

Hfx No. 539955

# 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:

Douro Capital Limited, Graysbrook Capital Limited, Atlantic Central, League Savings and Mortgage Company, 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 Mark Horne**

- I, Mark Horne, of Halifax, Nova Scotia, make oath and say as follows:
- 1. I am the Director of Commercial and Lending Services for the Applicants Atlantic Central ("Atlantic Central") and League Savings and Mortgage Company ("League").
- I have personal knowledge of the matters herein deposed to 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.

# Atlantic Central and League

- Atlantic Central (formerly Credit Union Central of Nova Scotia) is a credit union central and body corporate, continued under the Credit Union Act (amended), SNS 2010, c. 49.
- 5. League is a federally regulated financial institution under the *Trust and Loan Companies Act* (Canada) and is a wholly owned subsidiary of Atlantic Central.

# **Tramway Building**

Pursuant to an offer of financing dated May 31, 2020, League agreed to advance a loan (the "Tramway Building Loan") to 3337151 Nova Scotia Limited ("3337151") in an amount up to \$6.3M with respect to real property at 1598-1600 Barrington Street, Halifax, Nova Scotia, PID 76455 (the "Tramway Building").

- 7. The Tramway Building Loan is secured by, among other things:
  - First charge mortgage over the Tramway Building, registered in the Land Registry as Document No. 116420143;
  - First charge assignment of rents and leases over the Tramway Building, registered in the Land Registry as Document No. 116420150;
  - General Security Agreement granting security in all of 3337151's personal property related to the Tramway Building, registered in the Nova Scotia Personal Property Registry ("PPRS") as Registration No. 40755522; and
  - Guarantees from Steven Caryi, Annapolis Management, Inc., in its own capacity ("AMI") and Annapolis Management, Inc., in its capacity as general partner of Ruby, LLP ("Ruby").
- 8. A copy of the Tramway Building Loan documents and security documents listed above is provided in Exhibits "A" through "E".
- The Tramway Building is currently in the middle of renovations. My understanding is that it has one commercial tenant and that completing renovations will add approximately 35 residential units.

# Freemasons Building

- 10. Pursuant to an offer of financing dated December 2, 2020, Atlantic Central agreed to advance up to \$13.375M to AMI and Ruby (the "Freemasons Building Loan") with respect to real property at 1533 Barrington Street, Halifax, Nova Scotia, PID 444141 (the "Freemasons Building").
- 11. The Freemasons Building Loan is secured by, among other things:
  - First charge mortgage over the Freemasons Building, registered in the Land Registry as Document No. 117677816;
  - First charge assignment of rents and leases over the Freemasons Building, registered in the Land Registry as Document No. 117677824;
  - Postponement and subordination agreement with Graysbrook Capital Limited, registered in the Land Registry as Document No. 123226673;

- General Security Agreements granting security in all personal property of AMI and Ruby related to the Freemasons Building, registered in the PPRS as Registration No. 40755514; and
- Guarantee from Steven Caryi.
- 12.A copy of the Freemasons Building Loan documents and security documents listed above is provided in Exhibits "F" through "K".
- 13. The Freemasons Building is a partially-occupied commercial/residential building in the middle of renovations.

# National Film Board ("NFB") Building

- 14. Pursuant to an offer of financing dated April 28, 2022, League agreed to advance up to \$8M to AMI and Ruby (the "NFB Building Loan") with respect to real property at 1572 Barrington Street, Halifax, Nova Scotia, PID 41353202 (the "NFB Building").
- 15. The NFB Building Loan is secured by, among other things:
  - First, second and third charge mortgages over the NFB Building, registered in the Land Registry as Document Nos. 116763740, 120600516 and 124969636;
  - First and second charge assignment of rents and leases over the NFB Building, registered in the Land Registry as Document No.116763765 and 120600524;
  - General Security Agreements granting security in all personal property of AMI and Ruby related to the NFB Building; and
  - Guarantee from Steven Caryi.
- 16.A copy of the NFB Building Loan documents and security documents listed above is provided in Exhibits "L" through "P".
- 17. My understanding is that the NBF Building is currently leased to 329844 Nova Scotia Limited which operates Cameo Hotel and Suites and that the remainder of the building is vacant.

# Granville Hall

18. Pursuant to an offer of financing dated June 13, 2022, Atlantic Central agreed to advance up to \$2.25M to BSL Holdings Limited (the "Granville Hall Loan"), with respect to real property at 1665-1669 Granville Street, Halifax, Nova Scotia, PIDs 40042087 and 3251 (the "Granville Hall").

- 19. The Granville Hall Loan is secured by, among other things:
  - First charge mortgage over Granville Hall, registered in the Land Registry as Document No. 120834305;
  - First charge assignment of rents and leases over the Granville Hall, registered in the Land Registry as Document No. 120834917;
  - General Security Agreement granting security in all of BSL Holding Limited's personal property related to Granville Hall; and
  - Guarantee from Steven Caryi.
- 20. A copy of the Granville Hall Loan documents and the security documents listed above is provided in Exhibits "Q" to "U".
- 21. My understanding is that Granville Hall is leased to 3298944 Nova Scotia Limited for student residences and contains approximately thirty student dormitories.
- 22. The Granville Hall lands, together with adjoining properties at 1674 Hollis Street, PID 3236 (owned by 4551650 Nova Scotia Limited) and 1673-1677 Granville Street and 1680-1684 Hollis Street, PID 3228 (owned by AMI), have development potential as group. Collectively these lands are known as the "Halifax Club Suites Property".

# **Financial Difficulties**

- 23. In early 2024, 33378151, AMI, Ruby and BSL Holdings Limited (the "Companies") defaulted in their loan obligations to League and Atlantic Central.
- 24. Around the same time, the Companies engaged Cushman & Wakefield to market the Tramway Building, Freemasons Building and Halifax Club Suites Property. None of the offers received were acceptable to the Companies.
- 25. By Forbearance Agreement between the Companies, the estate of Steven Caryi, 4551650 Nova Scotia Limited, League and Atlantic Central, dated April 11, 2024, League and Atlantic Central agreed to forbear on enforcing its security until the earlier of May 31, 2024 or default under the forbearance agreement, subject to certain terms and conditions. A copy of the Forbearance Agreement is attached as Exhibit "V".
- 26. Paragraph 2(b) of the Forbearance Agreement states that the Companies, the Estate of Mr. Caryi and 4551650 Nova Scotia Limited agree to the appointment of a receiver by League/Atlantic Central upon termination of the forbearance agreement.
- 27. The Forbearance Agreement terminated on May 31, 2024. Efforts to negotiate further forbearance failed.

- 28. On January 13, 2025, I had statements prepared showing the amounts outstanding on the Tramway Building Loan, Freemasons Building Loan, NFB Building Loan and Granville Hall Loan, a copy of which is attached as Exhibit "W".
- 29. On January 13, 2205 at 4:29 p.m. I received an email from Josh Santimaw, counsel to the Companies, advising that his clients would be cancelling insurance, providing the keys and ceasing operations. A copy of the email is attached as Exhibit "X". He clarified by follow-up email that the Companies would not be cancelling insurance but would let it lapse.
- 30.1 was present in Court on January 14, 2025 when Mr. Santimaw advised the Court that Joanne Caryi had resigned as director.
- 31. The only remaining director is the Estate of Steven Caryi, which I understand is being managed by Laurie Caryi who lives in the United States.
- 32. On January 15, 2025, League and Atlantic Central sent demands and notices of intention to enforce security to the Companies via email to Josh Santimaw, a copy of which is attached as Exhibit "Y".

**SWORN TO** at Halifax, Province of Nova Scotia, this 17<sup>th</sup> day of January, 2025, before me:

Barrister of the Supreme Court of Nova Scotia

Mark Horne

MARC L.J. DUNNING A Barrister of the Supreme Court of Nova Scotia

# **Index to Exhibits**

Description	Exhibit
Tramway Building Loan documents Mortgage Assignment of Rents General Security Agreement Guarantees (3)	A B C D E
Freemasons Building Loan documents Mortgage Assignment of Rents Postponement agreement with Graysbrook Capital General Security Agreements (2) Guarantee	F G H - J K
National Film Board Building Loan documents Mortgages (3) Assignments of Rent (2) General Security Agreements (2) Guarantee	L M N O P
Granville Hall Loan documents Mortgage Assignment of Rents General Security Agreement Guarantee	QRSTU
Forbearance Agreement	V
Statements of amounts outstanding on loans as at January 13, 2025	W
January 13, 2025 email from J. Santimaw	X
Demands and Notices of Intention to Enforce Security	Y

This is Exhibit "A" referred to in the Affidavit of Mark Horne sworn before me on January 17, 2025

A Barrister of the Supreme Court of Nova Scotia

> MARC L.J. DUNNING A Barrister of the Supreme Court of Nova Scotia



May 31, 2020

The Directors
3337151 Nova Scotia Limited
c/o Cox & Palmer
is Suite 300, 1533 Barrington St., Halifax

Dear Sirs:

RE: OFFER OF FINANCING

On behalf of League Savings & Mortgage Company, we are pleased to advise your request for financing of the property 1598-1600 Barrington Street, Halifax ('The Tramway Building'), NS has been approved. In addition to the terms and conditions outlined in the related security documents, this approval is subject to the following:

BORROWER: 3337151 Nova Scotia Limited

LENDER: League Savings & Mortgage Company

PURPOSE: To assist in the acquisition of the property and the renovation of

the Tramway Building.

LOAN TYPE: Construction Loan

LOAN AMOUNT: A maximum loan of \$6,300,000 being 61.2% of the appraised

value of the property once completed, released as follows:

 An initial advance of \$3,420,650 being 55% of the appraised value of the existing property, as confirmed by CBRE, and

Progress draws totaling \$2,879,350 being 75% of the

renovation costs, to be released on a cost to complete basis.

6074 Lady Hammond Road Halifax, NS B3K 2R7

# **TERMS OF THE LOAN:**

Term:

18-month term

Interest Rate:

Prime + 1.50% for an 18-month term, with a floor rate of

4.25%.

As of the date of this letter, the prime rate is 2.45%

\*Note: rates are the indicative rates that are subject to amendment or withdrawal if the mortgage is not disbursed wholly or in part within 90 days of the

acceptance of the Offer.

Repayment:

During the 18-month term, and commencing with the first

mortgage advance, monthly payments will be:

1) Interest only payments based upon the outstanding

balance, plus

2) Property tax payments of \$7,440.00.

At the end of the term, the principal will be repaid in full.

Interest Adjustment Date:

The first day of the month immediately following the first

advance of the loan

First Payment Date:

The first day of the month following the Interest

Adjustment Date

**Maturity Date:** 

The first day of the month 18 months after the Interest

Adjustment Date

# PRE-AUTHORIZED PAYMENT SYSTEM:

All payments of principal, interest taxes and annual review fees, will be made under the Pre-Authorized Payment System.

#### SECURITY:

- 1st Collateral Mortgage supported by a Promissory Note, over property located at 1598-1600 Barrington Street, Halifax NS (PID #00076455) including assignment of leases and rents.
- Assignment of Builders Risk Insurance over buildings and contents, with 1st loss payable to The Lender.
- Assignment of the Borrowers rights and interest (but not obligations) in all
  construction and other contracts (including ongoing operations), plans and
  specification, working drawings, budgets and schedules for the provision of
  material equipment and services to the project.
- A first charge General Security Agreement registered under PPSA for 18 months providing a security interest in all personal property, book debts, and other amounts arising from the company limited to property located at 1598-1600 Barrington Street, Halifax NS.
- An Assignment of Builders Risk Insurance with loss payable to The Lender during the construction phase.
- A Guarantee and Postponement of Claim from Steve Caryi for the full amount of the loan.
- A Guarantee and Postponement of Claim from Annapolis Management Inc., on behalf of Ruby LLP for the full amount of the loan.
- A Guarantee and Postponement of Claim from Annapolis Management Inc., in it's own capacity for the full amount of the loan.
- A cost over-run and completion guarantee from the Borrower and Guarantor(s)
  on a joint and several basis agreeing to fund all costs in excess of forecast and
  approved expenditures, which guarantee shall be in addition to and shall not
  reduce liability under the Guarantee required above.
- A Title Insurance Policy is to be supplied by First Canadian Title in lieu of a survey.
- Such additional security as may be recommended by The Lender's solicitors, acting reasonably.

- The Borrower and all guarantors confirm that they irrevocably appoint Marc Beaubien of Cox & Palmer (or, in his absence of any reason, the managing partner of Cox & Palmer (Halifax)) to accept service of any document, instrument or notice from the Lender or its solicitors under this letter or any of the security granted in furtherance of this letter.
- All security shall be supported by such Legal Opinions, Resolutions and
  incumbency certificates as may be recommended by the Lender's solicitors
  respecting the title to the property, priority, and registration of the security and
  confirming that the security has been duly authorized, executed and delivered by
  the borrower and enforceable in accordance with its terms.

### FIRE INSURANCE:

The borrower agrees to provide and arrange for the following:

A property insurance policy (Fire and Extended coverage or "All Risks") satisfactory to The Lender in respect to all real and personal property subject to the security and which records The Lender as First Loss Payee and contains the Standard Mortgage Clause as approved by the Insurance Bureau of Canada.

The borrower will advise their insurance broker/agent to arrange necessary insurance or amend existing policies as noted above. The solicitor instructed to take security on the borrower's loan must have evidence that the required insurance is in force, prior to disbursement of loan.

It is necessary to forward copies of insurance policies or renewals to The Lender and your insurance broken/agent should be informed accordingly.

The borrower is obliged to inform The Lender of any loss or damage to any assets that are pledged as security to The Lender.

## **APPLICATION FEE:**

Total Application Fee: \$31,500 Commitment Fee: \$3,000.00 (Received)

This total application fee includes a \$3,000.00 commitment fee which is payable at initial negotiations to cover investigations and other charges incurred by The Lender in processing your application. The remaining application fee of \$28,500 may be deducted from the loan proceeds at closing.

# AMENDMENT FEES:

The borrower agrees to pay The Lender's standard loan amendment and security processing fees then in effect, which are charged for the administrative handling of the loan documents by The Lender.

# **ANNUAL REVIEW FEE:**

The borrower agrees to pay an annual review fee of \$500.00

## **LEGAL FEES:**

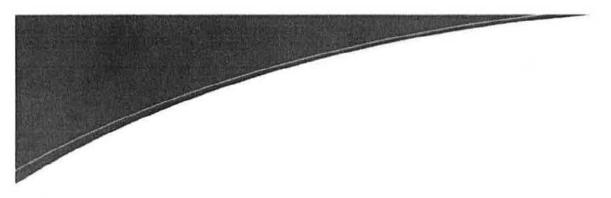
Payment of legal charges relative to the preparation, execution and registration of security documents are the responsibility of the borrower.

# **SOLICITOR - BORROWER:**

Marc Beaubien Cox & Palmer Purdy's Wharf Tower I, 1100-1959 Upper Water Street Halifax NS B3J 3N2 Phone 902 491-4108

# **SOLICITOR - LENDER:**

Jim Musgrave Cox & Palmer Purdy's Wharf Tower I, 1100-1959 Upper Water Street Halifax NS B3J 3N2 Phone 902 491-4118



# THE BORROWER HEREBY AGREES TO THE FOLLOWING TERMS OF LENDING WHICH SHALL BE CONTAINED IN THE MORTGAGE:

# **Prepayment Privileges:**

The Borrower shall have the privilege of prepaying the Loan in whole or part.

## THE BORROWER HEREBY AGREES TO THE FOLLOWING PRE-FUNDING CONDITIONS:

- We will require a full breakdown of the renovation costs.
- We will require that a minimum of 70% of the Hard Costs are to be arranged by way of fixed-price contracts. Fixed price contracts are to be in place for the excavation/earthworks, the foundation, framing, electrical, plumbing, asphalt, drywall, flooring, trim/doors, kitchen/bath and any contract greater than \$100,000.
- We will require an independent costs consultant / project monitor to review the construction cost budget, to monitor the construction works and provide certification to Atlantic Central on a cost to complete basis, upon which progress draws towards the construction will be made.
- We require copies of the most recent tax returns for Steve Caryi.
- We will require 3 years financial statements for Ruby LLP and Annapolis Management Inc.
- Subject to receipt of a transmittal letter from OCL Services Ltd providing Atlantic Central authority to rely upon their appraisal dated March 2017 for 1598-1600 Barrington Street, Halifax NS.
- Subject to receipt of a transmittal letter from CBRE providing Atlantic Central authority to rely upon their appraisal dated April 14, 2020 for 1598-1600 Barrington Street, Halifax NS.
- We require a letter from CBRE confirming the completed value of the property, post renovations.
- Completed Form A115 Consent and Authorization to use Personal Information

- The borrower will permit The Lender to erect an advertising board, to a maximum size of 8ft x 4 ft. each at the site during construction, indicating that financing has been provided by credit unions of Atlantic Canada.
- The Borrower shall retain a quantity cost surveyor or quantity cost surveying firm (the "Project Monitor") who is acceptable to the Lender and who shall act on behalf of the Lender and report directly to the Lender during the construction of the Project. The Lender will approve the Project Monitor prior to its being retained. The Project Monitor shall maintain errors and omissions insurance satisfactory to the Lender. All costs of the Project Monitor are for the account of the Borrower and may be deducted from any advances, at the Lender's sole option.

Duties of the Project Monitor include, but are not limited to, the following:

- (i) conducting an initial project review incorporating the following functions:
  - (A) reviewing the plans and specifications for the Project in conjunction with the project architect and confirming they are adequate to enable completion of the Project, that they are in line with industry norms and that as described in the plans and specifications the Project complies with all applicable zoning and other government requirements;
  - (B) confirming the construction contracts are in line with industry norms;
  - (C) confirming the construction budget, including hard and soft costs, appears to be adequate to complete the Project in accordance with the plans and specifications and is in line with industry norms;
  - (D) confirming that the soft costs and contingency and interest reserves appear to be adequate based on the construction schedule;

- (E) confirming that the construction schedule is reasonable and attainable;
- (F) confirming that the Borrower's construction draw schedule is adequate and consistent with the time period allocated for construction of the Project;
- (ii) confirming that the Borrower has invested equity in the Project as required hereunder;
- (iii) approving the amounts to be advanced under the Loan as requested by the Borrower from time to time;
- (iv) reviewing any material changes to the original plans and specifications, construction budget and/or construction schedule and advising the Lender in respect of same;
- (v) reserves the right to review invoices and cancelled cheques related to the Project on a monthly basis and prior to each advance to ensure previous loan advances have been used to pay outstanding invoices and that all major trades have been paid;
- (vi) certifying on each advance under the Loan that the Project is being completed in accordance with the approved plans and specifications, construction budget and construction schedule, setting out the value of the work completed to date and the cost to complete the Project and certifying that all moneys advanced by the Lender to date have been used for the Project and that all major trades have been paid to date;
- (vii) certifying on the final advance of the Loan that the Project has been completed in accordance with the approved plans and specifications, the construction budget and the construction contracts.

The Project Monitor shall provide written reports to the Lender in respect of the foregoing setting out his professional opinion on same and on any other matters related to the Project within the ambit of his professional expertise and requested

Advances will be made through the borrower's solicitor and shall be supported by title insurance satisfactory to The Lender.

# THE BORROWER HEREBY AGREES TO THE FOLLOWING ON-GOING CONDITIONS:

- The Borrower and all corporate guarantors will provide The Lender with Review Engagement financial statements, within 120 days of year end as outlined. In the event that the Borrower and Guarantor do not provide the statements in a timely manner, the borrower authorizes The Lender to contact their accountants and auditors, inform them of the above-mentioned requirements and ask them, on your behalf, to provide The Lender with statements as soon as they are completed.
- The borrower will not, without the prior written consent of the Lender, pay any sums to Shareholders or related parties, whether in the form of salaries, bonuses, dividends, management fees, repayment of loans or otherwise that would cause an operating loss, cash flow deficit or breach of covenant for each fiscal year of the Borrower.

#### DISBURSEMENT OF CONSTRUCTION FUNDS:

#### Drawdown Conditions:

by the Lender.

- (i) Subject to completion of all security and Pre-funding conditions.
- (ii) Total mortgage advances will be to a maximum of \$6,300,000. Total advances towards the construction / renovation work will be \$3,420,650 being 75% of the actual cost to completion, based on the approved project budget (the total project costs including the cost of the land and excluding any loan interest).

- (iii) Prior to the initial advance of the construction / renovation money, the Borrower shall have demonstrated to the Lender's satisfaction that it has invested capital into the construction work of not less than \$1,267,371. If at any time the budgeted cost to complete the Project exceeds the unadvanced amount of the Loan, the Borrower shall pay for the continuing work directly as any payments therefore fall due until such time as the cost to complete is less that the unadvanced amount of the Loan.
- (iv) All municipal approvals including building permit/development agreement, Provincial/federal environmental approvals, etc. necessary to the development must be confirmed to be in place prior to any funding.

# **Conditions Precedent to Each Construction Advance:**

- (i) On each disbursement, the Borrower shall certify to the Lender that there have been no material amendments to the construction budget, construction schedule or plans and specifications approved by the Lender, except material amendments previously approved by the Lender.
- (ii) Advances will be made through the borrower's solicitor with applicable holdbacks for liens under the Builders Lien Act.
- (iii) Construction advances will be calculated based on the Certificate from the Project Monitor that should confirm.
  - a. A detailed breakdown of original estimated costs, revised costs per change orders if any, and completed construction to date, as well as confirmation sufficient undrawn funds are available to complete the project (i.e., cost to complete basis).
  - All construction work is completed in accordance with the approved plans and specifications with the appropriate civic approvals confirmed as in place.
  - Construction work is progressing within the original construction schedule,
  - d. All draws are to be supported by a signed declaration of the general contractor and Borrower confirming all sub-trades and supplier accounts are in good standing.

- (iv) On each disbursement, the Lender shall receive a certificate of the architect for the Project that the Project is being completed in accordance with the approved plans and specifications, that all requisite development and regulatory approvals and permits have been granted to permit construction of the Project to the point to which the advance relates and that construction to date is in compliance with same and with all material municipal and other governmental requirements relating to construction of the Project.
- (v) Following completion of the ground floor of the Project and prior to the initial advance, the Borrower shall have delivered a foundation survey prepared by a licensed surveyor showing the location of the foundations and ground floor in relation to the lot lines of the Property, which survey shall be satisfactory to the Lender.
- (vi) Delivery of an opinion of the Lender's counsel addressed to the Lender confirming that a subsearch of title has been conducted and that no liens or other encumbrances are registered against title to the Property except for encumbrances previously approved by the Lender, in form and content satisfactory to the Lender.
- (vii) The Lender, acting reasonably, shall be satisfied in its sole opinion that there has been no material adverse change from what was represented to the Lender as at the date of this Commitment, in (i) the position, financial or otherwise, of the Borrower, any beneficial owner of the Property (if different from the Borrower) or any Additional Guarantor or (ii) the condition of the Property or the actual or anticipated revenues therefrom.
- (viii) Progress draws will be allowed no more frequently than monthly, and there will be a fee of \$250 per advance.

# **Conditions Precedent to Final Advance of Loan**

Prior to the final advance of the Loan, the Lender shall be satisfied that each of the following conditions has been met.

 The Lender shall have received satisfactory evidence that all costs, outlays and expenses incurred by the Borrower in the development,

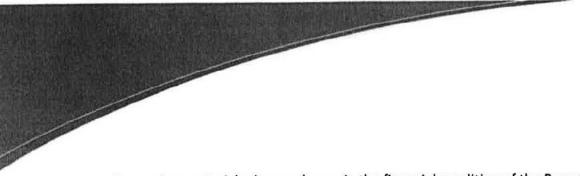
- construction, equipping and furnishing of the Project have been paid in full or in the alternative, the Lender must be satisfied that the final advance will be used to pay any such outstanding amounts.
- (ii) The Lender shall have received a certificate, satisfactory to it from the architect for the Project, stating that the Project has been completed in accordance with the approved plans and specifications, the construction budget and the construction contracts, that it is in compliance with all applicable laws and that the Borrower has received all necessary permits and approvals for occupation (including an occupancy permit) of the Project for its intended use.
- (iii) Copies of all major agreements, leases and permitted encumbrances shall have been delivered to the Lender (to the extent not previously delivered) and each shall be in good standing and in full force and effect.
- (iv) The statutory period for registration of liens in respect of the Project shall have expired, with no liens having been registered or notices of liens given, or if liens have been registered or notice thereof given, the Borrower shall have obtained the discharge, release, vacation or withdrawal of all such liens as the case may be.
- (v) The Borrower shall have paid all fees, costs and expenses of the Lender including without limitation, all legal costs of the Lender and all costs of experts and consultants engaged in connection with the Loan.
- (vi) The Lender shall have received such additional evidence, documents or undertakings as the Lender may reasonably request to establish compliance with the conditions set out in this Schedule.

# STANDARD TERMS:

Per attached Schedule "A"

# **Other Conditions:**

It is understood that the Lender reserves the right to withdraw this Offer of Finance at any time should there be in the Lender's opinion, acting reasonably, any of the following:



- A. Any material adverse change in the financial condition of the Borrower.
- B. Any unacceptable change in ownership of the Borrower or its assets.
- C. Any legal matters or environmental matters arise or are discovered which are detrimental to the affairs of the borrower or The Lender's security.
- D. Any unusual delay in the finalization of the credit arrangements including the granting of security; or
- E. Any material adverse change in risk has occurred.

This Offer of Financing is open for written acceptance until June 15, 2020 or such other extended date as may be advised by The Lender in writing, and if this Offer of Financing is not accepted by that date, or the extended date, this Offer of Financing shall become null and void.

Sincerely,

Mark Horne

Director, Commercial & Lending Services

TO:

**LEAGUE SAVINGS & MORTGAGE COMPANY** 

ATTENTION:

Mark Horne, Director, Commercial & Lending Services

RE:

3337151 NOVA SCOTIA LIMITED

We certify that all the information provided to League Savings & Mortgage Company is true and we accept the Offer of Financing dated <u>May 31, 2020</u> and agree to the above terms and conditions contained herein and acknowledge receipt of a copy of the Offer of Financing and Schedule 'A'.

BORROWER:

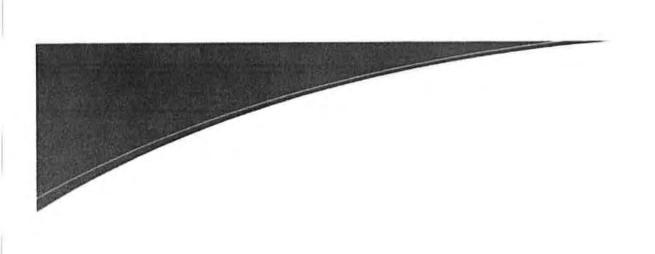
3337151 Nova Scotia Limited

Authorized Signature

**GUARANTOR(S):** 

**Steve Caryl** 

Annapolis Magagement Inc., on behalf of Ruby LLP
Annapolis Management Inc., in its own Capacity
Signed this 31 St day of May 2020
,





# TERM PROMISSORY NOTE

\$6,300,000

Account No:

2155-70-2

Date:

May 28, 2020

# FOR VALUE RECEIVED I/WE JOINTLY AND SEVERALLY PROMISE TO PAY TO

League Savings and Mortgage Company (the "Lender") on demand the principal sum of SIX MILLION, THREE HUNDRED THOUSAND DOLLARS (\$6,300,000.00) (the "loan"), together with interest payable both before and after default, demand and judgment on the unpaid balance of the principal sum from time to time outstanding at a rate which is the greater of (i) the Lender's stated prime rate of interest, plus 1.50%, per annum or (ii) 4.25% per annum.

I/We agree to make monthly payments consisting of the interest due and payable as indicated below commencing on and including July 1, 2020, with succeeding consecutive instalments to be paid on the same day each period thereafter and ending on and including the final payment date of December 1, 2021, when the balance of the principal sum together with all interest shall become due and payable.

Should default be made in the payment of any amount when due then at the option of the Lender the whole unpaid balance of the principal amount and accrued interest shall become immediately due and payable.

The Lender reserves the right to charge fees and penalties in the amount of \$50.00 each time there is a failure to honour the payment schedule and/or any other terms in this promissory note. The Lender may change the amount of such fees and penalties from time to time without notice.

I/We agree to pay all expenses, including legal expenses, incurred by the Lender in taking security for the loan, in collecting the loan and in enforcing and realizing upon security for the loan. All payments will be applied firstly toward expenses, secondly toward interest and thirdly toward principal.

I/We hereby pledge to the Lender all present and future paid deposits and payments on account of deposits, including joint accounts that I/we have or may have with the Lender, as security for the principal sum and interest and all other amounts owed pursuant to this promissory note. I/We hereby authorize the Lender to apply any or all such paid deposits, payments on account of deposits with the Lender to the payment of the principal sum, interest and all other amounts owed pursuant to this promissory note.

I/We hereby waive demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour, bringing of suit and diligence in taking any action.

This promissory note shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein.

[signature page follows]



IN WITNESS WHEREOF the undersigned has	executed t	his assignment on the day and year first above written.
EXECUTED AND DELIVERED		3337151 NOVA SCOTIA LIMITED
lung 2	Per:	
Witnessed by videoconference Name:		Name: Steven Cary

## **Extending Agreement**

Loan Number 21555-70-2



# LEAGUE SAVINGS AND MORTGAGE

9074 Lady Hammond Road Halifax, NS B3K 2R7

Branch

Mai To: 3337151 Nova Scotta Limited

2766 Meeting Place Orlando FLORIDA 32 814 Re: Property Address 1598-1600 Barrington St Hallfax

Guarantor(s)

Steve Caryl & Annapolis Management Inc and Annapolis Management Inc. on behalf of Ruby LLP

Approx. Balance Outstanding at Current Principal and Naturaly Date n (I applicable) Maturity Duty Type of Mongage Interest December 1, 2021 \$4548,466.82 Interest only \$7,440,00 Interest only plus taxes CONV In this Extension Agreement, the words "YOU" and "YOUR" mean the Borrower and the Co-Borrower, if any, "WE", "OUR", and "US" means League Savings and Mortgage Company. May 28, 2020 We have made a loan to you which is evidenced by a Promissory Note dated \_ in the amount of 4.250% Monthly basis.

We hereby offer to extend the time for payment of the balance of your loan and in return, you agree to extend your League Savings and Mortgage Company Loan and Promissory Note, as extended, are set out below. The revised monthly payment including principal, interest and if applicable, taxes, will begin on your regular payment date the month following the current maturity date and will continue on that day of each subsequent month until the new maturity date, at which time the balance of the loan then unpaid will become due and

Schedule C1	outlining your pres	payment provisi	ons is attached.					
			E	xtension	Term	Important Notes		
Extension Op	ption					Approx. Salance Outstandin change due to futher Advan	g at Maturity Date is subject to	7
based on a	0.5	year Amorti	zation Plan			country due to later Advan	•••	
Extension	New	Interest	Principal and interest			New	Extension Processing	
Term/Mos.	Maturity Date	Rate	Payment	Taxes	New Payment	Payments Begin	Foo	
6.0	01-Jul-22	4.250%	Interest only	\$7,440.00	interest only plu taxes	01-Jan-22	\$1,250.00	

If on the maturity date of the mortgage as renewed, the belance of the mortgage, including principal and interest remains unpaid, then without your consent, we may, at our option, automatically renew this mortgage for a further one year closed term at our current interest rate offered at that time. The revised mortitity payment of principal, interest and taxes, will commence on the regular payment date the month following the then current maturity date. A renewal processing fee will be added to the principal balance of the mortgage. The provisions of this automatic renewal shall again apply for each renewed term of the mortgage. from time to time.

If you decide to accept this offer to extend the time for payment of the belance of your Loan and Promissory Note under the above extension option(s), sign one copy of this agreement and cause it to be signed by the Guarantor (if any) and return the agreement to us.

We are only able to offer the above interest rates until your Loan and Promissory Note matures, therefore, please be sure the signed copy of this offer is returned to us by that date along with your cheque for the extension processing fee. This offer shall in no event extend beyond the maturity date of your Loan and Promissory Note and we reserve the right to revoke it at any time prior thereto unless prior to the revocation we have received at the Branch above mentioned a properly executed copy of this offer. The date on this form is only for renewal purposes and is NOT a payout figure.

		Melodie van'tKruis	Mortgage Department
Date	October 22, 2021	Ageird	· won theris
LEGISLAT			TO COMPLY WITH ANY PROVINCIAL FAMILY

#### OTHER PROVISIONS OF YOUR LOAN

Subject to whatever changes are made above, the other provisions of your League Savings and Mortgage Company Loan and Promissory Note remain in full force and effect. This Agreement will not invalidate any security or charge we hold, nor will it affect our rights against you or any other person for the recovery of amounts owing under yor League Savings and Mortgage Company Loan, your Promissory Note or under any security or charge.

#### PAYMENT METHOD

You hereby give us authorization to effect payments on your loan by way of pre-authorized payments.

# CREDIT INFORMATION

You authorize us to obtain credit information about you and check any information you have given us. We may also give information about you to credit bureaus and other credit grantors as permitted by Law

By signing this Agreement, you acknowledge the indebtedness evidenced by the Promissory Note and agree to be bound by the terms of your League Savings and Mortgage Company Lean and fromissory Note, including the fees set out in Schedule C2 attached, as extended by this Extending Agreement.

Signature of Guarantor Signature of Guarantor	Stove Chryl & Annapolis Maplion hent Inc (2 sign here)	Signature of Borrower Signature of Co-Borrower	3337151 Nove Scotis Limited (1 sign hers)	<i># '</i>
	Annapolis Management Intligh behalf of Ruby LLP (1 sig	m here)		

ory Note and terms thereof as amended and I postpone my interest in the property thereto.

Celos et	uns day or	. 20
Address of Spouse	Signature of Spouse	

☐ Return to League Savings A106

Retained by Borrower

Retained by Branch

			Exte	nding	Agre	ement				
	oan Number		ARE.	LEAC	UE	SAVIN	GS	8074 Lady H		ed
21	1555-70-2		80			RTGA		Halifax, NS	B3K ZH7	
Branch	5			Arredirk	a[een € n	in postin				
Mail To:		1000127		Re: Pro			CD 12 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
117,000,000	Nova Scotia Lir	nited		159	38-1600 I	Barrington St.	Haila	x - Promissory Note	<b>*</b>	
	eeting Place									
Orlando	FLORIDA 32	2 814		Guarant	or(s)			d Annapolis Manag		and Annapolis
		Approx. Balanca					institution ()	c on benan of Kab	,	
Maturity D	ate	Outstanding at Maturity Date	Current Princip Interest			s included in	1	Total Current Payment		Type of Mortgage
July 1, 20		\$4,681,685.51	Interest O			5.243.00	<u>ו</u>	interest only plus	taxes	CONV
In this Exten		, the words "YOU" a	and "YOUR" mea	n the Borro	wer and	the Co-Borro	wer, r	any. "WE", "OUR	", and "US	means League Savings
We have ma	de a loan to you	which is evidenced	by a Promissory	Note dated		May 28, 2020	)	In the amount of	\$6	3,300,000,00
	at the rate of	4.250% p	er year, calculate lown above.	d on a/an	Mo	nihly basi	ís.	-		
Loan and Pr revised mon- date and will payable	romissory Note, thly payment inc continue on the	The terms of your duding principal, into	League Savings erest and if applic quent month until	and Monte cable, taxes	gage Cor	mpany Loan gan on your re	and P egular	romissory Note, as payment date the	extended, month follo	and Morigage Company are set out below. The wing the current maturity paid will become due and
Statedule C1	ounting your p	repayment provision								
			E	xtensio	n Ter	m		ortant Notes		
Extension Op based on a	ption 0.5	yeer Amortize	ition Plan					ge due to further ad		rfty date is subject to
	4 01000									
Extension	New	Interest	Principal and Interest					New		ension cessing
Term/Mos.	Maturity Date	Rate	Payment	Taxes		lew Payment		Payments Begin	Fee	
8.0	01-Jan-23	5.200%	Interest Only	\$5,243.0		nterest only plaxes	lus	01-Aug-22	\$1.	250.00
we are only returned to used Promiss mentioned a	agreement and on able to offer the us by that date a sory Note and w properly execute	cause it to be signed the above interest re along with your cheque we reserve the right and copy of this offer.	by the Guaranto- ites until your Lo ue for the extens to revoke it at a The date on this	r (if any) an an and Pro- lon process any time pro- s form is on	d return omissory sing fee. for there ty for ren	Note mature This offer sh to unless price was purpose	nt to un ne, the nell in or to t es and	nefore, please be a no event extend be the revocation we t is NOT a payout fig	iure the sign youd the mayor receive	ension option(s), sign one ined copy of this offer is naturity date of your Loan red at the Branch above Y PROVINCIAL FAMILY
LEGISLATIC		Jun arouse mo	I SIGN IN THE	SPACE P	KOVIDE	D BELOW I	ii Oni	DER TO COMPLT	WILL WA	1 PROTINCIAL PARILI
Date	June 28,	2022							7.8	
					M	elodie van'tKr	nuis	Mortge	ige Departi	ment
Subject to with force and efficients own amounts own PAYMENT You hereby to CREDIT INITY ou euthorize	ect This Agreeding under yor Leading under yor Leading under yor Leading under yor Leading under the L	s are made above, ment will not invalid, ague Savings and N stion to effect payme credit information a	ate any security of laringage Companions on your loan laboration of bout you and ch	r charge we ly Loan, you by way of p	a hold, n ur Promi: re-autho	or will it affect scory Note or rized paymen	our ri under	ghts against you or any security or cha	any other p rge	Isacry Note remain in full berson for the recovery of the recovery of ation about you to credit
By signing th	Steve Cary A	niors as permitted to ou acknowledge the n and Promissory N	indebtedness erote, including the	Sign Sign Sign Sign	it in 5 che	3337151	ched, a			s of your League Savings Agreement.
		ompleted in the ever								
The undersig	ned being the		ered owner of th	e above-m	entioned	property, co			evidenced	by the above mentioned
Dated at			this	day of				_, 20		
Address of S	pouse			Sign	nature of	Spouse				

 $\square$  Retained by Borrower

☐ Retained by Branch

☐ Return to League Savings

A106

# **Extending Agreement**

Loan Number 21555-70-2



6074 Lady Hammond Road Halifax, NS B3K 2R7

Branch

A Credit Union Campun

Mall To:

3337151 Nova Scotia Limited

2768 Meeting Place

Orlando FLORIDA 32 814

Re: Property Address

1598-1600 Barrington St. Halifax - Promissory Note

Guarantorial

Steve Caryi And Annapolis Management Inc and Annapolis

Management Inc. on behalf of Ruby LLP

Maturity Date

Approx Balