit balance has been created.

We will pay you interest on any credit balance in your tax account. The interest we pay will not be less than that paid by us on savings-chequing accounts with the same credit balance. We will charge you interest on the debit balance in your tax account at the interest rate provided for in the Agreements until the debit balance is paid to us in full. Any such debit balance and all accrued interest thereon will form a part of the Obligations Secured.

If you fail to pay us any Obligations Secured when it is due, we may apply the credit balance in your tax account towards payment of the Obligations Secured.

We can deduct from any advance of the Obligations Secured enough money to pay all taxes due which have not been paid.

You will immediately send us all assessment notices, tax bills or tax notices which you receive and provide us with receipted tax bills if we require.

- (iv) **Other charges** - You agree to pay all taxes, charges, mortgages, liens, common expenses and other encumbrances on the Property when they are due. If you do not pay any of these amounts when they are due, we can pay them. We can also pay off any liens, claims, common expenses or encumbrances against your Property which we consider to have priority over the Mortgage. If we pay on your behalf any taxes, charges, mortgages, liens or other encumbrances or any common expenses, you will immediately pay us our costs of so doing and until paid, all such costs will form part of the Obligations Secured and will bear interest at the interest rate provided for in the Agreements. You will also pay all our costs of collecting any payments not received from you when due. These costs will include all of our legal expenses on a solicitor and own client basis. All of these costs will form a part of the Obligations Secured and will bear interest at the interest rate provided for in the Agreements.
- (v) **Keeping the property in good condition** - You agree to keep the Property in good condition and to make any repairs that are needed. You also agree not to do anything, or let anyone else do anything that lowers the value of the Property. We can inspect the Property at any reasonable time and charge the cost of any inspections to you.

These costs shall be payable to us immediately shall bear interest as provided for in the Agreements and shall form part of the Obligations Secured.

If you don't keep the Property in good condition, or if you or anyone else does anything that lowers the value of the Property, we can make any repairs which we consider necessary and charge our cost of repairs to you. These amounts shall be payable to us immediately, shall bear interest as provided in the Agreements and shall form part of the Obligations Secured. You will not make any alterations, improvements or changes without our prior written consent.

You will not use the Property for any business purposes without our consent.

- (vi) **If you are a tenant of the property** - You promise:
- to pay the rents and other amounts due under the lease as they fall due;
 - to comply with all of the other terms of the lease and not to do anything that would cause the lease to be terminated;
 - not to surrender the lease;
 - not to make any change in the lease without first obtaining our written consent;
 - to give us a true copy of any notice or request you receive concerning the lease; and
 - to notify us immediately if your landlord advises you of early termination or takes any steps to effect early termination of the lease.

We shall have the right to cure any default by you under the lease but are not required to do so. If we cure any default under the lease, you will pay to us all costs we incur.

These costs shall be payable to us immediately, shall bear interest as provided in the Agreements and shall form part of the Obligations Secured.

8. **PREPAYMENT**

Your right to prepay, if any, the principal amount will be set out in the Agreements.

9. **BUILDING MORTGAGES**

The word "Improvement" includes any construction, installation, alteration, addition, repair or demolition. If any portion of the Obligations Secured is to finance an Improvement, you must so inform us in writing immediately and before any advances of such portion of the Obligations Secured. You must also provide us immediately with copies of all contracts and subcontracts relating to the Improvement and any amendments to them. You agree that any Improvement shall be made only according to contracts, plans and specifications approved in writing by us in advance. You must complete all such buildings or Improvements as quickly as possible and provide us with proof of payment of all contracts from time to time as we require. If you do not complete the construction, we may do so and our expenses will form a part of the Obligations Secured and will bear interest at the interest rate provided for in the Agreements. You will pay us these expenses immediately. We will make advances to you based on the progress of the Improvement until either completion and occupation or sale of the Property. We will determine whether or not any advances will be made, when they will be made and in what amount. Whatever the purpose is of one or more of the Obligations Secured, we may in our sole and absolute discretion hold back funds from advances until we are satisfied that you have complied with the holdback provisions of the *Builders' Lien Act* as amended or re-enacted. You authorize us to provide information about the Mortgage to any person claiming a mechanics' lien on the Property.

10. **TRANSFER OF LEASES AND RENTS**

As additional and separate security for the Obligations Secured, you assign to us all existing and future rents and leases relating to the Property. In particular you transfer and assign to us as security:

- (i) All leases, lease agreements and their renewals;
- (ii) All rents and other money payable under the terms of all such leases and agreements; however, we may allow you to receive the rents so long as there is no default by you in making your payments to us or in complying with your other obligations to us under the Mortgage; and
- (iii) All of your rights under such leases and agreements.

In addition you confirm that:

- (iv) You must obtain our prior written consent for any future leases of the Property or for the renewal of any lease (other than a renewal provided for in any lease);
- (v) Nothing we do under this paragraph shall put us in possession of the Property;
- (vi) However, if you default under the Mortgage, we have the right to take possession of the Property, inspect, collect rents or manage the Property; and
- (vii) We are not obliged to collect any rent or other income from the Property nor to comply with any term of any lease or agreement.

11. APPOINTING A RECEIVER TO RECEIVE INCOME

If you default in making any regular loan payment or any other payment which you have agreed to make to us, or in complying with any of your obligations under any Agreement or the Mortgage, we can, in writing, appoint a receiver (which includes a receiver and manager) to collect any income from the Property. We can also, in writing, appoint a new receiver in place of any receiver appointed by us. The receiver is considered to be your agent and not ours and his defaults are considered to be solely your defaults.

- (i) The receiver has the right to:
 - i) Use any available remedy (taken in your name or our name) to collect the income from the Property;
 - ii) Take possession of the Property or part of it;
 - iii) Manage the Property, maintain it in good condition and complete any construction or improvements if applicable; and
 - iv) Lease the Property on whatever terms considered appropriate.

From the income collected the receiver may:

- (i) Retain a commission of 5% of the total money received or any higher rate permitted by a judge or other authorized officer.
- (ii) Retain enough money to pay disbursements spent on collecting the income.
- (iii) Pay all taxes, fire insurance premiums, expenses of keeping the Property in good condition or completing any construction or improvements, interest on those payments and all charges that have priority over the Mortgage and interest on those charges.
- (iv) Pay us all interest that is due and payable under the Obligations Secured and then, at our option, pay us all or part of the Obligations Secured, whether due or not yet due.

Nothing done by the receiver puts us in possession of the Property or makes us accountable for any money except for money actually received by us.

12. ENVIRONMENTAL PROVISIONS

We may inspect the Property and the Buildings on it when we consider it appropriate. We may do this for any purpose but particularly to conduct environmental testing, site assessments, investigations or studies which we consider necessary. The costs of any inspection, testing, assessment or study will be payable by you and you will pay us the costs immediately after we give you notice of them. If you do not pay us when we request it, we can add the amounts to the Obligations Secured under your Mortgage and these amounts will bear interest at the interest rate provided for in the Agreements. If we do the things permitted under this paragraph, we will not be considered to be in possession or control of the Property.

13. SECURITIZATION

We may, at our option, sell or deposit all or any part of the Obligations Secured, any Agreement or this Mortgage to one or more third party(ies) without notice to you or your consent. If we do so, you agree that this Mortgage shall continue to secure all Obligations Secured, including all amounts owing under any Obligations Secured or Agreement that has been so sold, or assigned or deposited and all Obligations Secured that arise under any Agreement after such sale, assignment or deposit. This Mortgage and any Obligations Secured or Agreement once sold, assigned or deposited may be repurchased by us, whether or not in default.

14. IMMEDIATE PAYMENT

You will immediately, at our option, pay to us all of the Obligations Secured if any part of the Obligations Secured is not paid when it is due, or if you fail to comply with any of your obligations under the Mortgage or under any Agreement.

15. DELAY IN ENFORCEMENT

We can delay enforcing any of our rights under the Mortgage or the Obligations Secured without losing those rights and we can release others from their obligations under the Mortgage or any of the Obligations Secured without releasing you.

16. ENFORCING OUR RIGHTS

If you do not repay the Obligations Secured after we have demanded payment of them or if you have not corrected any other default under this Mortgage or Agreements we can take immediate possession of the Property. Upon giving you notice as required by law, we may sell the Property or lease it or pursue any other remedy available to us under Nova Scotia law. You will immediately pay all our expenses of enforcing or protecting our security or any of our rights under the Mortgage or any Agreements. Our expenses include our costs of taking or keeping possession of the Property, an allowance for the time and services of our employees utilized in so doing, our legal fees on a solicitor and own client basis and all other costs related to protecting or enforcing our interest under the Mortgage. These expenses will form part of the Obligations Secured and will bear interest as provided for in the Agreements. If the amount we receive from the sale or lease of the property is less than what you owe under the Obligations Secured you will have to pay us the difference.

You agree not to make any claims concerning the Property against anyone who buys it or leases it from us, or anyone who buys or leases the Property after that time. If you do have any claims concerning the Property, you agree to make them only against us and only for money damages.

If we obtain a court judgement against you for your failure to comply with any of your obligations to us under any of the Agreements or the Mortgage, the judgement will not result in a merger of the terms of the judgement with our other remedies or rights to enforce your other obligations under the Mortgage. We will continue to be entitled to receive interest on the Obligations Secured in the manner established in the Agreement(s). The rate of interest payable on any judgement shall be calculated and payable in the same way as interest is calculated under the Agreement(s) and at the same rate that interest is payable until the judgement has been paid in full.

17. SALE OF PROPERTY

If you sell or transfer the Property then, at our option, you will immediately pay to us all the Obligations Secured. If we do not require you to pay to us the Obligations Secured, your

obligations to us under the Mortgage, and our rights against you or anyone else who is liable for the payment of the Obligations Secured, are not affected.

18. AMENDMENTS

We may from time to time enter into one or more written agreements with you (or with anyone to whom the Property is transferred) to amend the Agreements or the Mortgage. It will not be necessary to register the agreement on title in order to retain priority for the Mortgage, as amended, over any instrument registered after the Mortgage for the full amount of the Obligations Secured. Any reference in this set of Standard Mortgage Terms to the Mortgage means the Mortgage as amended by any such agreement.

19. GIVING NOTICE

Any written notice under this Mortgage or the Agreements may be given to you and shall be considered to have been received by you when we send it to the last address of which we have received written notice from you. Written notice to any one of you shall be considered to be notice to all of you. Written notice shall be considered to have been received by us when it is received at the address of the branch indicated on the Mortgage document or any other branch as we may notify you in writing.

20. EFFECT ON OTHER AGREEMENTS, OBLIGATIONS AND SECURITY

The Mortgage does not change or release you from any of your other obligations under the Agreements with us. Also, the Mortgage does not affect any other security we hold for the repayment of the Obligations Secured, or any other rights we may have to enforce repayment of the Obligations Secured.

21. CONDOMINIUM PROVISIONS

The *Condominium Act*, as amended or re-enacted, is called "the Act". Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression condominium property has the same meaning as the word "property" in the Act.

You will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "Corporation") relating to the property and provide us with proof of your compliance from time to time as we may request.

You will pay the common expenses for your Property to the Corporation on the due dates. In addition to our other rights and remedies contained in the Mortgage, you will pay us immediately all our expenses in relation to any by-law, resolution, rule or other matter (other than one for which only a vote of the majority present at the meeting is required) or the enforcement of our right to have the Corporation or any owner comply with the Act, declaration, by-laws and rules and our exercising any voting rights we may have. These costs will bear interest in accordance with the Agreements and will form a part of the Obligations Secured.

You irrevocably authorize us to exercise your rights in all matters concerning the Act and the condominium. You also authorize us to exercise your rights to demand the Corporation purchase the unit and common interest, where provided under the Act; elect to have the value of the unit and common interest or that of the condominium property determined by arbitration and receive your share of the Corporation's assets and the proceeds from the sale of the unit and common interest or of the condominium property or any part of the common elements.

If we do not exercise your rights, you may do so according to any instructions we may give you. Before making such a demand or election you must obtain our prior written approval. You must do this even if we do not have the right to make the demand or election as between ourselves and the Corporation, and even if we had previously arranged for you to exercise that right.

The above actions will not put us in possession of the Property. We are not liable for any action we may take in doing what you have authorized us to do or for any failure to act.

You authorize us to inspect the Corporation's records and remedy any failure of yours to comply with the Act or the declaration, by-laws and rules of the Corporation. You will forward to us, if we require, any notices, assessments, by-laws, rules and financial statements of the Corporation you receive (or are entitled to receive) from the Corporation.

The Obligations Secured will become payable immediately, at our option, if (i) the Corporation fails to comply with the Act and the declaration, by-laws and rules of the Corporation; (ii) the Corporation fails to insure all the condominium units and common elements according to law and according to any additional requirements of ours or do all that is necessary to collect insurance proceeds; (iii) the Corporation makes any substantial modification to the common elements or the Corporation's assets without our approval; (iv) there has been substantial damage and the owners have voted for termination of the condominium; (v) a sale of the condominium property or any part of the common elements is authorized, or (vi) the property ceases to be governed by the Act.

If the Property ceases to be governed by the Act all the terms of the Mortgage continue to apply to the Property. You authorize us to agree with anyone to a partition of the condominium property. We can pay or receive money to ensure that the partition is equal and you will immediately reimburse us for any money we have paid. We can also execute all documents and do all acts needed to carry out the partition. Your share of the Corporation's assets and the proceeds from the sale of the unit and common interest or of the condominium property or any part of the common elements shall be paid to us (unless we notify you to the contrary in writing) and you will do all things necessary to accomplish this and any money received by us (after payment of all our expenses) may be applied to reduce any part of the Obligations Secured. Any balance remaining after all claims have been satisfied will be paid by you.

22. RELEASING THE PROPERTY FROM THE MORTGAGE

We may release, or partially release, the Property from the Mortgage whether we receive value for our release or not. If we release part of the Property from the Mortgage at any time, the rest of the Property will continue to secure the Obligations Secured.

If the Property is subdivided before our interest in the Property comes to an end, the Mortgage will be secured by each part into which the Property is subdivided. This means that each part will secure repayment of the total amount of the Obligations Secured you owe us, even if we release another part of the Property from the Mortgage.

We can release you, any guarantor, or any other person from performing any obligation contained in the Mortgage or any other security document without releasing any part of the Property secured by the Mortgage or any other security document. Any such release shall not release any other party from their obligations under the Mortgage or Agreements.

23. RELEASE OF MORTGAGE

When our interest in the Property comes to an end, we will prepare for you a full release of our claim (which is called a Release of Mortgage). You will give us a reasonable time in which to prepare and sign the release and you will pay our usual administrative fee for preparing,

reviewing or signing the document and all legal and other expenses we incur in so doing. You will be responsible for registering and for the costs of registering any release.

24. WHO IS BOUND BY THE MORTGAGE

You agree to observe and be bound by all of the terms and obligations contained in the Mortgage. The Mortgage will also be binding on your heirs, personal representatives and any person to whom the Property is transferred and shall benefit us and our successors and assigns. All persons who sign or who are otherwise bound by the Mortgage as mortgagors are jointly and severally bound to comply with all obligations under the Mortgage.

25. GUARANTEE

In this paragraph, **guarantor** means each person who signs the Mortgage as guarantor of the Obligations Secured. **Mortgagor** means each person who signs or is otherwise bound by the Mortgage as mortgagor.

In return for us making a loan to the mortgagor, the guarantor, by signing the Mortgage, unconditionally guarantees to us the mortgagor's payments of the Obligations Secured (including interest, whether or not the interest rate is changed, and other costs and charges), when due and compliance with the mortgagor's other obligations under the Mortgage and Agreements. Each guarantor agrees that, if the mortgagor defaults in making any payment or in performing any other obligation under the Mortgage or Agreements, the guarantor will pay us upon demand all of the Obligations Secured and comply with all of the obligations under the Mortgage or Agreements which have not been complied with by the mortgagor. Each guarantor will be jointly and severally responsible with the mortgagor and with one another (if more than one) for all obligations under the Mortgage and Agreements, including payment of the Obligations Secured.

It is understood that we can without releasing or lessening the guarantor's liability and without obtaining the consent of or giving notice to the guarantor:

- Make new advances of the Obligations Secured;
- Grant any extensions of time for payment and extensions of the term of the Obligations Secured, including any amendments, replacements, additions or renewals of the Agreements covering the Obligations Secured;
- Increase the rate of interest payable under the Agreements, either during the initial term or in any subsequent renewal period;
- Release the whole or any part of the Property from the Mortgage or any other security;
- Otherwise deal with the mortgagor, any other person (including any guarantor), any security (including the Mortgage) or the Property, including releasing, realizing on or replacing any security we may hold;
- Waive any provision of the Mortgage or Agreements or change any of the terms of the Mortgage or Agreements at any time;

either before or after requiring payment from any other person. We may require payment from any guarantor without first trying to collect from the mortgagor or any other person (including any guarantor) or on any security (including the Mortgage). The obligations of the guarantor under this guarantee shall be as principal debtor and not as surety and are not affected by the release of any mortgagor or any other person (including any guarantor) of its obligations under the Obligations Secured or any compromise or termination of any Obligations Secured, whether

in bankruptcy proceedings or otherwise. Each guarantor's obligations shall be binding upon the guarantor's successors or personal representatives.

26. HEADINGS

The headings in the body of the Mortgage form no part of the Mortgage. They are inserted for convenience only. You agree that all of the provisions stated in this set of Standard Mortgage Terms form a part of the Mortgage.

This GENERAL ASSIGNMENT OF RENTS AND LEASES made the 31 day of July, 2023.

BETWEEN:

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.

(the "Assignee")

OF THE SECOND PART

WHEREAS:

- A. The Assignor is the present owner of the lands situate at 545 Young Avenue and 5668 Ogilvie Street, Halifax, NS, and comprised of the lands and premises described in Schedule "A" hereto (hereinafter collectively called the "Property");
- B. The Assignee has loaned certain money to the Assignor pursuant to the terms of a term sheet (the "Term Sheet") among, *inter alia*, the Assignor and the Assignee which indebtedness is secured, *inter alia*, by a first mortgage of even date herewith containing a mortgage of the Property (the "Mortgage");
- C. It was agreed as a condition of advancing the sums pursuant to the Term Sheet and the Mortgage that the Assignor would assign to the Assignee, its successors and assigns: (i) all leases, subleases, licenses, agreements to lease, options to lease, rights of renewal or other agreements by which the Assignor granted or will grant the right to use or occupy all or part of Property (whether presently existing or which may exist in the future) and includes agreements collateral thereto and any of the foregoing types of agreements entered into by any predecessor in title to the Assignor to the extent that any such agreements remain in effect (collectively, the "Leases"); (ii) all rents, issues and profits now due or to become due under and derived from the Leases and or the property (collectively, the "Rents"); and (iii) the benefit of all covenants and obligations of tenants, licensees and occupants contained in any Leases, including without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect and receive all rent, to enforce the Assignor's rights under any Leases or any of them (collectively, the "Lease Benefits"); as additional security of the payment of the moneys owed to the Assignee pursuant to the Term Sheet and the documents contemplated thereby (the "Indebtedness") and for the performance of the covenants and provisos therein contained (the "Obligations"). The Leases, the Rents and the Lease Benefits are hereinafter collectively referred to as the "Assigned Rights and Benefits".

NOW THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid to the Assignor by the Assignee, (the receipt and sufficiency of which is hereby acknowledged), the parties hereto covenant and agree as follows:

1. As continuing collateral security for the payment of the Indebtedness and performance of the Obligations, the Assignor does hereby sell, assign, transfer and set over unto the Assignee, all of the Assignor's right, title and interest, both at law and in equity, in and to the Assigned Rights and Benefits, to hold and receive the same unto the Assignee with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and to enforce payment of the same and enforce performance of the obligations in accordance with and subject to the terms of this Assignment.
2. This Assignment shall not extend or apply to the last day of the term, or the last day of any extended or renewed term, of any of the Leases and if the assignment be enforced by the Assignee, the Assignor shall stand possessed of each such last day and shall hold same in trust to assign the same at the direction of the Assignee or any person who may acquire any such term or renewal term or who in the course of enforcement hereof may be entitled to so direct.
3. It is expressly acknowledged and agreed that nothing herein contained shall obligate the Assignee to assume or perform any obligation of the Assignor to any third party in respect of or arising out of the Assigned Rights and Benefits or any of them. The Assignee may, however, only after Default (as hereinafter defined), and while such Default continues, at its option, assume or perform any such obligations as the Assignee considers necessary or desirable to obtain the benefit of the Assigned Rights and Benefits free of any set off, deduction, or abatement and any money expended by the Assignee in this regard shall form part of and shall be deemed to form part of the Indebtedness and bear interest at the rate stipulated in the Term Sheet.
4. The exercise by the Assignee of its rights under this Assignment or the assumption after Default of certain obligations of the Assignor as referred to in Section 3 above, shall not constitute or have the effect of making the Assignee a mortgagee in possession. Care, control and management of the Property shall remain and shall be deemed to be with the Assignor, in the absence of clear and unequivocal action by the Assignee depriving the Assignor of such care, control and management and the assumption thereof by the Assignee.
5. The Assignee may, at any time and whether or not Default has occurred, without further request or agreement by the Assignor, reassign to the Assignor, their successors and assigns, the Assigned Rights and Benefits or any part or parts thereof by an instrument of reassignment in writing executed by the Assignee delivered to the Assignor, their successors and assigns, at the address for notice herein provided. Such instrument upon delivery shall constitute a good and sufficient reassignment of all of the Assignee's right, title and interest in and benefit of the Assigned rights and Benefits to which it pertains and a good and valid release and termination of obligations (if any) of the Assignee with respect thereto. Such reassignment shall not expressly or impliedly constitute any representation or warranty to the Assignor as to the Assigned Rights and Benefits or anything related thereto.

6. A statement or recital referring to this Assignment in the discharge of the Mortgage shall operate as a good and sufficient reassignment to the Assignor, its successors and assigns, of the Assignee's right, title and interest in and to the Assigned Rights and Benefits without further instrument or agreement by the parties and on payment of the Indebtedness upon the request and at the cost and expense of the Assignor, the Assignee covenants to execute and deliver to the Assignor instruments in registrable form effective to evidence the termination of this Assignment and/or reassignment to the Assignors of the Assigned Rights and Benefits.
7. The Assignor covenants, represents and warrants to and with the Assignee that:
 - (a) the Assignor has good right, full power and absolute authority to assign the Assigned Rights and Benefits and each of them in the manner herein provided;
 - (b) other than Permitted Encumbrances referred to in the Term Sheet , there is no outstanding assignment, mortgage, pledge, hypothecation or other disposition or encumbrance affecting the Assigned Rights and Benefits;
 - (c) notwithstanding any act of the Assignor, the Leases which have been entered into as of the date hereof are valid, subsisting and enforceable leases;
 - (d) there is no right of set-off or abatement with respect to any rent or other moneys owing or to become owing by each lessee under the Leases;
 - (e) there has been no release of the obligations of the lessees under the Leases;
 - (f) all the Leases are in good standing;
 - (g) no rent or other amounts payable pursuant to the Leases has been prepaid for more than a one (1) month period.
8. The Assignor covenants with the Assignee:
 - (a) that except when prevented from doing so because of the actions of the Assignee, to at all times perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases (except to the extent that the same have been expressly waived by the other parties to such Leases);
 - (b) to maintain or cause to be maintained the Assigned Rights and Benefits 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 enforceability of the Leases;
 - (c) to cause the Property to be maintained and managed at all times to a standard of quality consistent with the management of other projects which are of a size, location and type comparable to the Property;
 - (d) not to execute any other assignment of the Assignor's interest in the Assigned Rights and Benefits;
 - (e) save for deposits for the first and last month rentals, the Assignor will not accept Rents more than one (1) month in advance of the dates when such Rents fall due and will not cause payment to be made in advance on its direction;

- (f) all offers to lease and all tenancy agreements, leases or subleases entered into with the lessees of the Property shall be on the standard forms previously approved by the Assignee acting reasonably, to be used in connection with the Property, amended as deemed appropriate in the circumstances by the Assignor acting reasonably to give effect to the arrangements made with each lessee or, if not on pre-approved standard form, then in all cases in form and substance acceptable to the Assignee acting reasonably;
 - (g) subject as hereinafter provided not to permit termination or, alter or amend, waive rights or remedies or otherwise take action with respect to the Leases which in the aggregate will create a material reduction in Rents, from those payable as of the date hereof, without the prior written approval of the Assignee such approval not to be unreasonably withheld or delayed;
 - (h) to furnish to the Assignee credit reports and financial statements all of which are obtained by or may be in the possession or control of the Assignor, when reasonably required by the Assignee;
 - (i) after Default and while such default continues, upon request of the Assignee to facilitate in all ways the Assignee's exercise of its rights hereunder, including without limitation upon request of the Assignee (i) delivery to the Assignee of up to date rent rolls and true copies of all then outstanding leases; (ii) access during regular business hours to records pertaining to the Property, wherever held; and (iii) execution by the Assignor of written notices to the Lessees directing them to make Rent payments to the Assignee;
 - (j) to furnish reports to the Assignee with respect to leasing activity and the status of Leases as set forth in the Term Sheet;
 - (k) to use its best efforts to obtain estoppel certificates from its lessees when and as required by the Assignee. In the event an estoppel certificate is not forthcoming, the Assignor shall furnish in lieu thereof, a certificate of a senior officer as to the information which would have been provided therein.
9. The Assignor covenants and agrees with the Assignee to promptly notify the Assignee of each and every breach, default, non-observance or non-performance, alleged, charged or claimed against the Assignor under any lease, of which it has or receives written notice or of any proceeding by or from any lessee of the Property, or any part thereof, which could likely result in:
- (a) the cancellation or termination of any lease; or
 - (b) the substantial reduction of or setting-off against Rent generated or to accrue from any lease.
10. Subject to the terms of the Assignment, the Assignor shall have the full right, while not in Default: (i) to continue to collect Rents; and (ii) to take all actions or cause all actions to be taken it deems necessary with respect to the Assigned Rights and Benefits, acting as a reasonable and prudent lessor, including without limitation the right to alter, modify, amend or change the terms of the Assigned Rights and Benefits or give any consent, concession or

waiver or exercise any option of the Assignor permitted by such terms, or cancel or terminate the Assigned Rights and Benefits or accept the surrender thereof or consent to any assignment of or subletting under the Leases, provided that the Assignor shall provide to the Assignee details of any of the foregoing in the annual reports referred to in Section 8.

11. "Default" for the purposes of this Assignment means: default has occurred under the terms of the Term Sheet and such default is not remedied within the time period provided in the Mortgage or the Letter of Offer, if any and is continuing or default has occurred under this Assignment; or any representation or warranty by the Assignor herein shall prove to be incorrect at any time in any material respect. Upon Default, the Assignee shall have, in addition to any remedy in respect of the Assigned Rights and Benefits as it has under any other agreement, (including foreclosure or sale under the Term Sheet), all remedies available at common law or in equity, including, without obligation, any one or more of the following rights:
- (a) to collect the Rents or any part thereof and in the name of the Assignor to take from time to time any proceeding which is in the opinion of the Assignee or its counsel, expedient for the purpose of collecting Rents or for securing the payment thereof or for enforcing any of the Assignor's rights under the Leases, also to demand and receive the same and to give acquittances therefor; also to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to the amount; and any settlement arrived at shall be binding upon the Assignor;
 - (b) to receive, enjoy or otherwise avail itself of the Lease benefits;
 - (c) to manage the Property, including without limitation, the making of repairs or replacements to maintain the building or buildings on the Property;
 - (d) to appoint and dismiss such agent or employees as shall be necessary or desirable for exercise of the Assignee's rights hereunder;
 - (e) to alter, modify, amend or change the terms of Leases; to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases, provided same are replaced with a lease or leases of equal or greater economic benefit; to give consents to assignment of or subletting under Leases; and to accept surrenders of Leases provided such surrendered Leases are contemporaneously replaced with new leases with the term of each new lease being equal to or greater than the duration of the balance of the term of the surrendered Lease and further provided that the Rent of the new lease is not materially less than Rent of the surrendered Lease;
 - (f) to enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and managing, operating and maintaining its interest in the Property;
 - (g) to send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and may employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
 - (h) by private instrument to appoint a receiver and manager in accordance with the receivership provisions of the Mortgage which are incorporated by reference into this Assignment;

- (i) to generally perform all such acts as may in the reasonable opinion of the Assignee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Assignor, or in the name of the Assignee.
- 12. The Assignee's obligations as to any Rents or other amounts actually collected shall be discharged by application of such Rents or other amounts against the Indebtedness and for any of the other purposes described in this Assignment. The Assignee shall not be liable for uncollected Rents or other uncollected amounts. The Assignee shall not be liable to any lessee for the return of any security deposit made under any Lease of any portion of the Property unless the Assignee shall have received such security deposit. 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 any of the Assigned Rights and Benefits. No credit shall be given to the Assignor for any sum or sums received from the Rents, until the money collected is actually received by the Assignee, and no credits shall be given for any uncollected Rents or other uncollected amounts or bills, nor shall credit on the Indebtedness be given for any Rents, after the Assignee shall obtain ownership of the Property under order of court or by operation of law.
- 13. 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 Assignment shall constitute a good and valid discharge therefor to each such lessee.
- 14. The Assignee may at any time after Default and while such default continues, with respect to any and all Assigned Rights and Benefits, give to any lessee or other person from whom the Assignor would have been entitled to receive or claim any benefit under the Assigned Right and Benefits in question (the "Other Parties" or "Other Party") express notice in writing of this Assignment and thereafter the Assignee shall be entitled to deal with the Other Party or Other Parties in respect of the Assigned Rights and Benefits without reference to or consent of the Assignor, as if the Assignee were the absolute owner of the Assigned Rights and Benefits.
- 15. The Assignor will at the reasonable request of the Assignee attempt to obtain from the Other Party or Other Parties, acknowledgments of good standing of the assigned Rights and Benefits and/or acknowledgments of notice of this Assignment, in form reasonably satisfactory to the Assignee.
- 16. The Assignor acknowledges and agrees that this Assignment constitutes an irrevocable direction and authorization of the Assignor to any Other Party to pay Rents to the Assignee in accordance with this Agreement and otherwise, honour the rights of the Assignee under this Assignment, the Assignor agrees that any Other Party may rely upon any notice given by the Assignee or on its behalf. The Assignor hereby waives as against any Other Party any claim they might otherwise have by reason of the Other Party acting on such notice.
- 17. In the event all Defaults are subsequently cured, the Assignee shall upon request of the Assignor, and at the Assignor's expense, execute and deliver to the Assignor, directions and authorizations to any Other party who received notice of this Assignment in connection with the Default now cured as aforesaid, authorizing and directing such Other Party(ies) to resume payment of Rents to the Assignor until such time as a further written notice is delivered by the Assignee pursuant to the terms of this Assignment.

18. 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 in no respect be terminated but instead remain in 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 Agreement, have all the rights granted hereby.
19. 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 Term Sheet. The said remedies shall be cumulative and concurrent and not alternative, may be pursued separately, successively or together against the Assignor, against the Property or any or all of them at the sole discretion of the Assignee and may be exercised as often as occasion therefore shall arise.
20. The Assignor acknowledges and agrees that if and to the extent the Assignor's right, title and interest in any Assigned Right and Benefit is not acquired until after the delivery of this Assignment, this Assignment shall nonetheless apply thereto and the security interest of the Assignee hereby created shall attach to any such Assigned Right and Benefit at the same time as the Assignor acquires rights therein without the necessity of any further assignment or other assurances. The Assignor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered every further act, deed, document or further assurance as may be required to give effect to this Agreement.
21. This Assignment shall ensure to the benefit of and be binding upon the successors and assigns of the Assignor and the Assignee.
22. In any action, suit or proceedings for enforcing this Assignment or to recover payment of the monies hereby secured, service of any notice, writ or a summons, originating summons, statement of claim, order of court or a Judge, or of any legal or other proceedings by the Assignee, or by or pursuant to any statute, ordinance, rule, order or practice required to be given or serviced, and every notice and/or demand or request permitted or required to be served hereunder, shall be deemed to be properly and effectively served if delivered by hand to one or more of the respective officers or directors or the Assignor and Assignee, or mailed by depositing the same in any post office or letter box, in Canada enclosed in a postage pre-paid envelope, registered, addressed as set out below, or sent by facsimile transmission, or other similar form of communication (collectively, "Electronic Communication") to the intended recipient at:

If to the Assignor at:

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

PO Box 1011, Halifax, NS B3J 2X1


If to the Assignee at:

Graysbrook Capital Ltd.
Suite 350, 7150 Chebucto Road
Halifax, NS B3L 4W8

The Assignor and the Assignee may change their respective addresses for service by giving the other party hereto written notice thereof, in the manner aforesaid. Notice shall be deemed to have been received on the date of delivery, where applicable, or, where mailed in Canada, five (5) business days after the date of registration of the postage pre-paid envelope, containing a notice, demand, request or document except in the event of mail strike or reasonably anticipated or actual disruption of postal service which would prevent or substantially delay receipt of anything mailed in the manner aforesaid, in which case notice, for the duration of such mail strike or reasonably anticipated or actual disruption of postal service, shall be effected by personal delivery, or, when sent by Electronic Communication, on the business day next following the day on which it was sent.

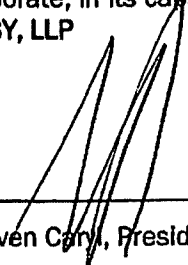
23. This Assignment shall be governed by and construed in accordance with the laws of the Province of Nova Scotia.
24. If any term or provision contained in this Assignment or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this 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.
25. Time shall be of the essence in this Assignment in all respects.
26. The Assignor shall forthwith on demand enter into, execute and deliver to the Assignee, at the Assignor's expense, such further instruments and assurances in respect of this Assignment as the Assignee may reasonably require.
27. Any provision in this Assignment which is prohibited or unenforceable in any applicable jurisdiction will be ineffective to the extent of such prohibition or unenforceability without invalidating any remaining provisions hereof. To the extent permitted by law, the parties hereto hereby waive any provision of law which renders any such provision prohibited or unenforceable in any respect.
28. The Assignor agrees to pay all reasonable legal and other costs of the Assignee in connection with renewing this assignment from time to time and realizing upon, enforcing and attempting to enforce the terms of this Assignment or the security granted hereby; all such other costs when incurred shall be secured hereby and failure to pay the same as and when demanded shall also constitute a default hereunder, the Assignor shall indemnify and save the Assignee harmless from all actions, suits, costs, losses, charges, demands and expenses now or hereafter incurred or arising as a result of the default by the Assignor hereunder or as lessor in any of the Leases.
29. This Assignment and the rights and remedies contained herein shall be assignable by the Assignee in its sole discretion, and shall be successively assignable by such assignee in its sole discretion without the consent of the Assignor and without prior notice of such assignment by the Assignee to the Assignor provided that such assignment shall only be made in conjunction with an assignment of the Mortgage and other security granted as collateral security to the obligations of the Assignor thereunder and shall not be an assignment of this Assignment only. If so assigned, the Assignee shall have and be entitled to exercise any and all discretion, rights and powers of the Assignee hereunder and all references herein to the Assignee shall include such Assignee.

IN WITNESS WHEREOF the Assignor has duly executed this General Assignment of Rents and Leases, as of the date first set out above.



Witness


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

Per: 

Steven Cory, President

PROVINCE OF NOVA SCOTIA

I CERTIFY that on the 31st day of July, 2023, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties hereto, caused the foregoing indenture to be executed by its duly authorized officer in my presence and that I signed as a witness to such execution.




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

AFFIDAVIT OF CORPORATE STATUS

I, Steven Caryi, 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 at Halifax, in the Province of
Nova Scotia, this 31st day of July, 2023,
before me:



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



Steven Caryi

**SCHEDULE A
DESCRIPTION OF PROPERTY COVERED**

PID 00047183

ALL that certain lot of land situated on the eastern side of Young Avenue in the City of Halifax, Province of Nova Scotia shown as Lot A-4 on a plan (Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 13-331A-0) of survey of Lots A-3 and A-4, Resubdivision of Lots A-1 and A-2, Robert Archibald and Veronica Seabrook signed by Robert A. Daniels, N.S.L.S. dated September 30, 1991, approved by the Development Officer for the City of Halifax November 28, 1991, filed at the Registry of Deeds as Plan No. 28271 in Drawer 291 and described as follows:

BEGINNING at the intersection of the eastern street line of Young Avenue with the southern street line of Ogilvie Street; said point being distant 675.69 feet on a bearing of South 27 degrees 42 minutes 58 seconds East from Nova Scotia Coordinate Monument No. 4848;

THENCE North 67 degrees 55 minutes 01 seconds East 149.50 feet along the southern street line of Ogilvie Street to the northwestern corner of Lot B;

THENCE South 22 degrees 01 minutes 45 seconds East 66.00 feet along the western boundary of said Lot B to the northeastern corner of Lot A-3;

THENCE South 67 degrees 55 minutes 01 seconds West 39.56 feet along the northern boundary of said Lot A-3 to an angle therein;

THENCE South 22 degrees 04 minutes 59 seconds East 1.00 feet along the western boundary of said Lot A-3 to an angle therein;

THENCE South 67 degrees 55 minutes 01 seconds West 17.45 feet along the northern boundary of said Lot A-3 to an angle therein;

THENCE North 22 degrees 04 minutes 59 seconds West 1.00 feet along the eastern boundary of said Lot A-3 to an angle therein;

THENCE South 67 degrees 55 minutes 01 seconds West 92.49 feet along the northern boundary of said Lot A-3 to its intersection with the eastern street line of Young Avenue;

THENCE North 22 degrees 01 minutes 45 seconds West 66.00 feet along the eastern street line of Young Avenue to the place of beginning.

CONTAINING 9,884 square feet.

ALL bearings are Nova Scotia Coordinate Survey System Grid Bearings and are referred to Central Meridian 64 degrees 30 minutes West.

The parcel originates with an approved plan of subdivision that has been filed under the Registry Act or registered under the Land Registration Act at the Land Registration Office for the registration district of Halifax as plan or document number 28271.

PID 00047076

Municipality/County: HALIFAX COUNTY

Designation of Parcel on Plan: LOT B

Title of Plan: PLAN SHOWING PROPOSED SUBDIVISION LOT AT CIVIC NUMBER 11 YOUNG AVE

Registration County: HALIFAX COUNTY

Registration Number of Plan: 5501

Registration Date of Plan: August 14, 1961

***** 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: 1961

Plan or Document Number: 5501

P

Exhibit Stamp

Hfx No. 539955

This is Exhibit "P" 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

BUILDING LEASE

BETWEEN

BSL Holdings Ltd,

-and-

3298944 Nova Scotia Limited

-and-

Dated September____, 2016

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

BETWEEN:

BSL HOLDINGS LTD.

(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; and

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 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 on account of Realty Taxes, 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 the earliest of: (i) the day after the expiry of the Fixturing Period; and (ii) the day the Tenant opens for business in any portion of the Premises;
- (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 \$15,935.33 + applicable HST, paid by the Tenant to the Landlord to be held by the Landlord as follows:
 - (i) as a Rent Deposit, the sum of \$15,935.33 + applicable HST 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) **"Extension Rights"** the rights to extend and renew the Term of this Lease, if any, as

set out in Schedule "F";

- (j) **"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, notwithstanding that the Landlord may still, during such Fixturing Period, be completing the Landlord's Work (the **"Possession Date"**).
- (k) **"HVAC Equipment"** means heating, ventilating and air-conditioning equipment; facilities and installations;
- (l) **"Lands"** means the lands 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) **"Permitted Use"** means the use of the Premises for the purpose of operating a student residence/ dormitory;
- (r) **"Premises"** means, subject to Section 2.2, The premises located at 1669 Granville Street, Halifax, NS, as more particularly described in Schedule "A" attached hereto, having a rentable area of 6,996 square feet, more or less, and all rights and easements appurtenant thereto; more specifically, 1669 Granville Street, Halifax
- (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 rentable area of 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; being approximately 6996 square feet, being 2332 square feet on the first floor; 2332 square feet on the second floor; and 2332 square feet on the third floor of the Premises;
- (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;
- (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"** has the meaning given to the same in Section 2.3;
- (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. Notwithstanding the foregoing, it shall not be considered a Transfer for the Tenant to let, sublet, license or otherwise permit students, employees or their guests to use or occupy all or a portion of the Premises in accordance with the Permitted Use and this Lease; 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" Premises
- Schedule "B" Landlord's Work
- Schedule "C" Tenant's Work
- Schedule "D" Rules and Regulations

**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 or the Tenant may arrange for the Rentable Area of the Premises to be measured by an 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. Ten (10) years, commencing on the Commencement Date and, where the context requires, any renewal, extension or overholding thereof.

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 (1) months' 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.

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

2.8 Non-Completion. Notwithstanding anything contained herein, if due to the failure of the Landlord to complete the Landlord's Work, the Premises or any part thereof are not ready for occupancy on the anticipated Possession Date, then the Commencement Date will be extended for a period equal to the length of the delay. However, if a portion of the Premises can be occupied, then Rent will only abate proportionately (having regard to the portion of the Premises which is unoccupiable) during the extended period.

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 Rent to the Landlord.

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 first 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 Deferred Rent. The Tenant has the right to defer three months of Basic Rent payable under this Lease. The amount of such deferred rent shall be calculable on the total Rental Area of the Premises, and any such election by the Tenant may be based on: (i) consecutive; (ii) non-consecutive; or (iii), in the event of a recalculation of the Rentable Area of the Premises or an abatement of Rent pursuant to Section 2.8, partial monthly payments. The Term shall be extended by the number of months of deferred Rent, and such payments or partial payments shall be due in equivalent payments during the replacement term, together with any Additional Rent payable at such time.

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.

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 applicable goods and services tax, 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	Amount per square foot	Annual Basic Rent per year	Monthly payment
First Floor – 2,332 Square feet			
Years 0-10	\$30.00	\$69,960.00	\$5,830.00
Second Floor – 2,332 Square feet			
Years 0-10	\$26.00	\$60,632.00	\$5,052.67
Third Floor – 2,332 Square feet			
Years 0-10	\$26.00	\$60,632.00	\$5,052.67
Basement			
Years 0-10	\$0.00	\$0.00	\$0.00
Total			
		\$191,223.99	\$15,935.33

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 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:

- (a) payment shall be due in equal monthly instalments over each calendar year or such shorter period as required such that the Landlord will have in its hands an amount sufficient to pay each instalment of Realty Taxes when due to the taxing authorities. Prior to the commencement of each year, the Landlord shall estimate the amount of such equal monthly instalments and notify the Tenant in writing of such estimate. From time to time during the year, the Landlord may re-estimate the amounts payable for such year, in which event the Landlord shall notify the Tenant in writing of such re-estimate and fix monthly instalments for the remaining balance of such year;

For the 2016 rental year, Realty Taxes are estimated to be \$2.00 per square foot, per annum.

5.3 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, license 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.

5.4 Services. Cleaning, Garbage Removal, Insurance and Utilities are the responsibility of the Tenant.

5.5 Annual Adjustment of Additional Rent. As soon as practicable after the expiration of each year, the Landlord shall make a final determination of Realty Taxes and other estimated Additional Rent based on the actual costs incurred therefor by the Landlord and shall notify the Tenant of such determination, providing reasonable details as to the breakdown and calculation thereof. If there has been a shortfall in the amounts payable by the Tenant for such period, the Tenant shall pay such shortfall within twenty (20) days after delivery of the Landlord's notice. Any overpayment may be paid by the Landlord to the Tenant without interest, or credited to the Tenant's account and held by the Landlord without interest, to be applied to payments falling due under 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, license 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, l(q), 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"¹ 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 there over; 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, willful 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 willful misconduct or the negligence or willful 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 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.

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 labor 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, and 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. [Intentionally Deleted]

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; 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 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:

- (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 affect 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, 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 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 provided that it shall not be an event of default if the premises become unoccupied due to ordinary course occupation typically related to student residences, including holidays and enrollment schedules;
- (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 favor 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:

PO Box 36161
5675 Spring Garden Road
Halifax, NS B3J 3S9

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 are complied with, if necessary. If such compliance is necessary, the Tenant.

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 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 this lease for a further period of two (5) year terms provided. Renewal shall be on the same Terms and conditions save for Rent, which shall be determined by the market.

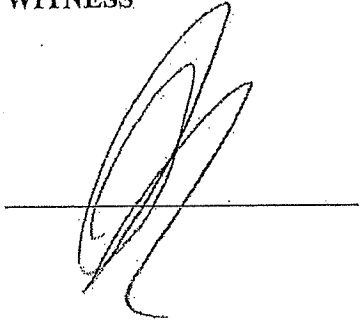
15.13 Acknowledgement. The parties agree that this Lease is being entered into pursuant to the terms of the certain Offer to Lease between Issmat Al-Akhali and Ruby LLP dated June 20, 2016 and accepted by the Tenant on June 21st, 2016 (the "Offer to Lease"), and that Ruby LLP has assigned its interest in the Offer to Lease to the Landlord named hereunder. The Landlord acknowledges receipt of the Deposit made payable thereunder to Ruby LLP and confirms that such amount is being held in trust on behalf of the Tenant.

15.14 Right of First Refusal. In the event that the premises located at 1973 Granville Street, Halifax, NS become vacant while said premises are owned by the Landlord or an affiliate thereof, the Landlord shall grant the Tenant a right of first refusal on said premises, at fair market rent, and for a term equal to the Term remaining under this Lease, subject to the same renewal rights described herein.

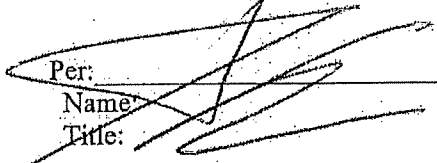
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IN WITNESS WHEREOF the parties have duly executed this Lease as of the day and year first above written.

WITNESS



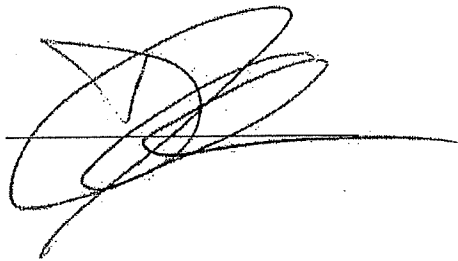
BSL Holdings Ltd.

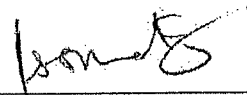
Per: 
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

I/We have the authority to bind
 the Corporation

3298944 Nova Scotia Limited



Per: 
 Name: ISSM HT AL AKHACI
 Title: President

Per: _____
 Name: _____
 Title: _____

I/We have the authority to bind the
 Corporation

SCHEDULE "A"
LEGAL DESCRIPTION

PID 00003251

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..

SCHEDULE "B"
LANDLORD'S WORK

- Demise existing space as required.
- Electrical as required.
- Plumbing as required.
- Paint and Finish.

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 manner in accordance with local building by-laws and codes.

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 "C"
TENANT'S WORK

- All work required to prepare Premises for its intended use, excluding Schedule "B" Landlord's work:
- All equipment, fixtures and chattels shall be the responsibility of the Tenant.

SCHEDULE "D"
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. Canvassing, soliciting and peddling in the Property are prohibited.
6. 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.
7. No animals or birds shall be brought into the Property.
8. 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.
9. 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.
10. 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,

11. The Tenant shall not use or permit use of the Premises in such manner as to create any noises or odors objectionable or offensive to the Landlord 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.
12. 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, acting reasonably.

Q

Exhibit Stamp

Hfx No. 539955

This is Exhibit "Q" 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 21st day of June, 2022.

BETWEEN:

BSL HOLDINGS LIMITED

(hereinafter called the "Mortgagor")

- and -

ATLANTIC CENTRAL - Mortgage Lender License #3000300

(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; and

- (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; and

- (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; and
 - (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:
 - (i) it will not declare or pay any dividends;

- (ii) it will not purchase or redeem any of its shares or otherwise reduce its share capital;
- (iii) it will not become guarantor of any obligation;
- (iv) 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;
- (v) it will maintain its corporate existence; and
- (vi) 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. 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.

13. 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.

14. 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 Mortgagor's 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.

15. 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.

16. 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 by foreclosure and sale or 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. 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.

30. 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 and Spouse of the Mortgagor.

31. 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.

32. TIME

Time shall in all respects be of the essence.

33. JOINT AND SEVERAL

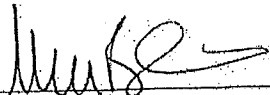
If more than one Mortgagor executes this Mortgage, the obligations of such Mortgagors shall be joint and several.

34. SPOUSAL CONSENT

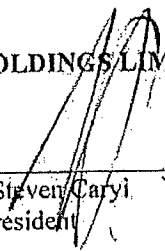
The Spouse of the Mortgagor hereby consents, pursuant to the Applicable Laws governing

matrimonial property, to this Mortgage and hereby releases any and all right, title and interest which the Spouse of the Mortgagor may have with respect to the Property.

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



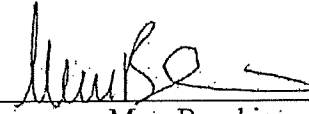
Marc Beaubien
Witnessed by videoconference

BSL HOLDINGS LIMITED

Per: _____
Name: Steven Caryi
Title: President

I have authority to bind the Mortgagor.

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 21 day of June, 2022, **BSL HOLDINGS LIMITED**, one of the parties to the foregoing Mortgage executed and delivered the same in my presence by video conference, and I have signed as witness to the same.




Marc Beaubien

A Barrister of the Supreme Court of
Nova Scotia

AFFIDAVIT STATUS

1. I am the President of BSL HOLDINGS LIMITED (the "Corporation"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and thereby bind the Corporation.
4. I acknowledge that the foregoing instrument was executed by me, the proper officer of the Corporation, 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).
6. That property described in the attached 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 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.


Marc Beaubien
A Barrister of the Supreme Court
of Nova Scotia

Steven Cary

Schedule "A"
Legal Description of Property

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 3251

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.

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.

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 Atlantic Central
\$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: Atlantic Central reserves the right to make changes to the above fees from time to time.





ATLANTIC CENTRAL

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 21st day of June, 2022.

BETWEEN:

BSL HOLDINGS LIMITED

(the "Assignor")

- and -

ATLANTIC CENTRAL - Mortgage Lender License #3000300

(the "Assignee")

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

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the making of the loan represented by the Mortgage (as 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 (as hereinafter defined);
 - (c) **"Mortgage"** shall mean a charge of the Property (hereinafter defined) from the Assignor to and in favour of the Assignee on or about the date hereof, and registered against the Property (hereinafter defined) at the Land Registration Office;
 - (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; and
 - (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.

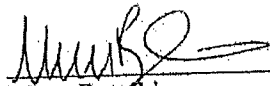
4. Provided further, and it is hereby expressly agreed, that nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of any of the covenants, obligations, provisions or conditions under 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]

IN WITNESS WHEREOF the Assignor hereto has executed this Agreement effective as of the day and year first above written.



Marc Beaubien

Witnessed by videoconference

BSL HOLDINGS LIMITED

Per: 

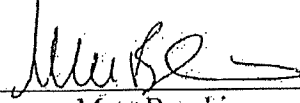
Name: Steven Caryi

Title: President

I have authority to bind the Assignor.

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 21 day of June, 2022, **BSL HOLDINGS LIMITED**, one of the parties to the foregoing Agreement 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 STATUS


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

1. I am the President of BSL HOLDINGS LIMITED (the "Corporation"), and have personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and thereby bind the Corporation.
4. I acknowledge that the foregoing instrument was executed by me, the proper officer of the Corporation, 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).
6. That property described in the attached Agreement 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 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 21 day of June, 2022,
before me:



Marc Beaubien
A Barrister of the Supreme Court
of Nova Scotia



Steven Caryi

Schedule "A"
Legal Description of Property

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 3251

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.



ATLANTIC CENTRAL

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 21st day of June, 2022.

BETWEEN:

BSL HOLDINGS LIMITED

(the "Assignor")

- and -

ATLANTIC CENTRAL - Mortgage Lender License #3000300

(the "Assignee")

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

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the making of the loan represented by the Mortgage (as 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 (as hereinafter defined);
 - (c) **"Mortgage"** shall mean a charge of the Property (hereinafter defined) from the Assignor to and in favour of the Assignee on or about the date hereof, and registered against the Property (hereinafter defined) at the Land Registration Office;
 - (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; and
 - (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.

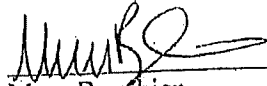
4. Provided further, and it is hereby expressly agreed, that nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of any of the covenants, obligations, provisions or conditions under 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]

IN WITNESS WHEREOF the Assignor hereto has executed this Agreement effective as of the day and year first above written.



Marc Beaudien
Witnessed by videoconference

BSL HOLDINGS LIMITED

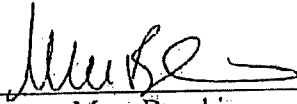
Per: 

Name: Steven Caryi
Title: President

I have authority to bind the Assignor.

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 21 day of June, 2022, **BSL HOLDINGS LIMITED**, one of the parties to the foregoing Agreement 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

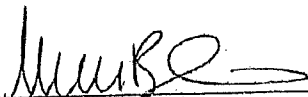
CANADA
PROVINCE OF NOVA SCOTIA

AFFIDAVIT STATUS

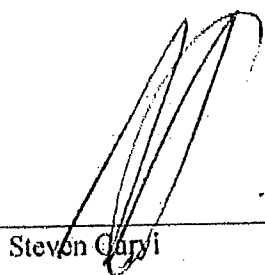
I, Steven Caryi of Winter Park, State of Florida, make oath and swear that:

1. I am the President of BSL HOLDINGS LIMITED (the "Corporation"), and have personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and thereby bind the Corporation.
4. I acknowledge that the foregoing instrument was executed by me, the proper officer of the Corporation, 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).
6. That property described in the attached Agreement 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 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 21 day of June, 2022,
before me:



Marc Beaubien
A Barrister of the Supreme Court
of Nova Scotia


Steven Caryi

Schedule "A"
Legal Description of Property

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 3251

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.

R

Exhibit Stamp

Hfx No. 539955

This is Exhibit "R" 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 16 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's 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 hereafter 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 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

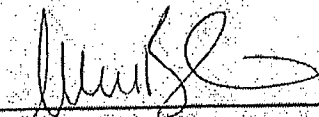
This Mortgage includes the special terms which are set out in Schedule "B" attached hereto.

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

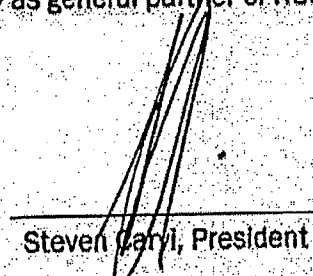
SIGNED AND DELIVERED
in the presence of



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 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
Wink Park to Halifax, Province of
Nova Scotia, this 13th 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.

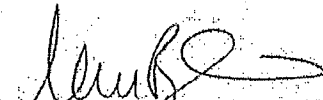
11. Waiver of Covenants. The Assignee may waive any default or breach of covenant and shall not be bound to serve any notice upon any lessee under the Leases upon the happening of any default or breach of covenant, but any such waiver shall not extend to any subsequent default or breach of covenant.
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

DELIVERED



Witnessed by video conference

BSL HOLDINGS LIMITED

Per:


Steven Cary, President

SIGNED AND
in the presence of

DELIVERED



Witnessed by video conference

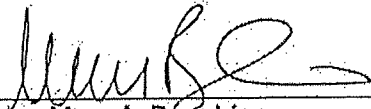
ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per:


Steven Cary, President

CANADA
PROVINCE OF NOVA SCOTIA

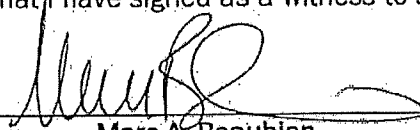
I CERTIFY that on the 13 day of June, 2023, BSL HOLDINGS LIMITED, one of the parties hereto, caused the foregoing indenture to be executed by its duly authorized officer in my presence and that I have signed as a witness to such execution by video conference.



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 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

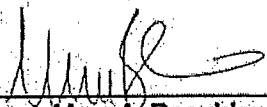
PROVINCE OF NOVA SCOTIA

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 Winter Park to Halifax, this
13 day of June, 2023,



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



Steve Caryl

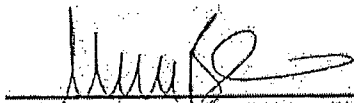
PROVINCE OF NOVA SCOTIA

AFFIDAVIT OF CORPORATE STATUS

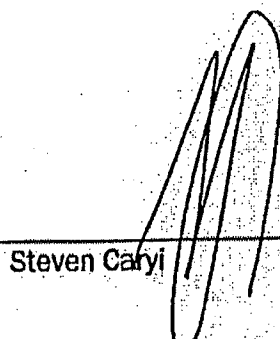
I, Steven Caryl, make oath and swear that:

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

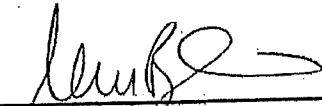
terms of any future leases must be approved by the Assignee prior to execution (such consent not to be unreasonably withheld or delayed) and shall be at rental rates and terms consistent with comparable space in the area of the Premises.

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 DELIVERED
in the presence of



Witnessed by video conference

BSL HOLDINGS LIMITED

Per:


Steven Cary, President

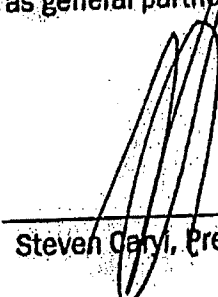
SIGNED AND DELIVERED
in the presence of



Witnessed by video conference


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

Per:


Steven Cary, President

CANADA
PROVINCE OF NOVA SCOTIA

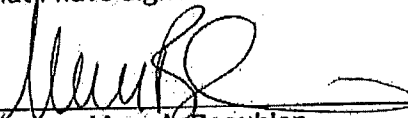
I CERTIFY that on the 13 day of June, 2023, BSL HOLDINGS LIMITED, one of the parties hereto, caused the foregoing indenture to be executed by its duly authorized officer in my presence and that I have signed as a witness to such execution by video conference.



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 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

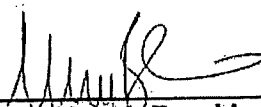
PROVINCE OF NOVA SCOTIA

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 Monk's Park to Halifax, this
13 day of June, 2023,



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



Steve Caryl

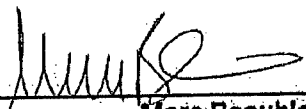
PROVINCE OF NOVA SCOTIA

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.

S

Form 39.09

Exhibit Stamp

Hfx No. 539955

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

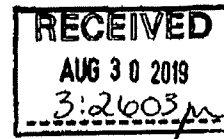


Signature

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

6751

COLLATERAL MORTGAGE



This MORTGAGE made effective this 2nd day of August, 2019.

BETWEEN:

BSL HOLDINGS LIMITED, a body corporate, duly incorporated under the laws of Nova Scotia,

(hereinafter called the "Mortgagor")

-and-

SALTWIRE NETWORK INC., a body corporate, duly incorporated under the laws of Nova Scotia,

(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 the Promissory Note in the amount of \$500,000.00 and dated August 2, 2019, a copy of which is attached hereto as Schedule "B".
- (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, 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 (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 Mortgagee;
 - (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 policies and certificates of insurance relating to the Property; and
 - (C) 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) 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;

- (xvi) 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;
- (xvii) not allow the Property to be used for a use other than the uses disclosed to the Mortgagee;
- (xviii) 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:
 - (i) it will maintain its corporate existence; and
 - (ii) 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. 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.

13. 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.

14. 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.

15. 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.

16. 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 by foreclosure and sale or 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. ASSIGNMENT

The Mortgagee may, without further notice to the Mortgagor, at any time assign, transfer 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.

29. 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.

30. 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 and Spouse of the Mortgagor.

31. 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.

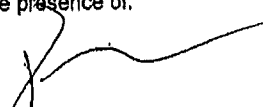
32. TIME

Time shall in all respects be of the essence.

33. JOINT AND SEVERAL

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

SIGNED SEALED & ATTESTED TO
in the presence of:



A Notary Public in and for the Province of
Nova Scotia

PETER D. PLANETTA
A Commissioner of the Supreme
Court of Nova Scotia

BSL HOLDINGS LIMITED

Per: _____

Per: _____

I/We have authority to bind the Mortgagor

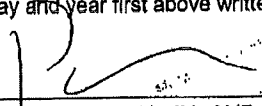
NOTARIAL CERTIFICATE

CANADA

PROVINCE OF NOVA SCOTIA

On the 26th day of AUGUST, 2019, personally appeared before me, the undersigned, a Notary Public, duly sworn and commissioned, residing and practicing in the City of HALIFAX, Province of Nova Scotia, the proper signing officers of BSL Holdings Limited, to me known to be the persons who executed the foregoing deed or writing and they acknowledged that they did freely and voluntarily execute the same to and for the uses and purposes therein mentioned; AND I FURTHER CERTIFY that I am a Notary Public in and for the Province of Nova Scotia.

GIVEN UNDER MY HAND AND NOTARIAL SEAL at HALIFAX, aforesaid, on the day and year first above written.


A NOTARY PUBLIC IN AND FOR THE PROVINCE OF NOVA SCOTIA

PETER D. PLANETTA
A Commissioner of the Supreme
Court of Nova Scotia

CANADA

PROVINCE OF PRINCE EDWARD ISLAND

AFFIDAVIT OF SPOUSAL STATUS OR INTEREST

I, STEVE CARVI, of WILKINSON, in the ~~Province of Nova Scotia~~ ^{STATE OF FLORIDA} ~~UNITED STATES~~

MAKE OATH AND SAY AS FOLLOWS:

1. I am the President of the Mortgagor named in the annexed Indenture and am of the full age of eighteen (18) years.
2. The Mortgagor is a resident of Canada within the meaning of the Income Tax Act (Canada).
3. For the purpose of this Affidavit, "Act" means the Family Law Act, S.P.E.I. 1995, c.12; "family home" means every property in which a married person has an interest and that is or, if the spouses are living separate and apart, was at the time of separation ordinarily occupied by the person and his or her spouse as their family residence; "property" means the lands described in the Schedule to the annexed Indenture; and "spouse" means an individual who, in respect of another person, (i) is married to the other person, or (ii) has entered into a marriage with the other person that is voidable or void.
4. The property is not now the subject of a Court Order, interim or otherwise, made pursuant to the Act.
5. The property has never been occupied by myself, my spouse or any other person (or their spouses) who is associated with or is a shareholder of the corporate Mortgagor as a family home.

SWORN TO before me at HALIFAX,
Province of Nova Scotia, this 28th day of
August, 2019.

A Notary Public in and for the Province of
Nova Scotia

PETER D. PLANETTA
A Commissioner of the Supreme
Court of Nova Scotia

SCHEDULE "A"

Parcel No. 342600

Parcel #1

ALL THAT TRACT, PIECE or parcel of land situate, lying and being in Charlottetown, in Queens County, Prince Edward Island, bounded and described as follows, that is to say:

COMMENCING on the Western side of Prince Street at the Southeast corner of Town Lot No. 89 in the Third Hundred of Town Lots in Charlottetown and running;

THENCE Westerly along the Southern boundary of said Town Lot for the distance of 84 feet or to the Eastern boundary of Town Lot Number 38;

THENCE Southerly along the said Eastern boundary for the distance of 23 feet and 4 inches;

THENCE Easterly parallel to the said Southern boundary of Town Lot No. 89 for the distance of 84 feet to Prince Street aforesaid;

THENCE Northerly along said street to the place of commencement being the Northern part of Town Lot No. 39 in the Third Hundred of Town Lots in Charlottetown, together with the existing right-of-way over all that certain gangway or passage way to and from Prince Street to the rear of said described plot of land, said gangway being at the Southeastern corner thereof and having a front on Prince Street of 6 feet and 7 inches and extending Westerly by parallel lines at right angles to said Street for the distance of 39 feet and 6 inches, the northern half of said gangway being included in plot above described and conveyed, being thus described in a Deed from George Rackham and Wife to the said George Elmer Ritchie bearing date the 19th day of August, 1920, and registered in the Office of the Registrar of Deeds for Queens County in Liber 76, Folio 541. The said land and premises being further described from a survey made by V.A. MacDonald, Prince Edward Island Land Surveyor on September 15, 1954, as follows:

ALL THAT TRACT, PIECE or parcel of land situate, lying and being on Town Lot No. 39 in the Third Hundred of Town Lots in Charlottetown, bounded and described as follows, that is to say:

COMMENCING on the West side of Prince Street at a point where the same is intersected by the Southern boundary of Town Lot No. 89;

THENCE running Westwardly along the Southern boundary of Town Lot No. 89 for the distance of 86.6 feet or to a fence presently erected along the Western boundary of the land of the said George Elmer Ritchie;

THENCE running Southwardly along the line of the said fence for the distance of 26.20 feet;

THENCE running Eastwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 85.6 feet, or to the West side of Prince Street;

THENCE running Northwardly along the West side of Prince Street for the distance of 25.8 feet together with and subject to an existing right-of-way over all that certain gangway being at the Southeastern corner thereof and having a front on Prince Street of 6 feet and 7 inches and extending Westwardly by parallel lines at right angles to the said street for the distance of 39 feet and 6 inches.

Parcel #2

ALSO ALL that tract, piece or parcel of land situate, lying and being in Charlottetown, in Queens County, Prince Edward Island, bounded and described as follows, that is to say:

COMMENCING on the West side of Prince Street in the Northeast angle of the plot of land below described formerly owned by John MacKeever and afterwards by James Whelan and then by William A. Hawley;

THENCE Westwardly along the Northern boundary of said lands formerly owned by John MacKeever for a distance of 86 feet;

THENCE Northwardly parallel with Prince Street a distance of 36 feet;

THENCE Eastwardly by a line parallel with the first mentioned boundary line of 86 feet to Prince Street aforesaid; and

THENCE Southwardly along the same to the place of commencement.

Parcel #3

ALSO ALL that other tract, piece or parcel of land situate, lying and being in Charlottetown aforesaid, bounded and described as follows, that is to say:

COMMENCING on the West side of Prince Street at the Southern boundary of land formerly owned by James Coles being part of Town Lot No. 89 in the Third Hundred of Town Lots in Charlottetown, running;

THENCE Westwardly at right angles to the said Street 87 feet to the Eastern boundary of Town Lot No. 88;

THENCE Southwardly along the same 28 feet;

THENCE at right angles Eastwardly 87 feet to Prince Street aforesaid; and

THENCE Northwardly along the same 28 feet to the place of commencement, together with the free and uninterrupted use, liberty and privilege of and passage over and along a certain alley or passage adjoining the South side of the above last-described land commencing at a point on the West side of Prince Street at a distance of 28 feet North of the Northern boundary of Town Lot No. 39;

THENCE at right angles Westwardly 37 feet;

THENCE at right angles Northerly 6 feet 6 inches;

THENCE at right angles Eastwardly 37 feet to Prince Street aforesaid; and

THENCE at right angles Southwardly 6 feet 6 inches to the place of commencement.

TOGETHER with all rights, as granted and specified in a Deed of said right-of-way from Michael Egan and Michael P. Hogan to Donald McLaughlan bearing date the 8th day of May, 1906;

TOGETHER also with all privileges of a right-of-way granted to Donald McLaughlan by William A. Hawley by Deed dated the 8th day of May, 1906, and registered the 15th day of May, 1906, in Liber 54, Folio 93 in Queens County Conveyances; the said lands being thus described in a Deed of Conveyance from Alexander Ross and Wife to the said Heather McIntyre bearing date the 6th day of June, 1924, and registered in the Office of the Registrar of Deeds for Queens County in Liber 82, Folio 197. The said land and premises being further described from a survey made by V.A. MacDonald, Prince Edward Island Land Surveyor, on September 15, 1954 as follows:

ALL that tract, piece or parcel of land situate, lying and being on Town Lot 89 in the Third Hundred of Town Lots in Charlottetown aforesaid, bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street said point is distant Northwardly 31.25 feet from the Southern boundary of Town Lot No. 89;

THENCE Westwardly in a line parallel with the said Southern boundary of Town Lot No. 89 for the distance of 85.3 feet or to a fence presently erected along the Western boundary of the land of Dr. Heath McIntyre;

THENCE Northwardly along the line of the said fence and a line in continuation thereof for the distance of 65.8 feet or to the Southern boundary of land now or formerly owned by Mary E. Wade;

THENCE Eastwardly along the Southern boundary of land now or formerly in possession of Mary E. Wade for the distance of 85.6 feet or to the West side of Prince Street;

THENCE Southwardly along the West side of Prince Street for the distance of 66 feet or to the place of commencement;

SUBJECT to an existing right-of-way over the Southeast corner thereof bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street which said point is distant Northwardly 31.25 feet from the South boundary of Town Lot No. 89;

THENCE running Westwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 37 feet;

THENCE Northwardly in a line parallel with the West side of Prince Street for the distance of 3 feet 3 inches;

THENCE Eastwardly in a line parallel with the South boundary of Town Lot No. 89 for the distance of 37 feet or to the West side of Prince Street;

THENCE Southwardly along the West side of Prince Street for the distance of 3 feet 3 inches to the place of commencement.

AND TOGETHER with an existing right-of-way immediately adjoining the said right-of-way hereinbefore described on the South bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street which is distant 31.25 feet Northwardly from the Southern boundary of Town Lot No. 89;

THENCE running Westwardly at right angles to the West side of Prince Street for the distance of 37 feet;

THENCE running Southwardly in a line parallel with the West side of Prince Street for the distance of 3 feet 3 inches;

THENCE running Eastwardly in a line parallel with the said South boundary of Town Lot No. 39 for the distance of 37 feet or to the West side of Prince Street;

THENCE running Northwardly along the West side of Prince Street for the distance of 3 feet 3 inches to the place of commencement.

The above-described rights-of-way constituting an existing gangway between the lands of Dr. Heath McIntyre and Preston J. Sentner.

Parcel #4

ALSO ALL that tract, piece or parcel of land situate, lying and being part of Town Lot No. 89 in the Third Hundred of Town Lots in Charlottetown, in Queens County, Prince Edward Island, bounded and described as follows, that is to say:

COMMENCING on the West side of Prince Street at the Northeast angle of Town Lot No. 39 in the Third Hundred of Town Lots aforesaid;

THENCE running Westwardly along the Northern boundary of said Town Lot No. 39, 87 feet to the Southeast angle of Town Lot No. 88 in the said Third Hundred;

THENCE along the East boundary of said Town Lot No. 88 Northwardly 29 feet 4 inches;

THENCE Eastwardly 50 feet;

THENCE Southwardly 3 feet 3 inches;

THENCE Eastwardly by a line at right angles with Prince Street aforesaid 37 feet to said Prince Street; and

THENCE along the West side of the same Southwardly 28 feet to the place of commencement.

TOGETHER with the free and uninterrupted use, liberty, and privilege of a passage over and along a certain right-of-way adjoining the above described land on the north, bounded and described as follows:

COMMENCING on the West side of Prince Street at a point 28 feet North from the Northern boundary of Town Lot No. 39 aforesaid;

THENCE running at right angles to the said Prince Street Westwardly 37 feet;

THENCE at right angles Northwardly 6 feet 6 inches;

THENCE at right angles Eastwardly 37 feet to Prince Street aforesaid;

AND THENCE at right angles Southwardly along the same 6 feet 6 inches, to the place of commencement, with free ingress and egress to and for the said Gordon R. Holmes, his heirs

and assigns and his and their tenants, undertenants, agents, workmen and employees with carts, vehicles, carriages, horses or cattle as by him or them may be necessary or convenient as specified in a Deed of said right-of-way from Michael Egan and Michael P. Hogan to Donald McLaughlin bearing date the 8th day of May, 1908, and being thus described in a Deed of Conveyance from Gordon R. Holmes and Wife to Preston J. Sentner bearing date the 21st day of December, 1931, and registered in Liber 94, Follo 46, in the Office of the Registrar of Deeds for Queens County. The said land and premises being further described from a survey made by V.A. MacDonald, Prince Edward Island Land Surveyor, on September 15, 1954 as follows:

ALL that tract, piece or parcel of land situate, lying and being on Town Lot 89 on the Third Hundred of Town Lots in Charlottetown aforesaid, bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street where the same is intersected by the South boundary of Town Lot No. 89;

THENCE running Westwardly along the said South boundary of Town Lot No. 89 for the distance of 86.6 feet or to a fence presently erected along the Western boundary of the land of the said Preston J. Sentner;

THENCE running Northwardly along the line of the said fence for the distance of 18.6 feet or to the Southwest angle of a garage or barn presently situated at the rear of the land of the said Preston J. Sentner;

THENCE running Northwardly along the Western side of the said barn or garage for the distance of 9.5 feet;

THENCE Westwardly at right angles to the West side of the said barn or garage for the distance of 2 feet or to the line of a fence presently erected along the Western boundary of the land of the said Preston J. Sentner;

THENCE Northwardly along the line of the said fence for the distance of 4.6 feet or to the Southern boundary of the land of Dr. Heath McIntyre;

THENCE running Eastwardly along the said Southern boundary of the land of Dr. Heath McIntyre for the distance of 85.3 feet or to the West side of Prince Street aforesaid;

THENCE running Southwardly along the West side of Prince Street for the distance of 31.25 feet or to the point at the place of commencement;

SUBJECT to an existing right-of-way over the Northeast portion of the said land which is bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street which is distant 31.25 feet Northwardly from the Southern boundary of Town Lot No. 89;

THENCE running Westwardly at right angles to the West side of Prince Street for the distance of 37 feet;

THENCE running Southwardly in a line parallel with the West side of Prince Street for the distance of 3 feet 3 inches;

THENCE running Eastwardly in a line parallel with the said South boundary of Town Lot No. 39 for the distance of 37 feet or to the West side of Prince Street;

THENCE running Northwardly along the West side of Prince Street for the distance of 3 feet 3 inches to the place of commencement;

AND TOGETHER with an existing right-of-way immediately adjoining the said right-of-way hereinbefore described on the North, bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street which said point is distant Northwardly 31.25 feet from the South boundary of Town Lot No. 89;

THENCE running Westwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 37 feet;

THENCE Northwardly in a line parallel with the West side of Prince Street for the distance of 3 feet 3 inches;

THENCE Eastwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 37 feet or to the West side of Prince Street;

THENCE Southwardly along the West side of Prince Street for the distance of 3 feet 3 Inches to the place of commencement.

The above-described rights-of-way constituting an existing gangway between the lands of Preston J. Sentner and Dr. Heath McIntyre.

All as previously described in a Deed of Conveyance registered at the office of the Registrar of Deeds for Queens County on September 9, 1982 at Libor 354, Follo 42.

DATED: AUGUST 2, 2019

BETWEEN:

BSL HOLDINGS LIMITED

OF THE FIRST PART

AND:

SALTWIRE NETWORK INC.

OF THE SECOND PART

COLLATERAL MORTGAGE

STEWART McKELVEY
SM50018/18

PMK/csr

Office of the Registrar of Deeds

For Queens County, Charlottetown, P.E. Island

Book 5782

Doc # 6751

The within document was registered on

The 30th Day of Aug A.D., 2019 on

NOTARIAL CERTIFICATE

2019 AUG 30 PM 4:11
ASST REGISTRAR

1

Form 39.09

Exhibit Stamp

Hfx No. 539955

This is Exhibit "S1" 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

6033

**MORTGAGE
PRINCIPAL TERMS**

Received

JUN 29 2022

2:57:06 pm

THIS MORTGAGE made as of the 28 day of June, 2022.

BETWEEN:

BSL HOLDINGS LIMITED, a body corporate
(the "Mortgagor")

OF THE FIRST PART

AND:

ASSUMPTION MUTUAL LIFE INSURANCE COMPANY
(the "Mortgagee")

OF THE SECOND PART

AND:

STEVEN CARYI, an individual of Winter Park, in the State of Florida.
(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 mortgages, charges, assigns, pledges, grants and transfers to the Mortgagee all the Mortgagor's right, title and interest in and to the lands and premises more particular described in Schedule A annexed hereto (the "Mortgaged Premises").

2. PAYMENT PROVISIONS

The following provisions will apply to this Mortgage:

Principal Sum: \$2,372,500.00 in lawful money of Canada advanced by the mortgagee to the mortgagor (the "Principal Sum")

Interest Rate: 5.45% 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: July 2, 2022 (the "Interest Adjustment Date")

Term: Ten (10) years

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 \$14,412.56 each (which include principal and interest) on the Payment Dates stipulated herein.

Payment Dates : From and including the 1st day of August, 2022 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: July 1, 2032 (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.


IN WITNESS WHEREOF the Mortgagor and Guarantor have properly executed this Mortgage as of the day and year first written above.

SIGNED SEALED & ATTESTED TO
in the presence of:


Witness

BSL HOLDINGS LIMITED

Per:


Name: Steven Cary
Title: President

SIGNED SEALED & DELIVERED
in the presence of:


Witness


Steven Cary, Guarantor

STATE OF FLORIDA

I, Addison W Durrell, of Seacoast Bank, in the State of Florida, a Notary Public by lawful authority, duly authorized, commissioned and sworn, DO HEREBY CERTIFY that on the 23rd day of June, 2022, personally appeared before me, Steven Caryl, of Winter Park, in the State of Florida, known to me to be the party named in and executing the annexed Indenture or writing, and acknowledged that he did freely and voluntarily execute the annexed Indenture or writing to and for the uses and purposes therein named.

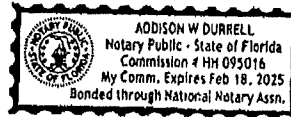
AND I FURTHER CERTIFY that the signature of "Steven Caryl" subscribed to the said Partial Release of Mortgage is in the true and proper handwriting of the said Steven Caryl

AND I FURTHER CERTIFY that I am a subscribing witness to the execution of the said document by Steven Caryl and the name Addison W Durrell is in my own true and proper handwriting, and that I am a Notary Public in and for the State of Florida.

IN FAITH AND TESTIMONY WHEREOF I have to this Notarial Certificate subscribed my name and affixed my Notarial Seal at 10:23 am Seacoast Bank in the State of Florida on the day and year first above written.

Addison W Durrell

A NOTARY PUBLIC IN AND FOR THE
STATE OF FLORIDA
(affix notarial seal)



STATE OF FLORIDA

AFFIDAVIT OF CORPORATE EXECUTION

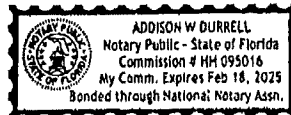
I, Steven Caryl, of Winter Park, in State of Florida, MAKE OATH AND SAY AS FOLLOWS:

1. THAT I am the President of BSL Holdings Limited, named in the within Indenture.
2. THAT the Corporate Seal affixed to the within Indenture is the Corporate Seal of the said BSL Holdings Limited, and was thereto affixed by order of the Board of Directors of the said Company to and for the uses and purposes therein expressed and contained.
3. THAT the name "Steven Caryl" subscribed to the within Indenture is the signature of me, the said President, and is thereto subscribed by order of the Board of Directors of the said Company to and for the uses and purposes therein expressed and contained.
4. THAT the property that is the subject matter of the within Indenture has never been occupied by myself and spouse or any other persons, or the r spouses, who are associated with 102295 P.E.I. Inc., as a matrimonial home within the meaning of the Family Law Act, R.S.P.E.I. 1995.
5. THAT I am a duly authorized signing Officer of the said Company to execute the within Indenture.

SWORN before me at 10:22 am in
State of Florida, this 22 day of June, 2022

Addison W Durrell
A NOTARY PUBLIC IN AND FOR THE STATE OF
FLORIDA
(affix notarial seal)

Steven Caryl



SCHEDULE "A"

Parcel No. 342600

Parcel #1

ALL THAT TRACT, PIECE or parcel of land situate, lying and being in Charlottetown, in Queens County, Prince Edward Island, bounded and described as follows, that is to say:

COMMENCING on the Western side of Prince Street at the Southeast corner of Town Lot No. 89 in the Third Hundred of Town Lots in Charlottetown and running;

THENCE Westerly along the Southern boundary of said Town Lot for the distance of 84 feet or to the Eastern boundary of Town Lot Number 38;

THENCE Southerly along the said Eastern boundary for the distance of 23 feet and 4 inches;

THENCE Easterly parallel to the said Southern boundary of Town Lot No. 89 for the distance of 84 feet to Prince Street aforesaid;

THENCE Northerly along said street to the place of commencement being the Northern part of Town Lot No. 39 in the Third Hundred of Town Lots in Charlottetown, together with the existing right-of-way over all that certain gangway or passage way to and from Prince Street to the rear of said described plot of land, said gangway being at the Southeastern corner thereof and having a front on Prince Street of 6 feet and 7 inches and extending Westerly by parallel lines at right angles to said Street for the distance of 39 feet and 6 inches, the northern half of said gangway being included in plot above described and conveyed, being thus described in a Deed from George Rackham and Wife to the said George Elmer Ritchie bearing date the 18th day of August, 1920, and registered in the Office of the Registrar of Deeds for Queens County in Liber 78, Folio 541. The said land and premises being further described from a survey made by V.A. MacDonald, Prince Edward Island Land Surveyor on September 15, 1954, as follows:

ALL THAT TRACT, PIECE or parcel of land situate, lying and being on Town Lot No. 39 in the Third Hundred of Town Lots in Charlottetown, bounded and described as follows, that is to say:

COMMENCING on the West side of Prince Street at a point where the same is intersected by the Southern boundary of Town Lot No. 89;

THENCE running Westwardly along the Southern boundary of Town Lot No. 89 for the distance of 85.8 feet or to a fence presently erected along the Western boundary of the land of the said George Elmer Ritchie;

THENCE running Southwardly along the line of the said fence for the distance of 26.20 feet;

THENCE running Eastwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 85.8 feet, or to the West side of Prince Street;

THENCE running Northwardly along the West side of Prince Street for the distance of 25.8 feet together with and subject to an existing right-of-way over all that certain gangway being at the Southeastern corner thereof and having a front on Prince Street of 6 feet and 7 inches and

extending Westwardly by parallel lines at right angles to the said street for the distance of 39 feet and 6 inches.

Parcel #2

ALSO ALL that tract, piece or parcel of land situate, lying and being in Charlottetown, in Queens County, Prince Edward Island, bounded and described as follows, that is to say:

COMMENCING on the West side of Prince Street in the Northeast angle of the plot of land below described formerly owned by John MacKeever and afterwards by James Whelan and then by William A. Hawley;

THENCE Westwardly along the Northern boundary of said lands formerly owned by John MacKeever for a distance of 86 feet;

THENCE Northwardly parallel with Prince Street a distance of 36 feet;

THENCE Eastwardly by a line parallel with the first mentioned boundary line of 86 feet to Prince Street aforesaid; and

THENCE Southwardly along the same to the place of commencement.

Parcel #3

ALSO ALL that other tract, piece or parcel of land situate, lying and being in Charlottetown aforesaid, bounded and described as follows, that is to say:

COMMENCING on the West side of Prince Street at the Southern boundary of land formerly owned by James Coles being part of Town Lot No. 89 in the Third Hundred of Town Lots in Charlottetown, running;

THENCE Westwardly at right angles to the said Street 87 feet to the Eastern boundary of Town Lot No. 88;

THENCE Southwardly along the same 28 feet;

THENCE at right angles Eastwardly 87 feet to Prince Street aforesaid; and

THENCE Northwardly along the same 28 feet to the place of commencement, together with the free and uninterrupted use, liberty and privilege of and passage over and along a certain alley or passage adjoining the South side of the above last-described land commencing at a point on the West side of Prince Street at a distance of 28 feet North of the Northern boundary of Town Lot No. 39;

THENCE at right angles Westwardly 37 feet;

THENCE at right angles Northernly 6 feet 6 inches;

THENCE at right angles Eastwardly 37 feet to Prince Street aforesaid; and

THENCE at right angles Southwardly 6 feet 6 inches to the place of commencement.

TOGETHER with all rights, as granted and specified in a Deed of said right-of-way from Michael Egan and Michael P. Hogan to Donald McLaughlan bearing date the 8th day of May, 1906;

TOGETHER also with all privileges of a right-of-way granted to Donald McLaughlan by William A. Hawley by Deed dated the 8th day of May, 1906, and registered the 15th day of May, 1906, in Liber 54, Folio 93 in Queens County Conveyances; the said lands being thus described in a Deed of Conveyance from Alexander Ross and Wife to the said Heather McIntyre bearing date the 6th day of June, 1924, and registered in the Office of the Registrar of Deeds for Queens County in Liber 82, Folio 187. The said land and premises being further described from a survey made by V.A. MacDonald, Prince Edward Island Land Surveyor, on September 15, 1954 as follows:

ALL that tract, piece or parcel of land situate, lying and being on Town Lot 89 in the Third Hundred of Town Lots in Charlottetown aforesaid, bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street said point is distant Northwardly 31.25 feet from the Southern boundary of Town Lot No. 89;

THENCE Westwardly in a line parallel with the said Southern boundary of Town Lot No. 89 for the distance of 85.3 feet or to a fence presently erected along the Western boundary of the land of Dr. Heath McIntyre;

THENCE Northwardly along the line of the said fence and a line in continuation thereof for the distance of 85.8 feet or to the Southern boundary of land now or formerly owned by Mary E. Wade;

THENCE Eastwardly along the Southern boundary of land now or formerly in possession of Mary E. Wade for the distance of 85.8 feet or to the West side of Prince Street;

THENCE Southwardly along the West side of Prince Street for the distance of 66 feet or to the place of commencement;

SUBJECT to an existing right-of-way over the Southeast corner thereof bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street which said point is distant Northwardly 31.25 feet from the South boundary of Town Lot No. 89;

THENCE running Westwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 37 feet;

THENCE Northwardly in a line parallel with the West side of Prince Street for the distance of 3 feet 3 inches;

THENCE Eastwardly in a line parallel with the South boundary of Town Lot No. 89 for the distance of 37 feet or to the West side of Prince Street;

THENCE Southwardly along the West side of Prince Street for the distance of 3 feet 3 inches to the place of commencement.

AND TOGETHER with an existing right-of-way immediately adjoining the said right-of-way hereinbefore described on the South bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street which is distant 31.25 feet Northwardly from the Southern boundary of Town Lot No. 89;

THENCE running Westwardly at right angles to the West side of Prince Street for the distance of 37 feet;

THENCE running Southwardly in a line parallel with the West side of Prince Street for the distance of 3 feet 3 inches;

THENCE running Eastwardly in a line parallel with the said South boundary of Town Lot No. 39 for the distance of 37 feet or to the West side of Prince Street;

THENCE running Northwardly along the West side of Prince Street for the distance of 3 feet 3 inches to the place of commencement.

The above-described rights-of-way constituting an existing gangway between the lands of Dr. Heath McIntyre and Preston J. Santner.

Parcel #4

ALSO ALL that tract, piece or parcel of land situate, lying and being part of Town Lot No. 89 in the Third Hundred of Town Lots in Charlottetown, in Queens County, Prince Edward Island, bounded and described as follows, that is to say:

COMMENCING on the West side of Prince Street at the Northeast angle of Town Lot No. 39 in the Third Hundred of Town Lots aforesaid;

THENCE running Westwardly along the Northern boundary of said Town Lot No. 39, 87 feet to the Southeast angle of Town Lot No. 88 in the said Third Hundred;

THENCE along the East boundary of said Town Lot No. 88 Northwardly 28 feet 4 inches;

THENCE Eastwardly 50 feet;

THENCE Southwardly 3 feet 3 inches;

THENCE Eastwardly by a line at right angles with Prince Street aforesaid 37 feet to said Prince Street; and

THENCE along the West side of the same Southwardly 28 feet to the place of commencement.

TOGETHER with the free and uninterrupted use, liberty, and privilege of a passage over and along a certain right-of-way adjoining the above described land on the north, bounded and described as follows:

COMMENCING on the West side of Prince Street at a point 28 feet North from the Northern boundary of Town Lot No. 39 aforesaid;

THENCE running at right angles to the said Prince Street Westwardly 37 feet;

THENCE at right angles Northwardly 6 feet 8 inches;

THENCE at right angles Eastwardly 37 feet to Prince Street aforesaid;

AND THENCE at right angles Southwardly along the same 6 feet 8 inches, to the place of commencement, with free ingress and egress to and for the said Gordon R. Holmes, his heirs and assigns and his and their tenants, undertenants, agents, workmen and employees with carts, vehicles, carriages, horses or cattle as by him or them may be necessary or convenient as specified in a Deed of said right-of-way from Michael Egan and Michael P. Hogan to Donald McLaughlin bearing date the 8th day of May, 1908, and being thus described in a Deed of Conveyance from Gordon R. Holmes and Wife to Preston J. Sentner bearing date the 21st day of December, 1931, and registered in Liber 44, Folio 46, in the Office of the Registrar of Deeds for Queens County. The said land and premises being further described from a survey made by V.A. MacDonald, Prince Edward Island Land Surveyor, on September 15, 1954 as follows:

ALL that tract, piece or parcel of land situate, lying and being on Town Lot 89 on the Third Hundred of Town Lots in Charlottetown aforesaid, bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street where the same is intersected by the South boundary of Town Lot No. 89;

THENCE running Westwardly along the said South boundary of Town Lot No. 89 for the distance of 88.8 feet or to a fence presently erected along the Western boundary of the land of the said Preston J. Sentner;

THENCE running Northwardly along the line of the said fence for the distance of 18.6 feet or to the Southwest angle of a garage or barn presently situated at the rear of the land of the said Preston J. Sentner;

THENCE running Northwardly along the Western side of the said barn or garage for the distance of 9.5 feet;

THENCE Westwardly at right angles to the West side of the said barn or garage for the distance of 2 feet or to the line of a fence presently erected along the Western boundary of the land of the said Preston J. Sentner;

THENCE Northwardly along the line of the said fence for the distance of 4.6 feet or to the Southern boundary of the land of Dr. Heath McIntyre;

THENCE running Eastwardly along the said Southern boundary of the land of Dr. Heath McIntyre for the distance of 85.3 feet or to the West side of Prince Street aforesaid;

THENCE running Southwardly along the West side of Prince Street for the distance of 31.25 feet or to the point at the place of commencement;

SUBJECT to an existing right-of-way over the Northeast portion of the said land which is bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street which is distant 31.25 feet Northwardly from the Southern boundary of Town Lot No. 89;

THENCE running Westwardly at right angles to the West side of Prince Street for the distance of 37 feet;

THENCE running Southwardly in a line parallel with the West side of Prince Street for the distance of 3 feet 3 inches;

THENCE running Eastwardly in a line parallel with the said South boundary of Town Lot No. 39 for the distance of 37 feet or to the West side of Prince Street;

THENCE running Northwardly along the West side of Prince Street for the distance of 3 feet 3 inches to the place of commencement;

AND TOGETHER with an existing right-of-way immediately adjoining the said right-of-way hereinbefore described on the North, bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street which said point is distant Northwardly 31.25 feet from the South boundary of Town Lot No. 89;

THENCE running Westwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 37 feet;

THENCE Northwardly in a line parallel with the West side of Prince Street for the distance of 3 feet 3 inches;

THENCE Eastwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 37 feet or to the West side of Prince Street;

THENCE Southwardly along the West side of Prince Street for the distance of 3 feet 3 inches to the place of commencement.

The above-described rights-of-way constituting an existing gangway between the lands of Preston J. Sentner and Dr. Heath McIntyre.

All as previously described in a Deed of Conveyance registered at the office of the Registrar of Deeds for Queens County on September 9, 1982 at Liber 354, Folio 42.

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, aereals, 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 Mortgage 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 11.
- (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 Mortgage 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 Mortgagee 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 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 of 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 in 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.

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.
- 17.2 **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.
- 17.3 **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.
- 17.4 **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.
- 17.5 **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.
- 17.6 **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.
- 17.7 **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.
- 17.8 **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 encumbrances, 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 or on 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 of 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* (Prince Edward Island) 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 Secured Obligations and shall be secured by this Mortgage and shall be payable forthwith to the Mortgagee upon demand;
- (e) 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;

- (f) 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 mortgagor;
- (g) without limiting the obligations of the Mortgagor under section 8, the Mortgagor shall cause the insurance policies required hereunder to:
- (i) Be subscribed on a Condominium Unit Owner's "Broad Form" or "All Risks" basis and shall include, as a minimum, the coverages set out under section 8.
 - (ii) The insurance policies shall include coverages insuring the condominium unit on a contingent basis in the event of insufficiency or non-existence of a Condominium Corporation policy. The amount of insurance must include the cost of improvements and betterments to the condominium unit not normally covered by the Condominium Corporation policy and must be at least equal to the full replacement value of such improvements and betterments.
 - (iii) The amount of insurance in regards to the contingent coverages must be at least equal to the full replacement cost of the condominium unit and in no circumstances shall be inferior to the amount of the Mortgage.
 - (iv) The Mortgagor will ensure and, upon request by the Mortgagee, will provide proof that the Condominium Corporation purchased insurance and during the continuance of this Mortgage maintains insurance satisfactory to the Mortgagee on each and every building and structure located on the lands and premises owned by the Condominium Corporation, including, without limitation, the Mortgaged Premises. Such policy must be written on a Broad Form or All Risks form, and shall include the water escape and sewer back-up endorsement and any other endorsements as the Mortgagee may require from time to time.
 - (v) All insurance policies hereunder, whether purchased by the Mortgagor or the Condominium Corporation, must contain the Insurance Bureau of Canada approved mortgage clause with the loss payable to the Mortgagee as its interest may appear and the Mortgagor and the Condominium Corporation will forthwith assign, transfer and deliver unto the Mortgagee the policy or policies of insurance and receipts thereto appertaining and if the Mortgagor or Condominium Corporation or both of them shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policy or policies, and receipts or produce to the Mortgagee at least 15 days before the termination of any insurance, proof of renewal thereof, the Mortgagee shall be entitled but not obligated to insure the said buildings or any of them; and the Mortgagor or the Condominium Corporation or both of them shall forthwith on the occurrence of any loss or damage comply fully with the terms of the insurance policy or policies and, without limiting the general nature of the obligation of the Mortgagor to observe and perform all the duties and obligations imposed on the Mortgagor by the *Condominium Act* (Prince Edward Island) and by the condominium declaration and by-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions; and the Mortgagor as a member of the Condominium Corporation shall seek

the full compliance by the Condominium Corporation of the aforementioned covenants.

Dated the 23 day of June, 2022

BETWEEN:

BSL HOLDINGS LIMITED

AND:

ASSUMPTION MUTUAL LIFE INSURANCE COMPANY

AND:

STEVEN CARYI

COLLATERAL MORTGAGE

Search: _____
Subsearch: _____
Registration search: _____

Checked by: _____
Date: _____

COX & PALMER
Barristers & Solicitors
97 Queen Street, Suite 600
Charlottetown, P.E.I.
C1A 4A9

Per: Robin K. Aitken
File No. 10037772.9

Office of the Registrar of Deeds

For Queens County, Charlottetown, P.E. Island

Book 5970

Doc # 6033

The within document was registered on

The 29th Day of Jun A.D., 2022 on

NOTARIAL CERTIFICATE

Kristen Yatter
REGISTRAR

6034

THIS ASSIGNMENT OF RENTS AND LEASES made this 26 day of June 2022.

BETWEEN:

BSL HOLDINGS LIMITED

(the "Landlord")

- and -

ASSUMPTION MUTUAL LIFE INSURANCE COMPANY

(the "Bank")

Received

JUN 29 2022

2:57:07 PM

1.00 RECITALS

1.01 The Landlord is the owner of lands and premises known civically as 165 Prince Street, Charlottetown, Prince Edward Island, as more particularly described in the attached Schedule "A" (the "Mortgaged Premises").

1.02 By a mortgage of even date herewith (the "Mortgage"), the Mortgaged Premises were mortgaged to the Bank to secure the repayment of Two Million Three Hundred Seventy Two Thousand Five Hundred Dollars (\$2,372,500.00) and interest thereon and such other amounts as are more particularly provided for therein.

1.03 As a condition of the Bank granting certain credit facilities to the Landlord, the Landlord agreed to assign the rents reserved and payable under the leases of premises located in the buildings on the Mortgaged Premises in effect from time to time to the Bank as collateral security for the payment of the monies due and owing under the Mortgage at the times and in the manner therein provided.

2.00 ASSIGNMENT

2.01 NOW THEREFORE in consideration of the foregoing and the sum of Ten Dollars (\$10) now paid by the Bank to the Landlord, receipt of which is hereby acknowledged, the Landlord hereby assigns to the Bank any leases presently in effect, and leases to take effect in the future, and all renewals thereof and the rents thereunder, and all the benefits and advantages to be derived therefrom, providing nothing herein shall be deemed to have the effect of making the Bank responsible for the collection of rents set out in any such leases (or any renewals) or any part thereof under the leases or for the performance of any of the covenants or provisos either by the Landlord or the tenants, provided that:

- (a) until default has occurred in payment of any monies when due under the Mortgage or any renewal thereof, or until breach of any other covenant contained therein, the Landlord shall be entitled to receive all rents payable

under the leases and shall not be liable to account therefor to the Bank, but immediately upon default in payment or breach as aforesaid and so often as either may occur, the Bank, upon notice to the tenants, shall be entitled to all rents falling due after the date of service of such notice and shall be entitled to enter into possession of the Mortgaged Premises and collect the rents and revenues thereof, and distrain in the name of the Landlord for same, and appoint its agents to manage the Mortgaged Premises and pay such agents reasonable charges for their services and charge the same to the account of the Mortgagor and that any agents so appointed by the Bank shall have the authority:

- (i) to make any lease or leases of the Mortgaged Premises or any part thereof at such rental and on such terms as the Bank in its discretion may consider proper;
- (ii) to manage generally the Mortgaged Premises to the same extent as the Landlord could do;
- (iii) without derogating from the generality of the foregoing:
 - (1) to collect the rents and revenues and give good and sufficient receipts and discharges therefore and in their discretion distrain in the name of the Landlord for such rents;
 - (2) to pay all insurance premiums, taxes, necessary repairs, renovations and upkeep, caring charges, rental commissions, salary of janitor or caretaker, cost of heating and any and all payments due on the Mortgage to the Bank;
 - (3) to accumulate the rentals in such agent's hands in a reasonable amount to make provision for maturing payments of interest and principal on the Mortgage, and for payment of taxes, insurance, heating, repairs, renovations and upkeep and any other expenses or carrying charges connected with the Mortgaged Premises;
- (b) nothing herein shall be deemed to be a consent by the Bank to payment in advance of rent or other monies under the leases without the written consent of the Bank, whether or not default has occurred under the Mortgage;
- (c) the Bank shall be liable to account only for such monies as it actually receives by virtue of this Assignment and that such monies, if any, when so received by the Bank, shall be applied: firstly, on account of the monies due from time to time under the Mortgage and any renewal thereof or under any agreement collateral thereto; and secondly, on account of taxes and assessments, whether municipal or provincial, which are charged on the Mortgaged Premises; and thirdly, any surplus shall be transferred to the Landlord.

2.02 The leases and rents and all benefits and advantages thereunder hereby assigned to the Bank are taken as collateral security only for the due payments of the indebtedness as defined in the Mortgage and secured by the Mortgage and any renewal thereof and any mortgage taken in substitution therefor, in part or in whole, and none of the rights or remedies of the Bank under the Mortgage shall be delayed or in any way prejudiced by this Assignment.

2.03 Notwithstanding any variation of the terms of the Mortgage or any extension of time for payment of the monies secured by the Mortgage or any part thereof or any release of part or parts of the Mortgaged Premises or any collateral security, the leases and rents and all other benefits and advantages thereunder hereby assigned, shall continue as collateral security until all of such monies secured by the Mortgage shall be fully paid and all obligations of the Landlord in respect of the Mortgage have been fulfilled.

2.04 The Bank shall not by virtue of this Assignment be deemed a mortgagee in possession of the premises or any part thereof or be liable to account to the Landlord or credit the Landlord with any monies on account of the Mortgage except those which shall come into its hands or into the hands of any agents appointed by it pursuant hereto, and then subject to all deductions and payments made out of the rentals received from the Mortgaged Premises as herein provided.

2.05 It is hereby understood and agreed by the parties hereto that the Landlord may not, during the term of the mortgage or any extensions thereof, make any further assignments of the rents and/or leases, which are hereby assigned to the Bank, to any subsequent mortgagee or mortgagees without the prior written consent and approval of the Bank.

2.06 Where any discretionary powers hereunder are vested in the Bank or its agents, the same may be exercised by any officer, investment manager or manager of the Bank or its appointed agents, as the case may be.

3.00 LANDLORD'S COVENANTS

3.01 The Landlord covenants that it is not aware of any outstanding dispute under any of the existing leases between the Landlord and the other parties thereto; and that the said leases, at the date of these presents, are good, valid and subsisting leases and that none of the rents have been or will be paid in advance beyond the then current month's rent from time to time.

3.02 The Landlord covenants to execute at its expense, whenever the Bank requires, such further assurances for the better and more perfectly assigning to the Bank the leases and any renewals thereof and the rents payable thereunder and all advantages and benefits derived therefrom.

3.03 The Landlord covenants that it will not lease or agree to lease any part of the Mortgaged Premises except at a rent, on terms and conditions, and to tenants which are not less favourable or desirable to the Landlord than those which a prudent landlord would accept for the premises to be leased.

4.00 GENERAL

4.01 Notices hereunder may be served on the parties and on the tenants by mailing prepaid (registered) post to the business addresses for service provided in the leases, or to such other addresses as to which the parties or the tenants have been properly advised.

4.02 It is hereby agreed that where the words "Landlord" and "Bank" are used herein, they shall, when the context requires, include and be binding upon and enure to the benefit of not only the parties hereto, but also their and each of their respective successors and/or assigns, and when the singular and masculine are used herein, the same shall be construed as meaning the plural or feminine or neuter genders.

IN WITNESS WHEREOF the Landlord has properly executed this Assignment of Rents and Leases, the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the presence of:


Witness

BSL HOLDINGS LIMITED

Per: 

Name: Steven Caryl
Title: President

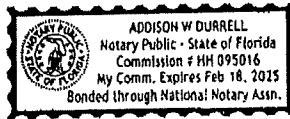
I have the authority to bind the Company.

STATE OF FLORIDA

I, Addison W Durrell of Seacoast Bank, in the State of Florida, a Notary Public by lawful authority, duly authorized, commissioned and sworn, DO HEREBY CERTIFY that on the 23rd day of June, 2022, personally appeared before me, Steven Caryl, of Winter Park, in the State of Florida, known to me to be the party named in and executing the annexed Indenture or writing, and acknowledged that he did freely and voluntarily execute the annexed Indenture or writing to and for the uses and purposes therein named.

AND I FURTHER CERTIFY that the signature of "Steven Caryl" subscribed to the said Partial Release of Mortgage is in the true and proper handwriting of the said Steven Caryl

AND I FURTHER CERTIFY that I am a subscribing witness to the execution of the said document by Steven Caryl and the name Addison W Durrell is in my own true and proper handwriting, and that I am a Notary Public in and for the State of Florida.



IN FAITH AND TESTIMONY WHEREOF I have to this Notarial Certificate subscribed my name and affixed my Notarial Seal at Seacoast Bank, in the State of Florida on the day and year first above written.

Addison W Durrell
A NOTARY PUBLIC IN AND FOR THE
STATE OF FLORIDA
(affix notarial seal)

STATE OF FLORIDA

AFFIDAVIT OF CORPORATE EXECUTION

I, Steven Caryl, of Winter Park, in State of Florida, MAKE OATH AND SAY AS FOLLOWS:

1. THAT I am the President of BSL Holdings Limited, named in the within Indenture.
2. THAT the Corporate Seal affixed to the within Indenture is the Corporate Seal of the said BSL Holdings Limited, and was thereto affixed by order of the Board of Directors of the said Company to and for the uses and purposes therein expressed and contained.
3. THAT the name "Steven Caryl" subscribed to the within Indenture is the signature of me, the said President, and is thereto subscribed by order of the Board of Directors of the said Company to and for the uses and purposes therein expressed and contained.
4. THAT the property that is the subject matter of the within Indenture has never been occupied by myself and spouse or any other persons, or their spouses, who are associated with 102295 P.E.I. Inc., as a matrimonial home within the meaning of the *Family Law Act*, R.S.P.E.I. 1995.
5. THAT I am a duly authorized signing Officer of the said Company to execute the within Indenture.

Seaboard Bank

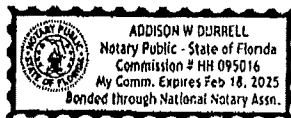
SWORN before me at 10:23 am, in
State of Florida, this 23rd day of June, 2022

Addison W Durrell

A NOTARY PUBLIC IN AND FOR THE STATE OF
FLORIDA

(affix notarial seal)

Steven Caryl



SCHEDULE "A"

SCHEDULE "A"

Parcel No. 342600

Parcel #1

ALL THAT TRACT, PIECE or parcel of land situate, lying and being in Charlottetown, in Queens County, Prince Edward Island, bounded and described as follows, that is to say:

COMMENCING on the Western side of Prince Street at the Southeast corner of Town Lot No. 89 in the Third Hundred of Town Lots in Charlottetown and running;

THENCE Westerly along the Southern boundary of said Town Lot for the distance of 84 feet or to the Eastern boundary of Town Lot Number 88;

THENCE Southerly along the said Eastern boundary for the distance of 23 feet and 4 inches;

THENCE Easterly parallel to the said Southern boundary of Town Lot No. 89 for the distance of 84 feet to Prince Street aforesaid;

THENCE Northerly along said street to the place of commencement being the Northern part of Town Lot No. 39 in the Third Hundred of Town Lots in Charlottetown, together with the existing right-of-way over all that certain gangway or passage way to and from Prince Street to the rear of said described plot of land, said gangway being at the Southeastern corner thereof and having a front on Prince Street of 6 feet and 7 inches and extending Westerly by parallel lines at right angles to said Street for the distance of 39 feet and 6 inches, the northern half of said gangway being included in plot above described and conveyed, being thus described in a Deed from George Rackham and Wife to the said George Elmer Ritchie bearing date the 19th day of August, 1920, and registered in the Office of the Registrar of Deeds for Queens County in Liber 76, Folio 541. The said land and premises being further described from a survey made by V.A. MacDonald, Prince Edward Island Land Surveyor on September 15, 1954, as follows:

ALL THAT TRACT, PIECE or parcel of land situate, lying and being on Town Lot No. 39 in the Third Hundred of Town Lots in Charlottetown, bounded and described as follows, that is to say:

COMMENCING on the West side of Prince Street at a point where the same is intersected by the Southern boundary of Town Lot No. 88;

THENCE running Westwardly along the Southern boundary of Town Lot No. 88 for the distance of 88.6 feet or to a fence presently erected along the Western boundary of the land of the said George Elmer Ritchie;

THENCE running Southwardly along the line of the said fence for the distance of 26.20 feet;

THENCE running Eastwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 85.6 feet, or to the West side of Prince Street;

THENCE running Northwardly along the West side of Prince Street for the distance of 25.8 feet together with and subject to an existing right-of-way over all that certain gangway being at the Southeastern corner thereof and having a front on Prince Street of 6 feet and 7 inches and

extending Westwardly by parallel lines at right angles to the said street for the distance of 39 feet and 6 inches.

Parcel #2

ALSO ALL that tract, piece or parcel of land situate, lying and being in Charlottetown, in Queens County, Prince Edward Island, bounded and described as follows, that is to say:

COMMENCING on the West side of Prince Street in the Northeast angle of the plot of land below described formerly owned by John MacKeever and afterwards by James Whelan and then by William A. Hawley;

THENCE Westwardly along the Northern boundary of said lands formerly owned by John MacKeever for a distance of 86 feet;

THENCE Northwardly parallel with Prince Street a distance of 36 feet;

THENCE Eastwardly by a line parallel with the first mentioned boundary line of 86 feet to Prince Street aforesaid; and

THENCE Southwardly along the same to the place of commencement.

Parcel #3

ALSO ALL that other tract, piece or parcel of land situate, lying and being in Charlottetown aforesaid, bounded and described as follows, that is to say:

COMMENCING on the West side of Prince Street at the Southern boundary of land formerly owned by James Coles being part of Town Lot No. 89 in the Third Hundred of Town Lots in Charlottetown, running;

THENCE Westwardly at right angles to the said Street 87 feet to the Eastern boundary of Town Lot No. 88;

THENCE Southwardly along the same 28 feet;

THENCE at right angles Eastwardly 87 feet to Prince Street aforesaid; and

THENCE Northwardly along the same 28 feet to the place of commencement, together with the free and uninterrupted use, liberty and privilege of and passage over and along a certain alley or passage adjoining the South side of the above last-described land commencing at a point on the West side of Prince Street at a distance of 28 feet North of the Northern boundary of Town Lot No. 39;

THENCE at right angles Westwardly 37 feet;

THENCE at right angles Northerly 6 feet 6 inches;

THENCE at right angles Eastwardly 37 feet to Prince Street aforesaid; and

THENCE at right angles Southwardly 6 feet 6 inches to the place of commencement.

TOGETHER with all rights, as granted and specified in a Deed of said right-of-way from Michael Egan and Michael P. Hogan to Donald McLaughlin bearing date the 8th day of May, 1906;

TOGETHER also with all privileges of a right-of-way granted to Donald McLaughlin by William A. Hawley by Deed dated the 8th day of May, 1906, and registered the 15th day of May, 1906, in Liber 54, Folio 93 in Queens County Conveyances; the said lands being thus described in a Deed of Conveyance from Alexander Ross and Wife to the said Heather McIntyre bearing date the 6th day of June, 1924, and registered in the Office of the Registrar of Deeds for Queens County in Liber 82, Folio 197. The said land and premises being further described from a survey made by V.A. MacDonald, Prince Edward Island Land Surveyor, on September 15, 1954 as follows:

ALL that tract, place or parcel of land situate, lying and being on Town Lot 89 in the Third Hundred of Town Lots in Charlottetown aforesaid, bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street said point is distant Northwardly 31.25 feet from the Southern boundary of Town Lot No. 89;

THENCE Westwardly in a line parallel with the said Southern boundary of Town Lot No. 89 for the distance of 85.3 feet or to a fence presently erected along the Western boundary of the land of Dr. Heath McIntyre;

THENCE Northwardly along the line of the said fence and a line in continuation thereof for the distance of 85.8 feet or to the Southern boundary of land now or formerly owned by Mary E. Wade;

THENCE Eastwardly along the Southern boundary of land now or formerly in possession of Mary E. Wade for the distance of 85.6 feet or to the West side of Prince Street;

THENCE Southwardly along the West side of Prince Street for the distance of 66 feet or to the place of commencement;

SUBJECT to an existing right-of-way over the Southeast corner thereof bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street which said point is distant Northwardly 31.25 feet from the South boundary of Town Lot No. 89;

THENCE running Westwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 37 feet;

THENCE Northwardly in a line parallel with the West side of Prince Street for the distance of 3 feet 3 inches;

THENCE Eastwardly in a line parallel with the South boundary of Town Lot No. 89 for the distance of 37 feet or to the West side of Prince Street;

THENCE Southwardly along the West side of Prince Street for the distance of 3 feet 3 inches to the place of commencement.

AND TOGETHER with an existing right-of-way immediately adjoining the said right-of-way hereinbefore described on the South bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street which is distant 31.25 feet Northwardly from the Southern boundary of Town Lot No. 89;

THENCE running Westwardly at right angles to the West side of Prince Street for the distance of 37 feet;

THENCE running Southwardly in a line parallel with the West side of Prince Street for the distance of 3 feet 3 inches;

THENCE running Eastwardly in a line parallel with the said South boundary of Town Lot No. 39 for the distance of 37 feet or to the West side of Prince Street;

THENCE running Northwardly along the West side of Prince Street for the distance of 3 feet 3 inches to the place of commencement.

The above-described rights-of-way constituting an existing gangway between the lands of Dr. Heath McIntyre and Preston J. Santner.

Parcel #4

ALSO ALL that tract, piece or parcel of land situate, lying and being part of Town Lot No. 89 in the Third Hundred of Town Lots in Charlottetown, in Queens County, Prince Edward Island, bounded and described as follows, that is to say:

COMMENCING on the West side of Prince Street at the Northeast angle of Town Lot No. 39 in the Third Hundred of Town Lots aforesaid;

THENCE running Westwardly along the Northern boundary of said Town Lot No. 39, 87 feet to the Southeast angle of Town Lot No. 88 in the said Third Hundred;

THENCE along the East boundary of said Town Lot No. 88 Northwardly 29 feet 4 inches;

THENCE Eastwardly 50 feet;

THENCE Southwardly 3 feet 3 inches;

THENCE Eastwardly by a line at right angles with Prince Street aforesaid 37 feet to said Prince Street; and

THENCE along the West side of the same Southwardly 28 feet to the place of commencement.

TOGETHER with the free and uninterrupted use, liberty, and privilege of a passage over and along a certain right-of-way adjoining the above described land on the north, bounded and described as follows:

COMMENCING on the West side of Prince Street at a point 28 feet North from the Northern boundary of Town Lot No. 39 aforesaid;

THENCE running at right angles to the said Prince Street Westwardly 37 feet;

THENCE at right angles Northwardly 6 feet 6 inches;

THENCE at right angles Eastwardly 37 feet to Prince Street aforesaid;

AND THENCE at right angles Southwardly along the same 6 feet 6 inches, to the place of commencement, with free ingress and egress to and for the said Gordon R. Holmes, his heirs and assigns and his and their tenants, under-tenants, agents, workmen and employees with carts, vehicles, carriages, horses or cattle as by him or them may be necessary or convenient as specified in a Deed of said right-of-way from Michael Egan and Michael P. Hogan to Donald McLaughlin bearing date the 8th day of May, 1908, and being thus described in a Deed of Conveyance from Gordon R. Holmes and Wife to Preston J. Sentner bearing date the 21st day of December, 1931, and registered in Liber 94, Folio 46, in the Office of the Registrar of Deeds for Queens County. The said land and premises being further described from a survey made by V.A. MacDonald, Prince Edward Island Land Surveyor, on September 16, 1954 as follows:

ALL that tract, piece or parcel of land situate, lying and being on Town Lot 89 on the Third Hundred of Town Lots in Charlottetown aforesaid, bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street where the same is intersected by the South boundary of Town Lot No. 89;

THENCE running Westwardly along the said South boundary of Town Lot No. 89 for the distance of 86.6 feet or to a fence presently erected along the Western boundary of the land of the said Preston J. Sentner;

THENCE running Northwardly along the line of the said fence for the distance of 18.6 feet or to the Southwest angle of a garage or barn presently situated at the rear of the land of the said Preston J. Sentner;

THENCE running Northwardly along the Western side of the said barn or garage for the distance of 9.5 feet;

THENCE Westwardly at right angles to the West side of the said barn or garage for the distance of 2 feet or to the line of a fence presently erected along the Western boundary of the land of the said Preston J. Sentner;

THENCE Northwardly along the line of the said fence for the distance of 4.6 feet or to the Southern boundary of the land of Dr. Heath McIntyre;

THENCE running Eastwardly along the said Southern boundary of the land of Dr. Heath McIntyre for the distance of 85.3 feet or to the West side of Prince Street aforesaid;

THENCE running Southwardly along the West side of Prince Street for the distance of 31.25 feet or to the point at the place of commencement

SUBJECT to an existing right-of-way over the Northeast portion of the said land which is bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street which is distant 31.25 feet Northwardly from the Southern boundary of Town Lot No. 89;

THENCE running Westwardly at right angles to the West side of Prince Street for the distance of 37 feet;

THENCE running Southwardly in a line parallel with the West side of Prince Street for the distance of 3 feet 3 inches;

THENCE running Eastwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 37 feet or to the West side of Prince Street;

THENCE running Northwardly along the West side of Prince Street for the distance of 3 feet 3 inches to the place of commencement;

AND TOGETHER with an existing right-of-way immediately adjoining the said right-of-way hereinbefore described on the North, bounded and described as follows, that is to say:

COMMENCING at a point on the West side of Prince Street which said point is distant Northwardly 31.25 feet from the South boundary of Town Lot No. 89;

THENCE running Westwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 37 feet;

THENCE Northwardly in a line parallel with the West side of Prince Street for the distance of 3 feet 3 inches;

THENCE Eastwardly in a line parallel with the said South boundary of Town Lot No. 89 for the distance of 37 feet or to the West side of Prince Street;

THENCE Southwardly along the West side of Prince Street for the distance of 3 feet 3 inches to the place of commencement.

The above-described rights-of-way constituting an existing gangway between the lands of Preston J. Sentner and Dr. Heath McIntyre.

All as previously described in a Deed of Conveyance registered at the office of the Registrar of Deeds for Queens County on September 9, 1982 at Liber 354, Folio 42.

Dated the 23 day of June, 2022

BETWEEN:

BSL HOLDINGS LIMITED

AND:

ASSUMPTION MUTUAL LIFE INSURANCE COMPANY

Assignment of Rents and Leases

Search: _____
Subsearch: _____
Registration search: 24/June 23, 2022

Checked by: _____
Date: _____

COX & PALMER
Barristers & Solicitors
97 Queen Street, Suite 600
Charlottetown, P.E.I.
C1A 4A9

Per: Robin K. Aitken
File No. 10037772.9

Office of the Registrar of Deeds

For Queens County, Charlottetown, P.E. Island

Book 5970

Doc # 6034

The within document was registered on

The 29th Day of Jun A.D., 2022 on

NOTARIAL CERTIFICATE


REGISTRAR

T

Exhibit Stamp

Hfx No. 539955

This is Exhibit "T" 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



LEAGUE SAVINGS AND MORTGAGE

A Credit Union Company

COLLATERAL MORTGAGE

This MORTGAGE made this 28th day of May, 2020.

BETWEEN: 3337151 NOVA SCOTIA LIMITED

(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 constituting 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 constituting 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 Mortgagor's 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 and Spouse 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. **SPOUSAL CONSENT**

The Spouse of the Mortgagor hereby consents, pursuant to the Applicable Laws governing matrimonial property, to this Mortgage and hereby releases any and all right, title and interest which the Spouse of the Mortgagor may have with respect to the Property.

37. **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.

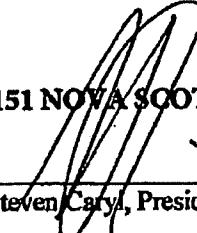
38. SIGNING THIS MORTGAGE

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.

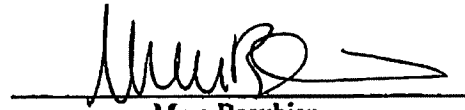
SIGNED and DELIVERED by
videoconference in the presence of:



) 3337151 NOVA SCOTIA LIMITED
)
)
)
) Per:  Cary, President
)

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 28th day of May, 2020, **3337151 NOVA SCOTIA LIMITED**, 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

SCHEDULE "A"

PID 00076455

All that messuage of tenement and premises, situate, lying and being on the corner of Barrington and Sackville Street, in the City of Halifax, bounded and described as follows:

Beginning at the south western angle formed by the intersection of Barrington and Sackville Streets aforesaid;

Thence running south along the western line of Barrington street forty-five feet more or less till it comes to the north line of lot number fifteen, now or formerly owned by William Stevens;

Thence westerly seventy-two feet more or less or to the property of James W. Fenerty;

Thence running northerly along the east line of James W. Fenerty's land forty feet more or less to Sackville Street;

Thence easterly along the southern line of Sackville Street, seventy-two feet more or less to the place of beginning.

Subject to Barrington Street Heritage District Revitalization Notice found at Document Number 95956489 and By Laws at Document number 95956448 both in favour of Halifax Regional Municipality.

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

Not Subject To:

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

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.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	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



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

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 28th day of May, 2020

BETWEEN:

3337151 NOVA SCOTIA LIMITED

(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

*10030133/00043/3472193/v1

- (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]

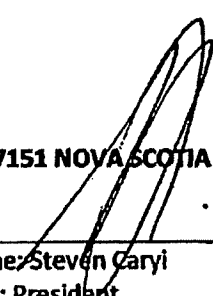
SIGNED and DELIVERED in the presence of:



Witnessed by videoconference

3337151 NOVA SCOTIA LIMITED

Per: _____


Name: Steven Caryl
Title: President



**LEAGUE SAVINGS
AND MORTGAGE**

A Credit Union Company

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 28th day of May, 2020, 3337151 NOVA SCOTIA LIMITED, 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, Steven Caryi, of Winter Park, Florida, make oath and say that:

1. I am the President of 3337151 NOVA SCOTIA LIMITED (the "Corporation"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and thereby bind the Corporation.
4. I acknowledge that the Corporation executed the foregoing instrument by its proper officer(s) duly authorized in that regard on the date of this affidavit.

Huber

Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia

Steven Caryi

SCHEDULE "A"

PID 00076455

All that messuage of tenement and premises, situate, lying and being on the corner of Barrington and Sackville Street, in the City of Halifax, bounded and described as follows:

Beginning at the south western angle formed by the intersection of Barrington and Sackville Streets aforesaid;

Thence running south along the western line of Barrington street forty-five feet more or less till it comes to the north line of lot number fifteen, now or formerly owned by William Stevens;

Thence westerly seventy-two feet more or less or to the property of James W. Fenerty;

Thence running northerly along the east line of James W. Fenerty's land forty feet more or less to Sackville Street;

Thence easterly along the southern line of Sackville Street, seventy-two feet more or less to the place of beginning.

Subject to Barrington Street Heritage District Revitalization Notice found at Document Number 95956489 and By Laws at Document number 95956448 both in favour of Halifax Regional Municipality.

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

Not Subject To:

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.



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

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 28th day of May, 2020

BETWEEN:

3337151 NOVA SCOTIA LIMITED

(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

*10030133/00043/3472193/v1

- (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

3337151 NOVA SCOTIA LIMITED

Per: _____


Name: Steven Garyl

Title: President



**LEAGUE SAVINGS
AND MORTGAGE**

A Credit Union Company

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 28th day of May, 2020, 3337151 NOVA SCOTIA LIMITED, 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, Steven Caryl, of Winter Park, Florida, make oath and say that:

1. I am the President of 3337151 NOVA SCOTIA LIMITED (the "Corporation"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and thereby bind the Corporation.
4. I acknowledge that the Corporation executed the foregoing instrument by its proper officer(s) duly authorized in that regard on the date of this affidavit.

**SWORN TO by videoconference
From Winter Park, Florida
To Halifax, Nova Scotia
this 28th day of May, 2020
before me:**

Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia

Steven Caryi

SCHEDULE "A"

PID 00076455

All that messuage of tenement and premises, situate, lying and being on the corner of Barrington and Sackville Street, in the City of Halifax, bounded and described as follows:

Beginning at the south western angle formed by the intersection of Barrington and Sackville Streets aforesaid;

Thence running south along the western line of Barrington street forty-five feet more or less till it comes to the north line of lot number fifteen, now or formerly owned by William Stevens;

Thence westerly seventy-two feet more or less or to the property of James W. Fenerty;

Thence running northerly along the east line of James W. Fenerty's land forty feet more or less to Sackville Street;

Thence easterly along the southern line of Sackville Street, seventy-two feet more or less to the place of beginning.

Subject to Barrington Street Heritage District Revitalization Notice found at Document Number 95956489 and By Laws at Document number 95956448 both in favour of Halifax Regional Municipality.

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

Not Subject To:

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

U

Exhibit Stamp

Hfx No. 539955

This is Exhibit "U" 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 COLLATERAL MORTGAGE made as of October 16, 2023.

BETWEEN:

4551650 NOVA SCOTIA LIMITED, a corporation incorporated under the laws of the Province of Nova Scotia,

(the "Mortgagor")

-and-

4518276 NOVA SCOTIA LIMITED, a corporation incorporated under the laws of the Province of Nova Scotia

(the "Mortgagee")

1. Definitions. In this Collateral Mortgage, the following terms shall have the following meanings:

- (a) "Bankruptcy Legislation" means any present or future laws relating to bankruptcy or insolvency reorganization, or compromise of debts or other similar laws, including without limitation the *Companies' Creditors Arrangement Act* (Canada) and the *Bankruptcy and Insolvency Act* (Canada).
- (b) "Borrower" means Annapolis Management Inc.
- (c) "Business Day" means any day except Saturday, Sunday, or a statutory holiday in the Province of Nova Scotia.
- (d) "Chattels" has the meaning ascribed to it in clause (y) of Section 6 of this Collateral Mortgage.
- (e) "Claims" has the meaning ascribed to it in clause (z) of Section 6 of this Collateral Mortgage.
- (f) "Collateral Mortgage" means this Collateral Mortgage to which the Mortgagor and the Mortgagee are parties, and any amendments from time to time made hereafter by the Mortgagor and Mortgagee in writing in accordance with the provisions hereof.
- (g) "Costs" means all reasonable fees, costs, charges, and expenses of the Mortgagee of and incidental to:
 - (i) the negotiation, preparation, execution, subordination, postponement and registration of the Collateral Mortgage and any other instruments connected herewith and every renewal or discharge thereof;
 - (ii) the collection of any amounts payable hereunder, enforcement of any covenants contained herein and the realization of the security herein contained;

- (iii) procuring or attempting to procure payment of any Indebtedness or any other amounts due and payable hereunder, including foreclosure, power of sale or execution proceedings commenced by the Mortgagee or any other party;
- (iv) any inspection required to be made of the Mortgaged Premises, or review of plans, specifications and other documentation which may require the approval or consent of the Mortgagee;
- (v) all repairs and replacements required to be made to the Mortgaged Premises;
- (vi) the Mortgagee having to go into possession of the Mortgaged Premises and secure, complete and equip the building or Improvements in any way in connection herewith;
- (vii) the Mortgagee's renewal of any leasehold interest;
- (viii) the exercise of any of the powers of a Receiver contained herein; and
- (ix) all solicitor's costs, charges and expenses relating to any of the foregoing and any necessary examination of title to the Mortgaged Premises.

For greater certainty, Costs shall:

- (i) extend to and include reasonable legal costs incurred by the Mortgagee as between solicitor and his own client;
 - (ii) be payable forthwith by the Mortgagor;
 - (iii) bear Interest at the Interest Rate; and
 - (iv) be a charge on the Mortgaged Premises.
- (h) "Event of Default" has the meaning ascribed to it in the Loan Agreement.
- (i) "Fixtures" includes all fixtures, buildings, erections, appurtenances, plants and Improvements, fixed or otherwise, now or hereafter put on the Lands, including without limitation all fences, elevators, furnaces, boilers, oil burners, water heaters, electric light fixtures, window blinds, screen and storm doors and windows, and all air-conditioning, plumbing, cooling, ventilating, cooking, refrigeration and heating equipment and all other apparatus and equipment appurtenant to the Mortgaged Premises.
- (j) "Financing Documents" means collectively the Loan Agreement and any and all security and other documents delivered in accordance with the terms thereof, including without limitation: (i) the Note; (ii) the Guarantee(s); (iii) any other documents related to the Loan Agreement, Note, or Guarantee(s); (iv) any other promissory notes, guarantees or indemnities executed by the Mortgagor in favour of the Mortgagee; (v) this Collateral Mortgage; and (vi) any other security delivered to the Mortgagee by the Mortgagor from time to time.

(k) "Guarantees" means collectively:

- (i) the guarantee executed by Steven Caryi in favour of the Mortgagee whereby Steven Caryi guarantees the obligations of the Borrower under the Loan Agreement; and
- (ii) the guarantee executed by Annapolis Management, Inc., in its capacity as the general partner Ruby, LLP and in its own right in favour of the Mortgagee whereby Annapolis Management, Inc., in its capacity as the general partner Ruby, LLP and in its own right guarantees the obligations of the Borrower under the Loan Agreement;

and "Guarantee" means any one of them.

- (l) "Guarantors" means collectively, Steven Caryi and Annapolis Management, Inc., in its capacity as the general partner Ruby, LLP and in its own right and "Guarantor" means any one of them.
- (m) "Improvements" include any construction, installation, alteration, addition, repair, or demolition to any part of the Mortgaged Premises now existing or hereafter constructed or to be constructed on the Lands.
- (n) "Indebtedness" means all moneys and liabilities matured or not, whether present or future, direct or indirect, absolute or contingent, now or at any time hereafter owing or incurred, by the Mortgagor, or the Borrower, or any Guarantor to the Mortgagee, including pursuant to the Note, Loan Agreement, the Guarantees, any document delivered in connection with the Loan Agreement, Note, or Guarantees, any other term sheet, this Collateral Mortgage, or any other Financing Document, and all interest, damages and Costs, and all premiums of Insurance upon any Fixtures, Taxes or other amounts paid by the Mortgagee in accordance with the provisions of this Collateral Mortgage.
- (o) "Interest Rate" means the highest rate chargeable by Mortgagee from time to time on the Obligations.
- (p) "Lands" means the lands and premises described in Schedule "A" annexed hereto.
- (q) "Loan Agreement" means the loan agreement dated with effect as of October 5, 2023 among the Mortgagee as lender, and the Borrower, and guaranteed by the Guarantors.
- (r) "Monitor" has the meaning ascribed to it in Section 12 of this Collateral Mortgage.
- (s) "Mortgaged Premises" means the Lands and all Fixtures.
- (t) "Note" means the term promissory note dated with effect as of October 5, 2023, executed by the Borrower in favour of the Mortgagee and acknowledged by each of the Guarantors in connection with the Loan Agreement.
- (u) "Obligations" means all present and future Indebtedness and obligations of the Mortgagor, the Borrower, and the Guarantors to the Mortgagee, whether direct or indirect, absolute or contingent, liquidated or unliquidated, as principal, guarantor, or as surety, alone or with others, of whatsoever nature or kind, in any currency or

otherwise, under or in respect of agreements or dealings between the Mortgagor and/or Borrower and/or any Guarantor and the Mortgagee or agreements or dealings between the Mortgagor and/or Borrower and/or any Guarantor and others by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor and/or the Borrower, and/or any Guarantor, including, without limitation, all of the Mortgagor's and/or the Borrower's and/or any Guarantor's obligations under the Note, Loan Agreement, any Guarantee, any other documents related to the Loan Agreement, and any other current or future Financing Documents.

- (v) "Permitted Liens" means any liens or encumbrances specifically consented to by the Mortgagee in the Loan Agreement or any Financing Document other than this Collateral Mortgage.
 - (w) "Receiver" shall include one or more of a receiver and a receiver and manager of all or any portion of the Mortgaged Premises appointed by the Mortgagee pursuant to this Collateral Mortgage or by a court of competent jurisdiction.
 - (x) "Taxes" means all taxes, rates, and other impositions whatsoever which are now or may hereafter be imposed, charged, or levied by any authority creating a lien or charge on the Mortgaged Premises or any part thereof.
- 2. Successors. The word "successor" as used in this Collateral Mortgage shall include an heir, executor, administrator, personal representative, or successor.
 - 3. Collateral Mortgage. As security for the payment and performance of all Obligations by the Mortgagor and the Borrower, the Mortgagor hereby charges, mortgages, and grants a security interest in the Mortgaged Premises to and in favour of the Mortgagee.
 - 4. Defeasance. Provided this Collateral Mortgage to be void upon payment in full on demand of all Indebtedness, Costs and Taxes and the performance in full of all other Obligations.
 - 5. Demand. In the event that the Mortgagor is called upon to pay any Indebtedness in accordance with the terms under which the same is or becomes payable or in the event of the default which is continuing by the Mortgagor in the performance of any of the covenants of the Mortgagor under any Financing Document, the Mortgagor shall be obligated to pay and the Mortgagee shall be entitled to forthwith make demand for payment of all such Indebtedness and any other monies secured hereby.
 - 6. Covenants of Mortgagor. The Mortgagor hereby covenants, agrees and declares as follows:
 - (a) The Mortgagor shall pay to the Mortgagee the Indebtedness at the time or times and in the manner applicable thereto including as provided in any Financing Document.
 - (b) The Mortgagor is the sole legal and beneficial owner of, and has good title in fee simple to the Mortgaged Premises free of all encumbrances other than the Permitted Liens.
 - (c) The Mortgagor has the right to charge the Mortgaged Premises to the Mortgagee and to give this Collateral Mortgage to the Mortgagee upon the covenants contained herein.
 - (d) On default, the Mortgagee shall have quiet possession of the Mortgaged Premises, free from all encumbrances other than the Permitted Liens.

- (e) The Mortgagor will execute at the Mortgagor's expense such further assurances of the Mortgaged Premises as may be requisite.
- (f) The Mortgagor has done no act to encumber the Mortgaged Premises, except the Permitted Liens.
- (g) The Mortgagor shall pay as they fall due all Permitted Liens and Taxes and shall not suffer any construction, statutory or other liens or rights of retention, other than Permitted Liens, to remain outstanding upon any of the Mortgaged Premises. The Mortgagor shall, within one (1) month from the date fixed for payment of the last instalment of Taxes in each year, furnish the Mortgagee, if requested by it, with receipted tax bills showing all such Taxes for the year have been paid in full.
- (h) The Mortgagor shall not remove, destroy, lease, sell or otherwise dispose of any of the Mortgaged Premises or portion thereof or any interest therein. In the event the Mortgaged Premises or any part thereof are sold or disposed of prior to the full discharge of this Collateral Mortgage in any manner not authorized by this Collateral Mortgage, then all proceeds of such sale or disposition received by the Mortgagor shall be held by the Mortgagor as trustee for the Mortgagee until the Mortgagor has been fully released from this Collateral Mortgage by the Mortgagee.
- (i) The Mortgagor shall place or cause to be placed and keep in force insurance in respect of the said Lands, Improvements and Fixtures to its full insurable value or in such amounts as the Mortgagee may reasonably require against all risks, with insurers approved by the Mortgagee and under policies satisfactory in form to the Mortgagee; and the loss clause in all such policies will be made payable to the Mortgagee and no insurance will be carried on the said Lands, Improvements and Fixtures other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph; and the Mortgagor will not do or omit or cause or suffer anything to be done or omitted whereby the policy or policies of insurance may be voided or become void; and will pay all premiums and sums of money necessary for such purposes promptly as the same shall become due; and will forthwith assign and deliver to the Mortgagee the policy or policies of insurance and all renewal receipts thereto appertaining; and will deliver evidence of renewal to the Mortgagee at least seven days prior to the expiration of any policy; and in the event of any breach of the foregoing covenants respecting insurance the Mortgagee, without prejudice to its other rights hereunder, may, at its option effect such insurance as it may deem necessary on behalf of the Mortgagor and any amount paid thereof by the Mortgagee shall be payable forthwith to the Mortgagee and shall be a charge upon the Mortgaged Premises and shall bear interest at the highest rate charged in the indebtedness from the time of such payments until paid.
- (j) The Mortgagor shall forthwith on the happening of any loss or damage furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance moneys; and any such insurance moneys received by the Mortgagee may, at the option of the Mortgagee, be applied in repairing or rebuilding the damaged or destroyed Improvements or Fixtures, or be applied to the payment of the moneys hereby secured in such manner as the Mortgagee may determine, or partly in one way and partly in another, and in the event of there being a surplus, if any, to pay the same to the Mortgagor or any person appearing to be entitled thereto.

- (k) The Mortgagor shall allow any employees or authorized agents of the Mortgagee at any reasonable time to enter the premises of the Mortgagor to inspect the Mortgaged Premises, including without limitation the right to undertake soil, ground water, environmental or other tests, measurements or surveys in, on or below the Mortgaged Premises, and to inspect the books and records of the Mortgagor and make extracts therefrom, and shall permit the Mortgagee prompt access to such other persons as the Mortgagee may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Mortgaged Premises or the books and records of the Mortgagor, provided that any information so obtained shall be kept confidential, save as required by the Mortgagee in exercising its rights hereunder. If an event of default shall have occurred and be continuing under this clause, the Mortgagor shall pay all costs and expenses of agents retained by the Mortgagee for purposes of inspection under this clause (k).
- (l) Without the prior written consent of the Mortgagee, the Mortgagor shall not create or suffer to exist any charge or encumbrance over all or any portion of the Mortgaged Premises ranking or purporting to rank prior to, *pari passu* with or subordinate to the charges hereof, other than Permitted Liens.
- (m) The Mortgagor shall not grant, create, assume, or permit to exist any conditional sale agreement, mortgage, pledge, charge, assignment, lease, or other security, except Permitted Liens, whether fixed or floating upon the whole or any part of the Mortgaged Premises. This covenant shall be a restrictive covenant for the benefit of the Mortgagee's interest as mortgagee of the Mortgaged Premises and the burden shall run with the interest of the Mortgagor as owners of the Mortgaged Premises.
- (n) All Fixtures are and shall, immediately on being placed upon the Mortgaged Premises, become fixtures and a part of the Mortgaged Premises and form a part of this security; and the Mortgagor hereby grants and releases to the Mortgagee all of its claims upon the Mortgaged Premises subject to the proviso for defeasance in Section 4 above.
- (o) The Mortgagee may distrain for arrears of interest and for overdue principal and any other sum payable hereunder. The Mortgagor waives the right to claim exceptions and agrees that the Mortgagee shall not be limited in the amount for which it may distrain.
- (p) The Mortgagee may make any payment or cure any default under any Permitted Encumbrance and may pay and satisfy the whole or any part of any liens, Taxes, charges or encumbrances now or hereafter existing in respect of the Mortgaged Premises. In the event of the Mortgagee making any such payment or curing a default or satisfying any such liens, Taxes, charges or encumbrances it shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to retain any discharge thereof without registration for so long as it may think fit so to do.
- (q) The Mortgagor will keep the Mortgaged Premises in good condition and repair and shall not permit any act of waste to be committed upon the Mortgaged Premises. If the Mortgagor neglects to keep the Mortgaged Premises in good condition and repair or commits or permits any act of waste on the Mortgaged Premises (as to which the Mortgagee shall be sole judge), the Mortgagee may make such repairs and replacements as it deems necessary.

- (r) The Mortgagor shall diligently and continuously maintain, develop and construct the Improvements or cause the Improvements to be maintained, developed and constructed in accordance with plans and specifications previously approved by the Mortgagee, all in a good and workmanlike manner as first class buildings or Improvements and in the event that the Mortgagor shall fail to proceed diligently with any required work for a period of ten (10) consecutive days, the Mortgagee or its representatives may enter into the Mortgaged Premises and do any or all work which they may consider necessary or desirable to complete such Improvements or to protect the same from deterioration.
- (s) The Mortgagor shall not make any material improvement, whether financed by the Mortgagee or otherwise, without the prior written consent of the Mortgagee which consent will not be unreasonably withheld or delayed and except in accordance with contracts, plans and specifications approved by the Mortgagee in writing prior to the commencement of work on the Improvement.
- (t) The Mortgagor shall at all times comply with all of its Obligations.
- (u) Where any portion of the Improvements are to be constructed, they shall be constructed in a good and workmanlike manner using first class quality materials in accordance with the plans and specifications approved by the Mortgagee and shall comply with all restrictions, conditions, ordinances, codes, regulations and laws, regulations and the requirements of governmental departments and agencies having direction over, or an interest in the Lands or the Improvements.
- (v) All utility services necessary for the operation and use of the Mortgaged Premises for their intended purpose, including, but not limited to, water supply, storm and sanitary sewer facilities, gas, electric and telephone facilities, are available to the boundaries of the Lands.
- (w) The Lands are contiguous to publicly dedicated streets or roads or highways and vehicular and pedestrian access thereto is permitted or, if not, are the dominant tenement of an easement or easements creating the perpetual right of such access to any such publicly dedicated streets or roads or highways.
- (x) Any defects in the construction or variation in the construction of any of the Improvements shall be promptly corrected by the Mortgagor to the satisfaction of the Mortgagee.
- (y) Any and all of the personal property, elevators, furnaces, refrigerators, ranges, hot water tanks, dishwashers, carpeting, furniture, furnishings, fixtures, attachments and equipment (collectively the "Chattels") delivered upon, or attached to the Mortgaged Premises or intended to become a part thereof, will be kept free and clear of all chattel mortgages, conditional vendors' liens and all liens, encumbrances and security interests other than as may be granted to the Mortgagee and the Mortgagor will be the absolute owner of the Chattels and will, from time to time, furnish the Mortgagee with satisfactory evidence of such ownership, including searches of applicable public records. Upon the Mortgagee's request, the Mortgagor will forthwith execute and deliver a supplemental debenture or other security instrument upon the Chattels and such other supporting documents as the Mortgagee may require in connection therewith, including financing statements and searches of records under any applicable legislation.

- (z) The Mortgagor will pay or cause to be paid as soon as the same are due all claims and demands of contractors and materialmen and all wages, salaries, holiday pay, workers compensation assessments or other charges or any nature or kind (the "Claims"), which could in any circumstances constitute a lien or charge on the Mortgaged Premises and the Mortgagor will from time to time on demand provide the Mortgagee with such books, payrolls, or other records, receipts, certificates and declarations as the Mortgagee may deem necessary to satisfy itself that such Claims have been paid as soon as the same are due.

7. Quiet Possession. Until default of payment or default in performance of its Obligations, the Mortgagor shall have quiet possession of the Mortgaged Premises.

8. Condominium. If the Mortgaged Premises or any part thereof is or becomes a unit or units in a condominium, the provisions of this section shall apply. The Mortgagor covenants with the Mortgagee that:

- (a) The Mortgagor will promptly observe and perform all obligations imposed on the Mortgagor by the *Condominium Act* (Nova Scotia) or similar legislation and by the Declaration, the By-laws, and the Rules, as amended from time to time, of the Condominium Corporation, by virtue of the Mortgagor's ownership of the Mortgaged Premises. Any breach of the said duties and obligations shall constitute a breach of covenant under this Collateral Mortgage;

(b) Without limiting or restricting the generality of the foregoing:

- (i) The Mortgagor will pay promptly when due any contributions to common expenses required of the Mortgagor as owner of the Mortgaged Premises;
- (ii) The Mortgagor will transmit to the Mortgagee forthwith upon the demand of the Mortgagee satisfactory proof that all common expenses assessed against or in respect of the Mortgaged Premises have been paid as assessed;
- (iii) The Mortgagee may pay out of and deduct from any advance of monies secured hereunder all contributions to the common expenses assessed against or in respect of the Mortgaged Premises which have become due and payable and are unpaid at the date of such advance; and
- (iv) Whenever and so long as the Mortgagee so requires the Mortgagor shall on or before the date when any sum becomes payable by the Mortgagor in respect of common expenses pay such sum to the Mortgagee. The Mortgagee shall forthwith on receipt thereof remit all such sums to the Condominium Corporation on behalf of the Mortgagor or as the Condominium Corporation may from time to time direct;

(c) The Mortgagee is hereby irrevocably authorized and empowered to exercise the right of the Mortgagor as the owner of the Mortgaged Premises, 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 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

or consent. 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 said 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 said right to vote or consent shall not constitute the Mortgagee a mortgagee in possession; and
 - (d) If the Mortgaged Premises or any part thereof shall become a unit or units in a condominium at any time after the execution and delivery of this Collateral Mortgage, the Mortgagor shall, whenever requested by the Mortgagee, execute and deliver any further and other charges, assurances or other instruments as the Mortgagee shall require in order to preserve, protect or perfect the security provided by this Collateral Mortgage and each of the provisions thereof, including without limitation a further charge covering all of the units in the said condominium and their appurtenant common interests.
9. Waivers. The Mortgagee may waive in writing any breach by the Mortgagor of any of the provisions contained in this Collateral Mortgage or any default by the Mortgagor in the observance or performance of any covenant or condition required to be observed or performed by the Mortgagor under any applicable Financing Document, provided that no such waiver by the Mortgagee shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.
10. Performance of Covenants. If the Mortgagor shall fail to perform any covenant on its part contained in any Financing Document, the Mortgagee may in its absolute discretion perform any such covenant capable of being performed by it, but the Mortgagee shall be under no obligation to do so. If any such covenant requires the payment of money or if the Mortgaged Premises shall become subject to any encumbrance ranking in priority to the lien hereof other than a Permitted Encumbrance, the Mortgagee may in its absolute discretion make such payment and/or pay or discharge such encumbrance, but shall be under no obligation to do so. All sums so paid by the Mortgagee shall immediately be payable by the Mortgagor to the Mortgagee, shall bear interest at the Interest Rate until paid in full and shall constitute a charge upon the Mortgaged Premises. No such performance or payment shall relieve the Mortgagor from any default hereunder or any consequences of such default.
11. Appointment of Monitor. If in the opinion of the Mortgagee, acting reasonably, a material adverse change has occurred in the financial condition of the Mortgagor, or if the Mortgagee in good faith believes that the ability of the Mortgagor to pay any of their obligations to the Mortgagee or to perform any other covenant contained herein has become impaired, or if an event of default has occurred, the Mortgagee may by written notice to the Mortgagor, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the Mortgagor or its business and affairs for the purpose of reporting to the Mortgagee. The Mortgagor shall give the Monitor its full co-operation, including full access to facilities, assets and records of the Mortgagor and to their creditors, customers, contractors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Mortgagor nor shall it participate in the management of the Mortgagor's affairs and shall incur no liability in respect thereof or otherwise in connection with the Mortgagor, its business and affairs or the Mortgaged Premises. The Monitor shall act solely on behalf of the Mortgagee and shall have no contractual relationship with the Mortgagor as a consultant or otherwise. The appointment

of a Monitor shall not be regarded as an act of enforcement of this Collateral Mortgage. All reasonable fees and expenses of the Monitor (including complete reimbursement for 100% of all legal fees and disbursements) shall be paid by the Mortgagor upon submission to it of a written invoice therefor. The Mortgagee at its option upon the occurrence of an event of default may appoint or seek to have appointed the Monitor or Receiver, receiver and manager, liquidator, or trustee in bankruptcy of the Mortgagor or the Mortgaged Premises or any part thereof.

12. Continuing and Additional Security. The security hereby constituted is continuing security for the payment of all indebtedness and the fulfilment of all Obligations and such security is in addition to any other security now or hereafter held by the Mortgagee. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the moneys secured hereby, shall not release or affect the obligations of the Mortgagor hereunder or under any Financing Document.
13. Remedies. Upon the happening of any Event of Default (as such term is defined in the Loan Agreement), whether such Event of Default is caused by the act or omission of the Mortgagor, the Borrower, or any other party, in addition to any other rights or remedies available to it hereunder or at common law or equity or pursuant to any statute, and to the extent that such remedies are available in the province in which the Mortgaged Premises is located, the Mortgagee shall have the following rights and powers:
 - (a) to enter upon and possess all or any part of the Mortgaged Premises;
 - (b) to hold, use, repair, preserve, maintain, complete, construct and build all or any part of the Mortgaged Premises and make such replacements thereof and changes or additions thereto as the Mortgagee shall deem advisable;
 - (c) on default of payment for at least fifteen (15) days the Mortgagee or its agents or representatives may enter on and/or lease the Mortgaged Premises or on default of payment for at least fifteen (15) days, subject to the laws conferred on mortgagees in the province or territory where the Mortgaged Premises are located, may on at least thirty (30) days' notice sell the Mortgaged Premises. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by giving it in accordance with paragraph 28 hereof; and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. The Mortgagee may sell the Mortgaged Premises or any part thereof by public auction or private sale, for such price as can reasonably be obtained therefor, and on such terms as to credit and otherwise, and with such conditions of sale and stipulations as to title or evidence or commencement of title or otherwise, as it shall in its discretion deem proper, and in the event of any sale on credit or for part cash and part credit, the Mortgagee shall not be accountable for or charged with any moneys until actually received. The Mortgagee may rescind or vary any contract of sale and may buy in and resell the Mortgaged Premises or any part thereof without being answerable for loss occasioned thereby. No purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety of any kind; and no lack of default or want of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease hereunder. The Mortgagee may sell or lease without entering into actual possession of the Mortgaged Premises and when it desires to take possession it may break locks

and bolts and while in possession or upon any sale or lease the Mortgagee shall be accountable only for moneys which are actually received by it. Sales may be made from time to time of parts of the Mortgaged Premises to satisfy any portion of the Indebtedness or other sums owing hereunder and leaving the Indebtedness or the residue thereof secured hereunder on the remaining Mortgaged Premises. The Mortgagor hereby appoints the Mortgagee its true and lawful attorney and agent to do all things and execute all documents to effectually complete such sale. The Mortgagee may lease or take sale proceedings hereunder notwithstanding that other mortgage proceedings have been taken or are then pending;

- (d) to appoint by instrument in writing any person or persons to be a Receiver of all or any portion of the undertaking, property and assets of the Mortgagor forming the Mortgaged Premises and all rents, issues, incomes and profits to be derived therefrom, to fix the Receiver's remuneration and from time to time to remove any Receiver so appointed and appoint another or others in his stead;
- (e) to apply to any court of competent jurisdiction for the appointment of a Receiver of all or any portion of the undertaking, property and assets hereby charged; and
- (f) to apply to any court of competent jurisdiction to foreclose the Mortgagor's right, title and equity of redemption to the Mortgaged Premises or any part or portion thereof, or any other action, suit, remedy, or proceeding authorized or permitted under this Collateral Mortgage or by law or equity.

14. Powers of Receiver.

- (a) Any Receiver shall have all of the powers of the Mortgagee set forth in this Collateral Mortgage and, in addition, subject to applicable laws in the province in which the Mortgaged Premises is located, shall have the following powers:
 - (i) to carry on the business of the Mortgagor and to enter into any compromise or arrangement on behalf of the Mortgagor;
 - (ii) with the prior written consent of the Mortgagee to borrow money in his name or in the Mortgagor's name, for the purpose of carrying on the business of the Mortgagor and for the preservation and realization of the undertaking, property and assets of the Mortgagor including, without limitation, the right to pay persons having prior charges or encumbrances on properties on which the Mortgagor may hold charges or encumbrances, with any amount so borrowed and any interest thereon to be a charge upon the Mortgaged Premises in priority to this Collateral Mortgage;
 - (iii) to make such arrangements, at such time or times as the Receiver may deem necessary without the concurrence of any other persons, for the repairing, finishing, adding to, or putting in order the Mortgaged Premises including without restricting the generality of the foregoing to complete, with such variations, additions and deletions as the Mortgagee may approve, the construction of the Mortgaged Premises, or award the same to others to complete, and in either of such cases, shall have the right to 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 on the Lands) and property of every kind and description;

(iv) to sell or lease or concur in the selling or leasing of the whole or any part of the Mortgaged Premises and in exercising the Receiver's foregoing power to sell or lease the Mortgaged Premises the Receiver may in his absolute discretion:

- (A) sell or lease the whole or any part of the Mortgaged Premises by public or private tender or by private contract;
- (B) grant options to purchase or lease or both;
- (C) grant rights of first refusal to purchase or lease or both;
- (D) complete any contract for sale, lease, option or right of first refusal;
- (E) enter into open, exclusive and multiple listing contracts for sale or lease;
- (F) sign and file subdivision, condominium, strata, consolidation or other plans, plats or declarations;
- (G) complete and file prospectuses, disclosure statements or affidavits in connection with any proposed disposition of the Mortgaged Premises or any portion or portions thereof;
- (H) effect a sale or lease by conveying in the name of or on behalf of the Mortgagor or otherwise;
- (I) make any stipulation as to title or conveyance or commencement of title;
- (J) rescind or vary any contract of sale, lease, option or right of first refusal;
- (K) resell or release without being answerable for any loss occasioned thereby;
- (L) sell on terms as to credit as shall appear to be most advantageous to the Receiver and if a sale is on credit the Receiver shall not be accountable for any moneys until actually received; and
- (M) make any arrangements or compromises which the Receiver shall think expedient;

(b) Any Receiver appointed pursuant to the provisions hereof shall be deemed to be an agent of the Mortgagor for the purposes of:

- (i) carrying on and managing the business and affairs of the Mortgagor; and
- (ii) establishing liability for all of the acts or omissions of the Receiver while acting in any capacity hereunder and the Mortgagee shall not be liable for such acts or omissions,

provided that, without restricting the generality of the foregoing, the Mortgagor irrevocably authorizes the Mortgagee to give instructions to the Receiver relating to the performance of its duties as set out herein.

15. Attorney. The Mortgagor hereby irrevocably nominates, constitutes and appoints the Mortgagee and any person further designated by the Mortgagee as the true and lawful attorney of the Mortgagor for and in the name of the Mortgagor after an Event of Default has occurred and is continuing and this Collateral Mortgage or any other security held by the Mortgagee for the Indebtedness or other Obligations has become enforceable, to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Mortgagor is obliged to sign, execute or do hereunder and to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Mortgagor in the exercise of all or any of the powers hereby conferred on the Mortgagor and on any Receiver appointed hereunder.
16. Application of Moneys. All moneys actually received by the Mortgagee or the Receiver pursuant to Sections 13 and 14 of this Collateral Mortgage shall be applied:
 - (a) first, in payment of claims, if any, of creditors of the Mortgagor (including any claim of the Receiver pursuant to Section 14(a)), ranking in priority to the charges created by this Collateral Mortgage as directed by the Mortgagee or the Receiver;
 - (b) second, in or towards payment of all applicable Costs;
 - (c) third, in or towards payment or satisfaction of any remaining Indebtedness in such order as the Mortgagee in its sole discretion may determine;
 - (d) fourth, in or towards the payment of the obligation of the Mortgagor to persons, if any, with charges or security interests against the Mortgaged Premises ranking subsequent to those in favour of the Mortgagee; and
 - (e) fifth, subject to applicable law, any surplus shall be paid to the Mortgagor.
17. Release, Extensions, etc. The Mortgagee may in its sole discretion at all times release any part or parts of the Mortgaged Premises either with or without any consideration therefor, without responsibility therefor and without thereby releasing any other part of the Mortgaged Premises or any person from his obligations under any applicable Financing Document or from any of the covenants herein or therein contained and without being accountable to the Mortgagor for the value thereof or for any money except that actually received by the Mortgagee, it being expressly agreed that every part of the Mortgaged Premises into which it is or may hereafter be divided does and shall stand charged with the whole of the amount hereby secured. The Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take additional securities may give any securities up, may abstain from taking securities or from perfecting securities, may accept compositions, and may otherwise deal with the Mortgagor and all other persons and securities as the Mortgagee may see fit without prejudicing the rights of the Mortgagee under this Collateral Mortgage.
18. No Change in Rights. 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 the amount or terms of any Indebtedness or of any Financing Document.

19. No Merger. The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Mortgagor to perform its Obligations or to pay Indebtedness hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of the Mortgagee to interest at the Interest Rate in effect from time to time hereunder, and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Collateral Mortgage or of any instruments or documents supplemental hereto shall not operate as a merger of any representation, warranty, term, condition or other provision contained in any other obligation or indebtedness of the Mortgagor to the Mortgagee or under any Offer of Finance.
20. Assignment of Rents. Subject to the proviso for defeasance, and as additional and separate continuing security for the Mortgagor's Obligations, the Mortgagor hereby assigns to the Mortgagee subject to the rights of the holders of the Permitted Liens all present and future leases of the Mortgaged Premises or any part thereof, and all rents, issues, incomes and profits now or hereafter derived from the leases, sub-leases or the Mortgaged Premises or any part thereof, together with the benefit of all covenants, agreements and provisos contained in such leases or sub-leases as the case may be. The Mortgagor will execute and deliver to the Mortgagee, from time to time, upon the request of the Mortgagee and at the expense of the Mortgagor, assignments in registrable form in the Mortgagee's usual form of all leases and rents relating to the Mortgaged Premises and such other notices or documents as may be required by the Mortgagee. Until an Event of Default occurs the Mortgagor may demand, receive, collect and enjoy the rents only as the same fall due and payable and, except for the last month's rental, not in advance, but nothing shall permit or authorize the Mortgagor to collect or receive rents contrary to the covenants contained herein. Nothing in this Collateral Mortgage shall make the Mortgagee responsible for the collection of rents payable under any lease of the Mortgaged Premises or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease. The Mortgagee shall be liable to account only for such rents as actually come into its hands after the deductions of reasonable collection charges in respect thereof and may apply such rents to the repayment of the Indebtedness and Costs.
21. Interpretation. Unless the context otherwise requires, words reporting the singular include the plural and vice-versa and words importing gender include all genders; all rights, advantages, privileges, immunities, powers and things hereby secured to the Mortgagee shall be equally secured to and exercisable by its successors and assigns; all covenants and liabilities entered into or imposed hereunder upon the Mortgagor shall be equally binding upon its heirs, executors, administrators and assigns or successors and assigns as the case may be; all such covenants, liabilities and obligations shall be joint and several; time shall be of the essence hereof; and all provisions hereof shall have effect notwithstanding any statute to the contrary.
22. Headings. The division of this Collateral Mortgage into separate sections, paragraphs and clauses and the insertion of headings are included for convenience of reference only and are not intended to affect the construction or interpretation of the Collateral Mortgage nor are they intended to be full or accurate descriptions of the contents.
23. No Obligation to Advance. Neither the execution nor registration of this Collateral Mortgage, nor the advance of any moneys of any amounts secured hereby shall bind the Mortgagee to advance any amounts pursuant to any Financing Document secured hereby or any part thereof, but nevertheless the charges created hereby shall take effect upon execution hereof.
24. Disclosure of Information. The Mortgagor acknowledges that pursuant to the provisions of applicable construction lien legislation, the *Personal Property Security Act* and other similar

legislation, the Mortgagee may be obliged to release information relating to any Offer of Finance, this Collateral Mortgage, the Indebtedness and any amounts advanced thereunder or secured hereby. The Mortgagor hereby authorizes the Mortgagee to release all such information and any other information it may, from time to time, be required to release by law to those entitled to such information.

25. Spousal Status. The Mortgagor shall forthwith notify the Mortgagee in writing of any change in the Mortgagor's spousal status and provide the Mortgagee with such further particulars as the Mortgagee may request.
26. Discharge. After payment in full of all Indebtedness and Costs and the performance of all Obligations, the Mortgagee shall within a reasonable period of time after receipt of a written request therefor from the Mortgagor, provide the Mortgagor with a discharge of the Collateral Mortgage or an assignment or transfer of the Collateral Mortgage if so required and directed by the Mortgagor; any such discharge, assignment or transfer shall be prepared by the Mortgagee at the expense of the Mortgagor.
27. Proper Law. This Collateral Mortgage shall be governed by and construed in accordance with the laws of the province where the Mortgaged Premises is located and the laws of Canada applicable therein.
28. Notice and Payments. Any payments not received by the Mortgagee by two o'clock p.m. on a Business Day shall be deemed to have been received on the next Business Day. All notices and other communications ("Notices") provided for herein shall be in writing and shall be sent electronically as follows: (a) in the case of the Mortgagor to stevecaryi@me.com and (b) in the case of the Mortgagee, to charles@novillo.ca or such other e-mail address as the Lender may provide from time to time. Each Notice shall be deemed to have been given and received on the date and time the Notice is sent electronically by e-mail by the sender to the recipient's e-mail address. Each party may change its electronic mail address for Notices and other communications hereunder by notice to the other parties.

[SIGNATURE PAGE FOLLOWS]

Witnessed by video conference

Per:


I have authority to bind the Mortgagor.

I CERTIFY that on this 16th day of October, 2023, 4551650 NOVA SCOTIA LIMITED, one of the parties thereto, caused the foregoing Mortgage to be executed in its name and on its behalf by its proper officers duly authorized in that behalf in my presence by video conference.

PROVINCE OF NOVA SCOTIA

I, Steven Caryi, of Halifax Regional Municipality, Province of Nova Scotia, make oath and say as follows:

1. THAT I am the President of Annapolis Management Inc. (the "Company"), the mortgagor in the attached instrument, and as such have a personal knowledge of the matters herein deposed to and am authorized to bind the Company;
2. THAT the Company is not now, nor will it be upon delivery of the attached Mortgage, a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
3. THAT 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.
4. 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; and
5. THAT the real property described in the attached Mortgage has never been occupied as a Matrimonial Home by any of the shareholders of the Company, nor does an interest in the Company entitle the owner or owners thereof to occupy the aforesaid property as a Matrimonial Home.


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

*10027822/00038/4951779/v1

Schedule "A"

PID 00003236

ALL that certain lot, piece or parcel of land and premises thereon, lying on the western side of Hollis Street in the City and County of Halifax and being the southern moiety or half part of Lot Number 13, Block Letter B, Gallands Division and the northern quarter part of Lot Number 12 in the said Block and Division before mentioned, and which said land may be more particularly described as follows:

BEGINNING at a point on the western side line of Hollis Street distant measured in a southerly direction 142 feet from the intersection formed by the said western side line of Hollis Street with the southern side line of Prince Street, said point of beginning being also the southwestern angle of the stone and masonry building now occupied and known as the Halifax Club;

THENCE to run westerly along the southern face of the southern wall of the said Halifax Club and the prolongation westerly thereof 62 feet;

THENCE southerly parallel to Hollis Street 30.5 feet;

THENCE easterly parallel to the first described line 62 feet to Hollis Street;

AND THENCE northerly by the same 30.5 feet to the place of beginning.

THE street lines herein referred to are those now laid down on the City Official Plan.

Subject to a Notice of Heritage Designation as recorded in the Halifax Registry of Deeds in Book 3531 at Page 1162.

Subject to an Agreement registered in 2011 Document Number 98291249.

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 16th day of October, 2023.

BETWEEN:

4551650 NOVA SCOTIA LIMITED, a body corporate

(the "Assignor")

- and -

4518276 NOVA SCOTIA LIMITED, a body corporate

(the "Assignee")

WHEREAS the Assignor is the registered owner of the Property (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 collateral 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.
 - (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]

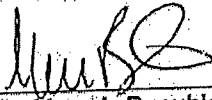
[Handwritten signature]

Per:

I have authority to bind the Mortgagor.

PROVINCE OF NOVA SCOTIA

I CERTIFY that on this 16th day of October, 2023, 4551650 NOVA SCOTIA LIMITED, one of the parties thereto, caused the foregoing Assignment to be executed in its name and on its behalf by its proper officers duly authorized in that behalf in my presence by video conference.



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


PROVINCE OF NOVA SCOTIA

AFFIDAVIT

I, Steven Caryi, of Halifax Regional Municipality, Province of Nova Scotia, make oath and say as follows:

1. THAT I am the President of 4551650 NOVA SCOTIA LIMITED (the "Company"), the assignor in the attached instrument, and as such have a personal knowledge of the matters herein deposed to and am authorized to bind the Company;
2. THAT the Company is not now, nor will it be upon delivery of the attached Assignment, a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
3. THAT 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.
4. 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; and
5. THAT the real property described in the attached Assignment has never been occupied as a Matrimonial Home by any of the shareholders of the Company, nor does an interest in the Company entitle the owner or owners thereof to occupy the aforesaid property as a Matrimonial Home.

SWORN TO from Winter Park, Florida to
Halifax, this 16th day of October, 2023,
before me by video conference:



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



STEVEN CARYI

SCHEDULE "A"
Property

PID 00003236

ALL that certain lot, piece or parcel of land and premises thereon, lying on the western side of Hollis Street in the City and County of Halifax and being the southern moiety or half part of Lot Number 13, Block Letter B, Gallands Division and the northern quarter part of Lot Number 12 in the said Block and Division before mentioned, and which said land may be more particularly described as follows:

BEGINNING at a point on the western side line of Hollis Street distant measured in a southerly direction 142 feet from the intersection formed by the said western side line of Hollis Street with the southern side line of Prince Street, said point of beginning being also the southwestern angle of the stone and masonry building now occupied and known as the Halifax Club;

THENCE to run westerly along the southern face of the southern wall of the said Halifax Club and the prolongation westerly thereof 62 feet;

THENCE southerly parallel to Hollis Street 30.5 feet;

THENCE easterly parallel to the first described line 62 feet to Hollis Street;

AND THENCE northerly by the same 30.5 feet to the place of beginning.

THE street lines herein referred to are those now laid down on the City Official Plan.

Subject to a Notice of Heritage Designation as recorded in the Halifax Registry of Deeds in Book 3531 at Page 1162.

Subject to an Agreement registered in 2011 Document Number 98291249.

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

V

Exhibit Stamp

Hfx No. 539955

This is Exhibit "V" 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

THIS INDENTURE made as of the 16th day of October, 2023;

BETWEEN:

4551650 NOVA SCOTIA LIMITED

(hereinafter called the "**MORTGAGOR**")

OF THE FIRST PART

- and -

3046475 NOVA SCOTIA LIMITED

(hereinafter called the "**MORTGAGEE**")

OF THE SECOND PART

RECITAL

- (a) The Mortgagor at the time of execution hereof is seized of an estate in fee simple in possession of the lands hereinafter described in Schedule "A" (the "Lands") and has applied to the Mortgagee for a loan upon the security of a mortgage thereon.

WITNESSETH that in consideration of the sum of **FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00)** of lawful money of Canada now paid by the Mortgagee to the Mortgagor, the receipt whereof is hereby acknowledged, the Mortgagor **DOTH HEREBY GRANT AND MORTGAGE** unto the Mortgagee the Lands described in Schedule "A" hereto annexed as and by way of a mortgage and charge as security for the due payment of the Principal Sum (as hereinafter defined) and the due performance of the obligations of the Mortgagor regarding the Principal Sum.

PROVIDED ALWAYS that this Mortgage shall be void upon payment to the Mortgagee of the said full sum of **FIVE HUNDRED THOUSAND CANADIAN DOLLARS (\$500,000.00)** (the "**Principal Sum**") of lawful money of Canada, along with any and all accrued interest. The Mortgage shall have a term of twenty-four months (24) months (the "**Term**") and shall bear interest at a rate of ten percent (10%) per annum. The Mortgagor shall make regular monthly payments of principal and interest in the amount of \$45,833.33 starting on November 17, 2023 and monthly thereafter on the 16th of each month up to and including April 16, 2023 and thereafter the Mortgagor shall make regular monthly interest only payments of \$2,083.33, payable monthly on the last day of the month in arrears. Any remaining balance, together with any outstanding interest, shall be due and payable in full on or before October 16, 2025. This Mortgage may be prepaid in whole or in part at any time or times throughout the duration of the Term without notice or penalty to the Mortgagor.

Provided always that this Mortgage shall be void upon payment to the Mortgagee at _____, or at such other place as the Mortgagee may designate, in lawful money of Canada, of the Principal Sum.

1. MORTGAGOR'S COVENANTS

The Mortgagor covenants with the Mortgagee as follows that:

(a) PAYMENT

The Mortgagor will pay unto the Mortgagee and its successors and assigns, the Principal Sum at the time and in the manner aforesaid, and that the Mortgagor will in every respect observe the above provisos. And that after breach of any of the covenants, provisions and provisos herein contained it shall and may be lawful for the Mortgagee, its successors or assigns, peaceably and quietly to enter into, hold and enjoy the Lands and appurtenant interest, without hindrance, eviction, denial or disturbance of, from, or by, any person or persons, lawfully claiming, or to claim the same, or any part thereof.

(b) TITLE

The Mortgagor has a good, sure, perfect and indefeasible estate of inheritance, in fee simple, in the Lands; and that, the Lands are free from financial encumbrances and the Mortgagor hath good right, full power and lawful authority to grant and convey the same in the manner and form aforesaid, according to the true intent and meaning hereof and that the Mortgagor will execute such further assurances of the Lands as may be requisite. And also, the Mortgagor shall and will by these presents WARRANT and forever DEFEND the land unto the Mortgagee, its Successors or Assigns, against the lawful claims and demands of all persons subject as aforesaid.

(c) TAXES

The Mortgagor will pay all taxes, rates and assessments and other impositions which are now or which may hereafter be levied, rated, charged, assessed or imposed upon the Lands or any part thereof or in respect thereof no matter by whom or by what authority imposed which the Mortgagor shall have been rendered liable to pay and will produce receipts as evidence of payment therefore, including, without limitation, municipal taxes, school taxes and local improvement rates chargeable against the Lands or any part thereof.

(d) INSURANCE

The Mortgagor will forthwith insure and during the continuance of this Mortgage keep insured in favour of the Mortgagee against loss or damage by the perils of fire and such other perils as the Mortgagee may require, including at least loss or damage by explosion, falling object, impact by vehicle or aircraft, rupture of heating, plumbing or air conditioning systems, smoke, riot or civil commotion, vandalism and malicious act, windstorm and hail, each and every building on the Lands (if any) and which may hereafter be erected thereon, both during erection and thereafter, for a total amount not less than the replacement cost of each and every said building with an Insurance company duly authorized to carry on business as such and under policies satisfactory in form to the Mortgagee; and each policy of insurance shall provide that every loss, if any, shall be payable to the Mortgagee as its interest may appear in accordance herewith, 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 to the Mortgagee the policy or policies of insurance and all renewal receipts thereto appertaining; and no insurance will be carried on improvements or buildings on the Lands other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph; and the Mortgagor will not do or omit or cause or suffer anything to be done, omitted, caused or suffered whereby the policy or policies of insurance, as aforesaid, may be voided or become void; and the Mortgagor will pay all premiums and sums of money necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the

Mortgagee at least three (3) days prior to the expiration of any policy of insurance; and, in the event of any breach of the foregoing covenants respecting insurance, the Mortgagee, without prejudice to its other rights hereunder, at its option, effect such insurance and any amount paid therefore by the Mortgagee shall be added to the Principal Sum secured by this Mortgage and shall bear interest at the same rate as set out herein from the time of such payment and shall be immediately payable; and forthwith on the happening of any loss or damage, the Mortgagor will furnish at its 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 every 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 Lands 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 Lands 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 on the Principal Sum of this Mortgage, or any part thereof whether due or not then due.

(e) REPAIRS

The Mortgagor will keep the Lands and the buildings, erections and improvements thereon or hereafter brought or erected thereon in good condition and repair according to the nature and description thereof respectively to the satisfaction of the Mortgagee and in accordance with the Mortgagor's obligations under all leases of the Lands, and that it will keep the Lands and buildings, fixtures and improvements thereon, in good condition and repair according to the nature and description thereof and that it will not commit any act of waste, and the Mortgagor will not make or permit to be made any alterations or additions in, or to, the Lands without the consent in writing of the Mortgagee first had and obtained, which consent shall not unreasonably be withheld, and that the Mortgagee may enter upon and inspect the Lands and the reasonable cost of such inspection shall forthwith be paid by the Mortgagor to the Mortgagee.

(f) RECORDS

The Mortgagor covenants and agrees to maintain proper records and books of account with respect to the revenues and expenditures upon the land and will permit the Mortgagee, or any person appointed by the Mortgagee for that purpose, to examine such books at all reasonable times and to make copies or extracts therefrom and will give the Mortgagee all information with regard to the incomings and outgoings of the land which the Mortgagee may reasonably require; and further that the Mortgagor will, not more than once each year, upon receiving seven (7) days' notice from the Mortgagee, sign and transmit to the Mortgagee a just and true account of such revenues and expenditures or other reasonable information which the Mortgagee may require with regard to the land and if required, verify the same by statutory declarations.

(g) FIXTURES

The Mortgagor covenants and agrees that all furnaces, machinery, motors, boilers, oil and gas burners, stokers, blowers, water heaters, tanks, electric light fixtures, sprinklers, window blinds, screen doors and windows, storm doors and windows, television antennae, washers, dryers, air conditioning, ventilating, plumbing, electrical, cooling, lighting, heating, cooking and refrigeration equipment, and all apparatus and equipment appurtenant thereto now or hereafter in place or installed upon the Lands, shall for the purpose of this Mortgage be fixtures and form part of the Lands whether or not affixed in law to the Lands.

2. DEFAULT

On default of any terms and conditions of this Mortgage, the security constituted hereby shall forthwith become enforceable. The Mortgagor shall be deemed to be in default of the terms and conditions of this Mortgage upon the occurrence of any one or more of the following events:

- (a) there is default under any of the terms, conditions, covenants or agreements of this Mortgage, including any payment default hereunder or thereunder;
- (b) if the Mortgagor or any of the guarantors of the Mortgage becomes insolvent, or if either the Mortgagor or any of the guarantors of the Mortgage makes an assignment under the *Bankruptcy and Insolvency Act* (Canada), or if a Bankruptcy Petition should be presented against either the Mortgagor or any of the guarantors of the Mortgage or if a receiving order or an application for a receiving order is made against either the Mortgagor or any of the guarantors of the Mortgage or if either the Mortgagor or any of the guarantors of the Mortgage files a proposal, or give notice of their intention to file a proposal, pursuant to the *Bankruptcy and Insolvency Act* (Canada), or if any other bankruptcy or insolvency proceedings are commenced with respect to either the Mortgagor or any of the guarantors of the Mortgage;
- (c) if any change occurs in the financial position of the Mortgagor or any of the guarantors of the Mortgage which the Mortgagee, in its reasonable discretion, deems to be materially adverse to the ability of the Mortgagor or said guarantor to fulfill its obligations hereunder;
- (d) if the Mortgagor or any of the guarantors of the Mortgage ceases to carry on its business or paying its obligations as they become due;
- (e) if the Mortgagor fails, or has failed, to comply with any of its respective obligations under the *Excise Tax Act* (Canada) to remit Goods and Services Tax or Harmonized Sales Tax ("HST"), as the case may be, to the Canada Revenue Agency or to keep all other necessary filings in a current position or if any action or collection proceeding is commenced by the Canada Revenue Agency against the Mortgagor in respect of Goods and Services Tax or HST, as the case may be, and/or any penalties or interest thereon which the Canada Revenue Agency claims is owing from the Mortgagor and such default shall continue for thirty (30) days after notice thereof to the Mortgagor by the Mortgagee to cure the same;
- (f) if a builders' lien action should be commenced against the Mortgagor with respect to the Lands or any portion thereof and such default shall continue for Thirty (30) days after notice thereof to the Mortgagor by the Mortgagee to cure the same;
- (g) if a creditor should enter judgment against the Mortgagor and such default shall continue for Thirty (30) days after notice thereof to the Mortgagor by the Mortgagee to cure the same;
- (h) if the Lands or any portion thereof are abandoned, or if the Mortgagor does anything by which the value of the Lands are, in the reasonable opinion of the Mortgagee, diminished;

- (i) In the event of non-compliance, breach or violation by the Mortgagor of any term, condition, covenant, proviso or agreement herein contained;
- (j) If any waste be permitted or suffered on the Lands;
- (k) If the Mortgagor should grant, sell, assign, mortgage or otherwise alienate its equity of redemption in the Lands without having obtained the prior written consent of the Mortgagee; or
- (l) If there should be a change in control of the Mortgagor without the express written consent of the Mortgagee having first been obtained.

3. DUE ON SALE

In the event of the Mortgagor selling, mortgaging, conveying, transferring or entering into an agreement of sale or transfer of the equity of redemption in the Lands hereby mortgaged, to a purchaser, grantee, mortgagee, or transferee not approved in writing by the Mortgagee, then all monies hereby secured with accrued interest thereon shall immediately become due and payable without the need for any notice or further action by the Mortgagee.

4. REMEDIES

In the event of default by the Mortgagor in payment of the principal money or interest at any time payable hereunder, or any of default hereunder, then in such case and so often as such default shall occur, all the rest or any portion of the Principal Sum still outstanding, whether due or not, shall at the Lender's option become immediately due and payable without notice or demand and the Mortgagor shall pay interest on any unpaid amount to the Lender at an interest rate equal to the lesser of 18% per annum or the highest rate of interest permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable hereto, and

(a) Possession

It shall be lawful for the Mortgagee to enter upon the Lands and premises hereby mortgaged and to repair, improve, insure against fires and manage the same and receive the rents and profits, and the monies which may be expended in so doing by the said Mortgagee, with interest at the Mortgage Rate shall be added to the monies owing hereunder and secured hereby and the rents and profits which may be received by said Mortgagee shall be credited on account of the monies owing as aforesaid but the said Mortgagee shall not be agent or attorney by reason of any such entry into possession of the Lands, or any part thereof; or by anything which may be done by virtue hereof or be liable to account as Mortgagee or Mortgagee in possession for anything except actual receipts;

(b) Power of Sale

The Mortgagee may, without notice to the Mortgagor or those claiming by, through, from or under it, sell the Lands 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 Lands 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; and

(d) Receivership

The Mortgagee may appoint a receiver or a receiver and manager (the "Receiver") of the Lands, 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 his 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.

In this Mortgage, the term "remedies" means the remedies prescribed in this clause and such other remedies as the Mortgagee may have in law or equity. 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 Lands as a whole or in parts, it may enforce one remedy against one part of the Lands and other remedies against other parts and it may abandon or discharge whatever parts of the Lands as the Mortgagee may choose. 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 debt or debts secured, only such payments as are actually made.

5. RECEIVER

The following provisions shall apply upon the appointment of any such Receiver:

- (a)** that such appointment may be made either before or after the Mortgagee shall have entered into or taken possession of the Lands or any part thereof;
- (b)** that every such Receiver may, in the discretion of the Mortgagee, be vested with all or any of the powers and discretions of the Mortgagee;
- (c)** that the Mortgagee may from time to time fix the remuneration of every such Receiver and direct the payment thereof out of the Lands or the proceeds thereof;
- (d)** that every such Receiver shall, so far as concerns the responsibility of his acts or omissions, be deemed to be the agent of the Mortgagor and in no event the agent of the Mortgagee and the Mortgagee in making or consenting to such appointment shall not incur any liability to the Receiver for his remuneration or otherwise howsoever;
- (e)** that any such Receiver may borrow monies for the purpose of carrying out his duties as Receiver and may issue a receiver's certificate therefor and any monies so borrowed and interest thereon may be secured by this Mortgage in priority to any other amounts secured by this Mortgage;
- (f)** that all monies from time to time received by such Receiver shall be paid by him firstly, in discharge of all rents, taxes, rates, insurance premiums and outgoings

affecting the Lands and the cost of executing necessary or proper repairs; **secondly**, in payment of its remuneration as Receiver; **thirdly**, in keeping in good standing all charges on the Lands prior to this Mortgage; **fourthly**, in payment of the interest accruing due under this Mortgage; and the residue of any money so received by him shall be paid to the Mortgagor.

6. LIABILITY RESPECTING ENFORCEMENT OF SECURITY

Once the Mortgagee has determined to exercise a remedy or remedies, it may deal with and dispose of the land as the Mortgagee may see fit and neither the Mortgagor nor those claiming by, though 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 land, the abandonment or discharge of the land or part of them, the Mortgagee's failure to maintain or insure the land, the Mortgagee's failure to secure an adequate price for the land or anything relating to the manner in which the land are dealt with or disposed of. in this clause "the Mortgagee" includes the receiver.

Further, the Mortgagee may, in its sole discretion, realize on various securities (including this Mortgage) and any parts thereof in any order that the Mortgagee considers advisable and no realization or exercise by the Mortgagee of any power or right under this Mortgage or other security shall in any way prejudice any further realization or exercise until all obligations pursuant to this Mortgage are satisfied. All rights and remedies available to the Mortgagee are cumulative and not restrictive of remedies at law and in equity and by statute.

7. PROTECTIVE DISBURSEMENTS

The Mortgagee may, without notifying the Mortgagor, purchase any material or service and make any payments to preserve, protect or enhance the Lands 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 of 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, acting reasonably;
- (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 Lands who purchases them through a sale having the effect of foreclosing the Mortgagor's interest in the Lands or who purchases them from the Mortgagee after the Mortgagor's interest in the Lands have been foreclosed;
- (e) discharge any debt or obligation which should be discharged in order to better market, sell or protect the Lands;
- (f) cause the Lands to be inspected, investigated (including environmental audits), 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 reasonable fees, commissions or expenses of any agent retained by the Mortgagee to market the Lands;
- (i) retire all reasonable costs and expenses 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 who act on behalf of the Mortgagee in proceedings for the appointment of a receiver, foreclosure, foreclosure and sale, judicial sale, sale by power of sale or possession of the Lands;
- (j) pay the fees and expenses of a trustee in bankruptcy of the Mortgagor, should the Mortgagee determine to make itself liable for such;
- (k) retire all costs and expenses in respect of any suit concerning this Mortgage; and
- (m) cause any environmental rehabilitation, investigation, removal or repair necessary to protect, preserve or remediate the Lands.

A purchase or payment mentioned in this clause is referred to in this Mortgage as a "protective disbursement". The Mortgagee is not obliged to make any protective disbursement. All protective disbursements are secured by this Mortgage and are payable out of the proceeds of the exercise of any remedy.

8. MERGER

The taking of a judgment on any of the covenants herein shall not operate as a merger of the said covenants or affect rights of the Mortgagee to interest at the Mortgage Rate and times herein provided, and such judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

9. PAYMENT AFTER MATURITY

If the Mortgagor makes any payments of whatsoever nature to the Mortgagee after the expiration of the original term of this Mortgage or any subsequent term agreed to in writing between the Mortgagor and the Mortgagee without first having agreed in writing with the Mortgagee as to the terms of the payment of the balance of the monies then remaining unpaid, such payments shall not be deemed to have renewed the term of this Mortgage or the unexpired term of years based on the monthly amortized payments.

10. NOTICE OF RENEWAL

Any agreement in writing between the Mortgagor and the Mortgagee for renewal of this Mortgage or extension of the term for payment of the monies hereby secured, or any part thereof; or for any change in the rate of interest herein prior to the execution by the Mortgagee of a discharge or release of this Mortgage, need not be registered in the office of the Halifax County Land Registration Office but shall be effectual and binding on the Lands and on the Mortgagor, and on any Mortgagee or transferee of the Lands or any part thereof acquiring an interest therein subsequent to the date of these presents to all intents and purposes, and shall take priority as against such assigns or subsequent Mortgagee or transferee when deposited in or held at the office of the Mortgagee and shall not cease nor effect any covenant or agreement herein or collateral thereto.

11. PREPAYMENT

The Mortgagor shall have the right to repay all monies secured or payable under this Mortgage, together with all accrued interest to the date of prepayment, upon two (2) days written notice to the Mortgagee.

12. PREPARATION OF RELEASE

The Mortgagee shall have a reasonable time after payment of the Mortgage monies in full within which to prepare and execute a discharge of this Mortgage; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such release shall be borne by the Mortgagor.

13. RELEASE OF MORTGAGOR FROM COVENANTS ON SALE

No dealing by the Mortgagor with the equity of redemption in the Lands 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.

14. HAZARDOUS SUBSTANCES

The term "Hazardous Substances" as used herein shall mean substances or conditions that are prohibited, controlled or otherwise regulated or are otherwise hazardous in fact including, without limitation, contaminants, pollutants, toxic, dangerous or hazardous substances or materials, wastes, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls ("PCB") or PCB contaminated fluids or equipment, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundments.

The Mortgagor represents, warrants, covenants and agrees with the Mortgagee (which representation, warranty, covenant and agreement shall survive satisfaction or release of the indebtedness under the Mortgage or extinguishment of the aforesaid indebtedness, in the event the Mortgagee or a third party becomes owner of the Lands on default of the Mortgagor) that no Hazardous Substance shall be brought onto or used on the Lands without the consent of the Mortgagee and that the Mortgagor will use reasonable commercial efforts to ensure that any Hazardous Substance brought onto the Lands or used by any person on the Lands, with consent, shall be transported, used and stored only in accordance with all applicable laws, regulations, by-laws and other lawful requirements, prudent industrial standards and any other requirement of the Mortgagee.

Save and except for any Hazardous Substance disclosed in an environmental report provided to the Mortgagor, the presence of Hazardous Substances which, in the opinion of the Mortgagee, may impair the security of the Mortgagee will be considered as a default under the Principal Sum and this Mortgage. Provided that it acts reasonably, neither the advance of monies secured hereby nor anything contained herein shall prohibit the Mortgagee from subsequently determining that any Hazardous Substances present on the Lands as at the date of the advance of any monies secured hereby in fact impair the security of the Mortgagee. The Mortgagor shall be liable for and shall indemnify the Mortgagee from and against any and all costs, expenses, damages or liabilities (including, without limiting the generality of the foregoing legal fees and disbursements) directly or indirectly arising out of or attributable to the presence on, under or about the Lands of any Hazardous Substances, and for the removal of any Hazardous Substances from the Lands.

and for the Mortgagor's non-compliance with any environmental laws and such liability and indemnity shall survive foreclosure upon these presents and any other extinguishing of the obligations of the Mortgagor under this Mortgage and any other exercise by the Mortgagee of any remedies available to it against the Mortgagor.

Prior to or subsequent to the advance of the Principal Sum or any part thereof, the Mortgagee may, at its sole option, conduct or cause to be conducted on site inspections and investigations of the Lands or any improvements thereon by a qualified environmental consultant to determine the current and past use thereof, and the results of all such inspections, investigations and assessments shall be satisfactory to the Mortgagee and shall evidence the absence of any Hazardous Substances on the Lands or any improvements thereon and the absence of any contamination of any part of the Lands or any improvements thereon by any Hazardous Substances. All costs of such prior inspection, investigations and environmental assessments shall be borne by the Mortgagor and shall be paid prior to the advance of the Principal Sum. All costs of such subsequent inspection, investigations and environmental assessments shall be borne by the Mortgagor. If the Mortgagor shall make default in the payment as aforesaid, the Mortgagee may pay and discharge the same and charge all monies paid in respect thereof with interest thereon at the rate applicable to the Principal Sum, upon the Lands and may sue for and recover from the Mortgagor all such monies and interest. Should the Mortgagee choose to exercise its option to conduct or cause to be conducted the aforesaid inspections and investigations, the Mortgagor's representations and warranties, and its liability pursuant thereto, shall not be extinguished or diminished.

15. ASSIGNMENT OF RENTS

The Mortgagor hereby assigns, transfers and sets over onto the Mortgagee the rent reserved and payable to the Mortgagor by any tenant of the land and premises herein mortgaged to hold and receive the said rent onto the Mortgagee and the Mortgagor hereby instructs the tenants to pay to the Mortgagee any rent owing by them to the Mortgagor. PROVIDED, however, that until notified to the contrary in writing the tenants shall pay the rent reserved under any and all leases, (but only to the extent that the same may be due and payable under the leases) to the Mortgagor.

16. PARAGRAPH HEADINGS

The paragraph headings in this Mortgage are deemed not to form part of this Mortgage and have been inserted for convenience of reference only.

17. INTERPRETATION

If any provision of this Mortgage is illegal or unenforceable, it shall be considered separate and severable from the remaining provisions of this Mortgage which shall remain in force and binding as though such provision had never been included.

18. NO ASSIGNMENT

The Mortgagor may not assign its obligations under this Mortgage.

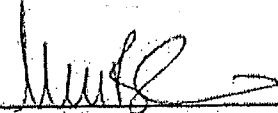
19. SUCCESSORS AND ASSIGNS

This Mortgage and everything herein contained shall extend to and bind and may be taken advantage of by the respective heirs, executors, administrators, successors and assigns as the case may be, of each and every of the parties hereto, and where there is more than one Mortgagor or there is a female party or a corporation or there is no party of the third or fourth part, the provisions hereof shall be read with all grammatical changes hereby rendered necessary and where there is more than one Mortgagor or Guarantor, all covenants shall be deemed to be joint and several.

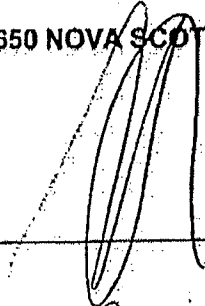
[Signature Page to Immediately Follow]

IN WITNESS WHEREOF the said Mortgagor has hereunto executed this Collateral Mortgage the day and year first above written.

SIGNED and DELIVERED
In the presence of:




Witness

) **4551650 NOVA SCOTIA LIMITED**
Per: 

Steven Caryi - President

PROVINCE OF NOVA SCOTIA

I CERTIFY that on this 10 day of October, A.D., 2023, **4551650 NOVA SCOTIA LIMITED** one of the parties mentioned in the foregoing and annexed Indenture, signed and executed the said Indenture in my presence and I have signed as a witness to such execution.



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

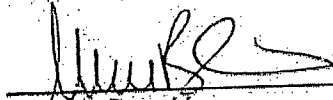
CANADA
PROVINCE OF NOVA SCOTIA
COUNTY OF HALIFAX

AFFIDAVIT

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

1. I am the President of **4551650 NOVA SCOTIA LIMITED** (the "Corporation") and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and thereby bind the Corporation.
4. I acknowledge that the Corporation executed the foregoing Instrument by its proper officer(s) duly authorized in that regard on the date of this affidavit; this acknowledgment is made for the purpose of registering such Instrument 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.
5. The Corporation is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. The ownership of a share or an interest in a share of the Corporation does not entitle the owner of such share or interest in such share to occupy a dwelling owned by the Corporation.

SWORN TO at Halifax, in the Halifax
Regional Municipality, Province of Nova
Scotia, this 16 day of October, 2023,
before me:



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


Name: Steve Caryl

Schedule "A"

Parcel Description

ALL that certain lot, piece or parcel of land and premises thereon, lying on the western side of Hollis Street in the City and County of Halifax and being the southern moiety or half part of Lot Number 13, Block Letter B, Gallands Division and the northern quarter part of Lot Number 12 in the said Block and Division before mentioned, and which said land may be more particularly described as follows:

BEGINNING at a point on the western side line of Hollis Street distant measured in a southerly direction 142 feet from the intersection formed by the said western side line of Hollis Street with the southern side line of Prince Street, said point of beginning being also the southwestern angle of the stone and masonry building now occupied and known as the Halifax Club;

THENCE to run westerly along the southern face of the southern wall of the said Halifax Club and the prolongation westerly thereof 62 feet;

THENCE southerly parallel to Hollis Street 30.5 feet;

THENCE easterly parallel to the first described line 62 feet to Hollis Street;

AND THENCE northerly by the same 30.5 feet to the place of beginning.

THE street lines herein referred to are those now laid down on the City Official Plan.

Subject to a Notice of Heritage Designation as recorded in the Halifax Registry of Deeds in Book 3531 at Page 1162.

Subject to an Agreement registered in 2011 Document Number 98291249.

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 16th day of October, 2023.

BETWEEN:

4551650 NOVA SCOTIA LIMITED, a body corporate

(the "Assignor")

- and -

4518276 NOVA SCOTIA LIMITED, a body corporate

(the "Assignee")

WHEREAS the Assignor is the registered owner of the Property (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 collateral 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.
 - (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]

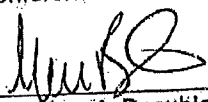
Witnessed by video conference

Per:

I have authority to bind the Mortgagor.

PROVINCE OF NOVA SCOTIA

I CERTIFY that on this 16th day of October, 2023, 4551650 NOVA SCOTIA LIMITED, one of the parties thereto, caused the foregoing Assignment to be executed in its name and on its behalf by its proper officers duly authorized in that behalf in my presence by video conference.



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

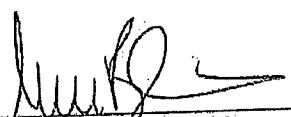
PROVINCE OF NOVA SCOTIA

AFFIDAVIT

I, Steven Caryl, of Halifax Regional Municipality, Province of Nova Scotia, make oath and say as follows:

1. THAT I am the President of 4551650 NOVA SCOTIA LIMITED (the "Company"), the assignor in the attached Instrument, and as such have a personal knowledge of the matters herein deposed to and am authorized to bind the Company;
2. THAT the Company is not now, nor will it be upon delivery of the attached Assignment, a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
3. THAT 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.
4. 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; and
5. THAT the real property described in the attached Assignment has never been occupied as a Matrimonial Home by any of the shareholders of the Company; nor does an interest in the Company entitle the owner or owners thereof to occupy the aforesaid property as a Matrimonial Home.

SWORN TO from Winter Park, Florida to
Halifax, this 16th day of October, 2023,
before me by video conference:



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



STEVEN CARYL

SCHEDULE "A"
Property

PID 00003236

ALL that certain lot, piece or parcel of land and premises thereon, lying on the western side of Hollis Street in the City and County of Halifax and being the southern moiety or half part of Lot Number 13, Block Letter B, Gallands Division and the northern quarter part of Lot Number 12 in the said Block and Division before mentioned, and which said land may be more particularly described as follows:

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THENCE to run westerly along the southern face of the southern wall of the said Halifax Club and the prolongation westerly thereof 62 feet;

THENCE southerly parallel to Hollis Street 30.5 feet;

THENCE easterly parallel to the first described line 62 feet to Hollis Street;

AND THENCE northerly by the same 30.5 feet to the place of beginning.

THE street lines herein referred to are those now laid down on the City Official Plan.

Subject to a Notice of Heritage Designation as recorded in the Halifax Registry of Deeds in Book 3531 at Page 1162.

Subject to an Agreement registered in 2011 Document Number 98291249.

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

W

Exhibit Stamp

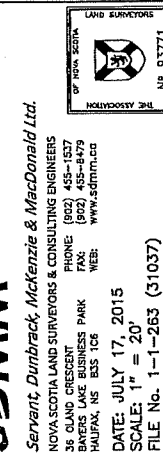
Hfx No. 539955

This is Exhibit "W" 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



Form 28

Purpose: to record certain types of non-enabling documents in a parcel register

For Office Use

Registration district: Halifax

Submitter's user number: _____

Submitter's name: Kevin Robb

The attached plan/document relates to the following parcels registered under the *Land Registration Act*

PID	3228
PID	

(Expand box for additional PIDs.)

Municipal file number or land registration file number (insert file number used when PIDs were originally assigned during pre-approval): _____

This form is submitted to record the following non-enabling instrument in the above-noted parcel register(s) (select one):

- ☒ plan
- ☐ boundary line agreement
- ☐ instrument of subdivision
- ☐ statutory declaration regarding de facto consolidation
- ☐ condominium declaration
- ☐ initial condominium bylaws
- ☐ condominium plan
- ☐ repeal of subdivision
- ☐ termination of condominium
- ☐ other (specify) _____

And in the matter of registered owner (insert name) The Halifax Club

Note: An amending Parcel Description Certification Application may be required.

Dated at Halifax, in the County of Halifax, Province of Nova Scotia, August 7, 2015


Signature of applicant/municipal official/owner/agent

Name: Kevin Robb

Address: 36 Oland Crescent, Halifax, NS

Phone: 902-455-1537 ext227

E-mail: krobb@sdmm.ca

Fax: 902-455-8479

May 4, 2009

X

Exhibit Stamp

Hfx No. 539955

This is Exhibit "X" 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



DELIVERY VIA:
E-mail:

FILE REFERENCE:
179571

Joshua J. Santimaw
Direct Dial: (902) 460-3451
Facsimile: (902) 463-7500
E-mail: jsantimaw@boyneclarke.ca

December 17, 2024

Halifax Regional
Municipality

TO WHOM IT MAY CONCERN

99 Wyse Road, Suite 600
Dartmouth
NS Canada B3A 4S5

Re: Proposed Companies' Creditors Arrangements Act proceeding of Annapolis Management Inc., BSL Holdings Inc., Comvest Commercial Real Estate Inc., Ruby LLP, 3337151 Nova Scotia Limited, and 4551650 Nova Scotia Limited (each a "Debtor" and collectively, the "Caryi Group") (the "CCAA Proceedings")

Correspondence:
P.O. Box 876
Dartmouth Main
NS Canada B2Y 3Z5

We write to follow-up our meeting held on December 12, 2024 (the "**Stakeholder Meeting**"). A take-away from the Stakeholder Meeting was Deloitte Restructuring Inc. ("**Deloitte**") undertaking that an overview of the proposed Caryi Group CCAA Proceedings would be provided to you, which is below.

T 902.469.9500
F 902.463.7500
www.boyneclarke.ca

Purpose of the CCAA Proceedings



A Worldwide Network
of Quality Law Firms

As discussed during the Stakeholder Meeting, over the past number of weeks it became apparent to management of the Caryi Group that it required professional advisors to review the current state of operations and to provide a list of alternatives/recommendations moving forward. To that end, the Caryi Group engaged BOYNECLARKE LLP, Resolve Advisory Services and Deloitte to assist with the options analysis (collectively, the "**Professionals**").

After careful review, the Caryi Group has decided to seek creditor protection under the CCAA. The main purpose of the CCAA Proceedings is to provide the Caryi Group an avenue to run a Court supervised Sale and Investment Solicitation Process with the intent to maximize realizations to all creditors (the "**SISP**") which is discussed further herein. In addition, the CCAA Proceedings will allow the Caryi Group to attract the necessary capital via debtor-in-possession financing (the "**DIP Financing**"), the purpose and use of which is discussed further herein.

Overview of the Caryi Group Structure

Enclosed as **Appendix A** is a figure that outlines the corporate structure, real property holdings and outstanding indebtedness by lender.

Cash Flow Forecast (the "CFF")

A summary of the CFF, which is prepared on a weekly basis for the Caryi Group in aggregate, is contained in the table below and a full version of the CFF is enclosed as **Appendix B**.

Caryi Group 40 Week Cash Flow Forecast (CAD) For the period Dec 2, 2024 to September 7, 2025	
	Total
RECEIPTS	
Collection of Rent	952,406
Halifax Club Revenue	77,584
DIP Financing	1,400,000
Total Receipts	2,429,990
DISBURSEMENTS	
Utilities	(308,328)
Insurance	(168,960)
Operations	(111,867)
Capex	(430,700)
Property Management	(80,000)
Halifax Club Expenses	(108,106)
Professional Fees	(626,933)
Property Tax	(184,500)
Corporate	(210,000)
Interest	(82,000)
HST Refund (Due)	(27,055)
Total Disbursements	(2,338,449)
Net Inflow/ (Outflow)	91,541
Opening Balance	51,385
Cash Flow	91,541
Closing Balance	142,927

As contained in the CFF, the Caryi Group requires DIP Financing off \$1.4 million until September 7, 2025.

DIP Financing

As part of the planning process, the Professionals have engaged in discussions with several institutional and private individuals to provide DIP Financing.

As of the date of this letter, the Caryi Group is working with a private individual on a term sheet, the key components of which are as follows:

- (i) Magnitude – up to \$1,500,000 (potential to increase to \$2,000,000);
- (ii) Security – first charge on all real property of the Caryi Group save an except for the Other Charges discussed below;

- (iii) Interest rate – 12%;
- (iv) Fees - \$10,000 (the “DIP Offer”)

Based on the DIP Offer and the Professionals’ prior experience under the CCAA, no further discussions on DIP Financing have occurred since preliminary discussions with other parties all contained terms and conditions less attractive to the Caryi Group.

The Caryi Group, however, would be open for any or all of the incumbent lenders to provide DIP Financing on the same/similar terms as the DIP Offer.

Other Charges

In addition to the DIP Financing, the Caryi Group intends to seek the following charges as part of the CCAA Proceedings (presented in priority, both of which are in priority to the DIP Financing):

- (i) Administration Charge (the “Admin Charge”) – initially to be \$300,000, to be increased to \$500,000. The Administration Charge will cover the Professionals and Proposed Monitor’s legal counsel, Stewart McKelvey;
- (ii) Director and Officer Charge (the “Director Charge”) – initially to be \$100,000, to be increased to \$250,000.

Proposed SISP

The Caryi Group, in conjunction with the Professionals, have developed the following timeline for the Proposed SISP:

<i>Date</i>	<i>Event</i>
On or before January 17, 2025	<ul style="list-style-type: none"> • Seek Initial Order including DIP Financing and Other Charges
On or before January 27, 2025	<ul style="list-style-type: none"> • Obtain Amended and Restated Initial Order
February and March, 2025	<ul style="list-style-type: none"> • Prepare marketing materials and prepare to take properties to market
Prior to March 31, 2025	<ul style="list-style-type: none"> • Seek a SISP Order
April to June, 2025	<ul style="list-style-type: none"> • Undertake marketing of properties <ul style="list-style-type: none"> ○ Bidder tours ○ Diligence questions



July 18, 2025	<ul style="list-style-type: none">• Receive initial offers for properties
July 18 to July 31, 2025	<ul style="list-style-type: none">• Clarify offers and engage in further negotiations with bidders<ul style="list-style-type: none">◦ Draft asset purchase agreements will be advanced as part of clarification process – based on template to be provided by the Applicants
July 31, 2025	<ul style="list-style-type: none">• Receive clarified offers from bidders
August 15, 2025	<ul style="list-style-type: none">• Court approval
September 7, 2025	<ul style="list-style-type: none">• Closings

Next Steps

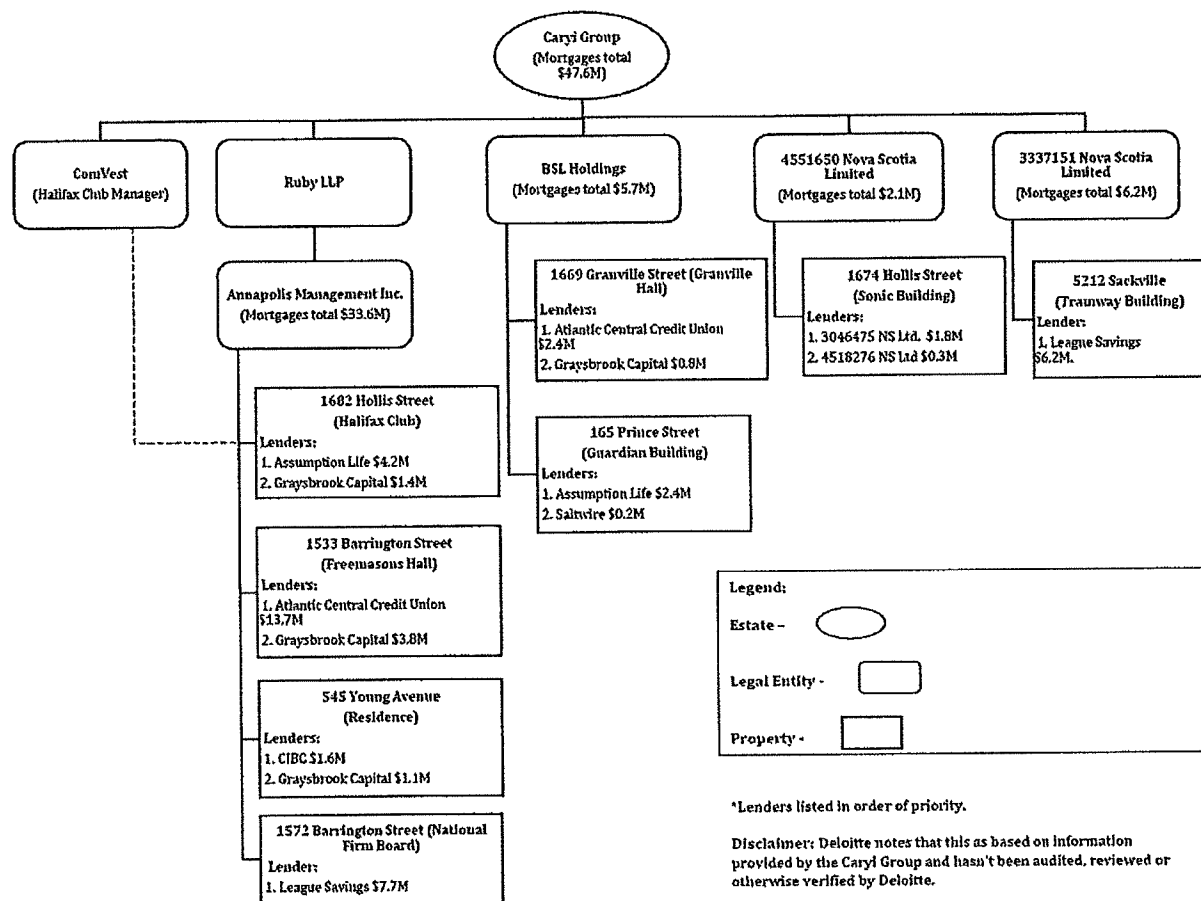
We would like to schedule a follow-up call for December 19, 2024, at 2:00 p.m.
Please only respond if you are not available.

Yours truly,

BOYNECLARKE LLP

Joshua J. Santimaw

Appendix "A"
Caryi Group Org Chart



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
3046475 Nova Scotia Limited	\$1,800,000
4518276 Nova Scotia Limited	\$260,000
Saltwire	\$210,000
Total	\$47,610,447

Appendix "B"
Cash Flow Forecast

Curry Group 40 Week Cash Flow Forecast (CAD) For the period Dec 2, 2024 to September 7, 2025																
Week beginning	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Week ending	8-Dec-24	15-Dec-24	22-Dec-24	29-Dec-24	5-Jan-25	12-Jan-25	19-Jan-25	26-Jan-25	2-Feb-25	9-Feb-25	16-Feb-25	23-Feb-25	2-Mar-25	9-Mar-25	16-Mar-25	
Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
RECEIPTS																
Collection of Rent	95,529	-	-	-	95,158	-	-	-	95,158	-	-	-	94,054	-	-	-
Halifax Club Revenue	24,646	17,646	17,646	17,646	-	-	-	150,000	100,000	-	-	-	100,000	-	-	-
DIP Financing	-	-	-	-	150,000	-	150,000	150,000	195,158	-	-	-	194,054	-	-	-
Total Receipts	120,175	17,646	17,646	17,646	245,158	-	-	150,000	195,158	-	-	-	194,054	-	-	-
DISBURSEMENTS																
Utilities	(34,026)	-	-	-	(36,876)	-	-	-	(37,403)	-	-	-	(41,244)	-	-	-
Insurance	(41,290)	-	-	-	(11,130)	-	-	-	(11,130)	-	-	-	(11,130)	-	-	-
Operations	(147,744)	(12,244)	(12,244)	(12,244)	(6,798)	(1,446)	(946)	(946)	(4,920)	(869)	(869)	(869)	(4,973)	(821)	(821)	(821)
Capex	(2,450)	-	-	(2,450)	(16,000)	-	(200,000)	(2,450)	-	-	-	(2,450)	-	-	-	-
Property Management	(8,000)	-	-	-	(8,000)	-	-	-	(8,000)	-	-	-	(8,000)	-	-	-
Halifax Club Expenses	(33,867)	(21,593)	(93)	(21,593)	(30,961)	-	-	(23,406)	(29,561)	(19,561)	(19,561)	(19,561)	(29,561)	(19,561)	(19,561)	(19,561)
Professional Fees	-	-	-	-	-	(31,097)	(23,406)	-	-	-	-	-	-	-	-	-
Property Tax:	-	-	-	-	-	-	-	(140,000)	-	-	-	-	-	-	-	-
Corporate	-	-	-	-	-	-	-	-	(4,500)	-	-	-	(5,500)	-	-	-
Interest	-	-	-	-	5,180	-	-	-	5,180	-	-	-	(8,602)	-	-	-
HST Refund (Due)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	(194,377)	(33,836)	(12,336)	(36,286)	(104,585)	(32,543)	(224,353)	(166,803)	(90,334)	(20,430)	(20,430)	(32,860)	(108,910)	(20,382)	(20,382)	(20,382)
Net Inflow / (Outflow)	(14,202)	(16,190)	5,310	(18,640)	140,573	(32,543)	(74,353)	(16,803)	104,824	(20,430)	(20,430)	(32,860)	85,144	(20,382)	(20,382)	(20,382)
Opening Balance	51,385	37,183	20,993	26,303	7,662	148,235	115,692	41,339	24,537	129,361	108,931	86,501	55,622	140,766	120,384	120,384
Cash Flow	(14,202)	(16,190)	5,310	(18,640)	140,573	(32,543)	(74,353)	(16,803)	104,824	(20,430)	(20,430)	(32,860)	85,144	(20,382)	(20,382)	(20,382)
Closing Balance	37,183	20,993	26,303	7,662	148,235	115,692	41,339	24,537	129,361	108,931	86,501	55,622	140,766	120,384	100,002	100,002

Carvy Group		40 Week Cash Flow Forecast (CAD)																											
		For the period Dec 2, 2024 to September 7, 2025																											
Week beginning:	Week ending	17-Mar-25	24-Mar-25	31-Mar-25	7-Apr-25	14-Apr-25	21-Apr-25	28-Apr-25	5-May-25	12-May-25	19-May-25	26-May-25	2-Jun-25	9-Jun-25	16-Jun-25	23-Jun-25	30-Jun-25	7-Jul-25	14-Jul-25	21-Jul-25	28-Jul-25	4-Aug-25	11-Aug-25	18-Aug-25	25-Aug-25	1-Sep-25	8-Sep-25	15-Sep-25	22-Sep-25
Week #		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33										
RECEIPTS																													
Collection of Rent		-	-	94,164	-	-	-	95,099	-	-	-	96,029	-	-	-	-	-	95,919	-	-	-	-	-	-	-	-	-	-	-
Halifax Club Revenue		-	-	-	-	200,000	50,000	150,000	-	-	-	150,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Financing		-	-	200,000	-	200,000	50,000	245,099	-	-	-	246,029	-	-	-	-	-	95,919	-	-	-	-	-	-	-	-	-	-	-
Total Receipts		-	-	294,164	-	200,000	50,000	245,099	-	-	-	246,029	-	-	-	-	-	95,919	-	-	-	-	-	-	-	-	-	-	-
DISBURSEMENTS																													
Utilities		-	-	(33,551)	-	-	-	(33,459)	-	-	-	(26,816)	-	-	-	-	-	(25,260)	-	-	-	-	-	-	-	-	-	-	-
Insurance		-	-	(11,130)	-	-	-	(11,130)	-	-	-	(38,630)	-	-	-	-	-	(11,130)	-	-	-	-	-	-	-	-	-	-	-
Operations		(821)	(921)	(4,498)	(446)	(446)	(446)	(4,498)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(4,498)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)
Capex		(2,450)	-	(200,000)	-	(2,450)	-	(8,000)	-	-	-	(8,000)	-	-	-	-	-	(8,000)	-	-	-	-	-	-	-	-	-	-	-
Property Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Halifax Club Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Tax		(19,561)	(19,561)	(29,561)	(19,561)	(19,561)	(19,561)	(29,561)	(19,561)	(19,561)	(19,561)	(29,561)	(19,561)	(19,561)	(19,561)	(19,561)	(19,561)	(29,561)	(19,561)	(19,561)	(19,561)	(19,561)	(19,561)	(19,561)	(19,561)	(19,561)	(19,561)	(19,561)	(19,561)
Corporate		-	(10,000)	-	-	-	(10,000)	-	-	-	(10,000)	-	-	-	-	-	(10,000)	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	(6,500)	-	-	(6,510)	-	-	-	-	(12,500)	-	-	-	-	-	(14,000)	-	-	-	-	-	-	-	-	-	-	-
HST Refund (Due)		-	-	(8,510)	-	-	(8,510)	-	-	-	-	(9,071)	-	-	-	-	-	(10,029)	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements		(22,832)	(30,382)	(301,750)	(20,007)	(206,957)	(30,007)	(76,912)	(20,007)	(20,007)	(30,007)	(129,076)	(20,007)	(20,007)	(20,007)	(20,007)	(30,007)	(102,477)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)
Net Inflow/(Outflow)		(22,832)	(30,382)	(7,586)	(20,007)	(6,957)	19,993	168,187	(20,007)	(20,007)	(30,007)	116,953	(20,007)	(20,007)	(20,007)	(20,007)	(6,558)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)
Opening Balance		100,002	77,169	46,787	39,202	19,194	12,237	32,230	200,417	180,410	160,402	130,395	247,348	227,341	207,334	187,326	157,319	150,761	130,754	110,747	90,739	70,732	50,725	30,718	10,711	(9,296)	(29,289)	(49,282)	(69,275)
Cash Flow		(22,832)	(30,382)	(7,586)	(20,007)	(6,957)	19,993	168,187	(20,007)	(20,007)	(30,007)	116,953	(20,007)	(20,007)	(20,007)	(20,007)	(6,558)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)	(20,007)
Closing Balance		77,169	46,787	39,202	19,194	12,237	32,230	200,417	180,410	160,402	130,395	247,348	227,341	207,334	187,326	157,319	150,761	130,754	110,747	90,739	70,732	50,725	30,718	10,711	(9,296)	(29,289)	(49,282)	(69,275)	(89,268)

Caryl Group 40 Week Cash Flow Forecast (CAD) For the period Dec 2, 2024 to September 7, 2025													
Week beginning	21-Jul-25	28-Jul-25	4-Aug-25	11-Aug-25	18-Aug-25	25-Aug-25	31-Aug-25	7-Sep-25	14-Sep-25	21-Sep-25	28-Sep-25	5-Oct-25	Notes
Week ending	27-Jul-25	3-Aug-25	10-Aug-25	17-Aug-25	24-Aug-25	31-Aug-25	7-Sep-25	14-Sep-25	21-Sep-25	28-Sep-25	5-Oct-25	12-Oct-25	
Week #	34	35	36	37	38	39	40						
RECEIPTS													
Collection of Rent	-	95,649	-	-	-	-	-	95,649	-	-	-	952,406	
Halifax Club Revenue	-	-	-	-	-	-	-	-	-	-	-	77,584	
DIP Financing	-	-	-	-	-	-	-	-	-	-	-	1,400,000	
Total Receipts	-	95,649	-	-	-	-	-	95,649	-	-	-	2,428,990	
DISBURSEMENTS													
Utilities	-	(18,392)	-	-	-	-	-	(21,101)	-	-	-	(308,328)	
Insurance	-	(11,130)	-	-	-	-	-	(11,130)	-	-	-	(168,960)	
Operations	(446)	(4,498)	(446)	(446)	-	(1,998)	(2,946)	(2,946)	-	-	-	(111,867)	
Capex	-	-	-	-	-	-	-	-	-	-	-	(435,700)	
Property Management	-	(8,000)	-	-	-	-	-	(8,000)	-	-	-	(80,000)	
Halifax Club Expenses	-	-	-	-	-	-	-	-	-	-	-	(108,106)	
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	(626,933)	
Property Tax	(10,000)	-	-	-	-	-	-	-	-	-	-	(184,500)	
Corporate	-	(14,000)	-	-	-	-	(10,000)	-	-	-	-	(210,000)	
Interest	-	(10,757)	-	-	-	-	(11,381)	-	-	-	-	(82,000)	
Total Disbursements	(10,446)	(66,777)	(446)	(446)	(446)	(23,378)	(57,177)	(57,177)	-	-	-	(2,338,449)	
Net Inflow / (Outflow)	(10,446)	28,872	(446)	(446)	(446)	(23,378)	38,471	38,471	-	-	-	91,541	
Opening Balance	110,747	100,300	129,172	128,726	128,280	127,833	104,455	104,455	-	-	-	51,385	
Cash Flow	(10,446)	28,872	(446)	(446)	(446)	(446)	(23,378)	38,471	-	-	-	91,541	
Closing Balance	100,300	129,172	128,726	128,280	127,833	104,455	142,927	142,927	-	-	-	142,927	

Y

Form 39.09

Exhibit Stamp

Hfx No. 539955

This is Exhibit "Y" 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

Kaisla A. Richardson

From: Joshua Santimaw
Sent: January 21, 2025 9:42 PM
To: Kaisla A. Richardson
Subject: FW: Caryi Group- Information Requests

From: Murphy, Liam <Liam.Murphy@doane.gt.ca>
Sent: January 17, 2025 2:14 PM
To: Joshua Santimaw <JSantimaw@boyneclarke.ca>
Cc: Hines, Corey <Corey.Hines@doane.gt.ca>; Clarke, Phil <Phil.Clarke@doane.gt.ca>; Sharon Kour <skour@reconllp.com>
Subject: Caryi Group- Information Requests

ATTENTION – This message comes from an external sender. If you were not expecting it, use caution before opening attachments or clicking on links.

Hi Josh,

Hope you're doing well.

As you are aware, on January 24, 2025 an application for an order ("Receivership Order") will be made before Justice Keith to appoint Grant Thornton Limited ("GTL") as Receiver pursuant to section 243(1) of the BIA in respect of Annapolis Management Inc., BSL Holdings Inc., Ruby LLP, 3337151 Nova Scotia Limited and 4551650 Nova Scotia Limited ("Caryi Group"). GTL understands that you act for the Caryi Group.

In preparation for the Receivership Order, and recognizing that January 24th is a Friday and that the Caryi Group does not have a traditional "head office", GTL has prepared a list of various materials and contacts that we would like to immediately receive upon our appointment, should the Receivership Order be granted. Should this information be readily available and accessible upon our appointment, GTL expects this will reduce up-front costs and overall administration of the estate.

Could you please request that your client and its advisors make the following information available for GTL immediately upon our appointment, should the Receivership Order be granted? We can provide a site to upload the information, if helpful; electronic copies are preferred to reduce costs.

Financial Requests:

1. Electronic copy, in excel with supporting materials, of the cash flow forecast prepared by the Caryi Group in support of its CCAA Application, as executed by Ms. Joanne Caryi on January 10, 2024
2. A list of all bank accounts with financial institutions held by the Caryi Group, including most recent account statements;
3. List of employees by the Caryi Group, if any (not Comvest);
4. Complete backup of the books and records of the Caryi Group's accounting software;
5. Latest internal financial statements, general ledger, AR listing and AP listing;
6. Latest internally prepared financial statements;
7. Latest T2 and HST return as filed with CRA;
8. Confirmation of 2024 T4's filed (if there are employees);

Contact Requests:

9. Name, contact information, contracts and last pay date for each property manager of the Caryi Group's properties;
10. Contact for bookkeeper or external accountant;

Property Requests:

11. Listing of all other assets held by the Caryi Group, outside of its real property, if any:
 - a. Vehicles, equipment, tools, artwork, etc.
12. Copies of all insurance policies;
13. Copies of any appraisals;
14. Copies of any marketing materials prepared for the Caryi Group for its real property, internally or by external advisors;
15. Copies of all lease agreements with tenants;
16. Keys and access to buildings.

Other:

17. Copies and access to legal matters in respect of the Caryi Group's property, including compliance notices, liens, etc. that may have been sent to the Caryi Group's attention, or to the attention of its counsel

GTL may have additional requests as we learn more, and we will reach out in respect of same. Your client's attention and support in gathering the requested information is very much appreciated.

Thanks,

Liam

Liam Murphy, CPA, CA, CIRP, LIT | Partner
Grant Thornton Limited
1675 Grafton St | Halifax | NS B3J 0E9
T +1 902 429 5435
E Liam.Murphy@doane.gt.ca | W DoaneGrantThornton.ca



Doane Grant Thornton LLP is proud to be recognized as one of Canada's best workplaces for our seventeenth consecutive year!

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use of this email by persons or entities other than the addressee is prohibited. If you have received this email in error, please contact the sender immediately and delete the material from any computer.

Z

Exhibit Stamp

Hfx No. 539955

This is Exhibit "Z" 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



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Nova Scotia
Division No. 01 - Halifax
Court No. 46009
Estate No. 51-3176229

In the Matter of the Notice of Intention to make a proposal of:

Ruby LLP

Insolvent Person

DELOITTE RESTRUCTURING INC/RESTRUCTURATION DELOITTE

Licensed Insolvency Trustee

Date of the Notice of Intention:

January 20, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 20, 2025, 16:02

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Nova Scotia

Division No. 01 - Halifax

Court No. 46007

Estate No. 51-3176186

In the Matter of the Notice of Intention to make a proposal of:

3337151 Nova Scotia Limited

Insolvent Person

DELOITTE RESTRUCTURING INC/RESTRUCTURATION DELOITT

Licensed Insolvency Trustee

Date of the Notice of Intention:

January 20, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 20, 2025, 15:39

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Nova Scotia
Division No. 01 - Halifax
Court No. 46005
Estate No. 51-3175914

In the Matter of the Notice of Intention to make a proposal of:

4551650 Nova Scotia Limited

Insolvent Person

DELOITTE RESTRUCTURING INC/RESTRUCTURATION DELOITT

Licensed Insolvency Trustee

Date of the Notice of Intention:

January 20, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 20, 2025, 10:45

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Nova Scotia

Division No. 01 - Halifax

Court No. 46008

Estate No. 51-3176190

In the Matter of the Notice of Intention to make a proposal of:

Annapolis Management Inc.

Insolvent Person

DELOITTE RESTRUCTURING INC/RESTRUCTURATION DELOITT

Licensed Insolvency Trustee

Date of the Notice of Intention:

January 20, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 20, 2025, 15:45

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Nova Scotia

Division No. 01 - Halifax

Court No. 46006

Estate No. 51-3176175

In the Matter of the Notice of Intention to make a proposal of:

BSL Holdings Limited

Insolvent Person

DELOITTE RESTRUCTURING INC/RESTRUCTURATION DELOITTE

Licensed Insolvency Trustee

Date of the Notice of Intention:

January 20, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 20, 2025, 15:32

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada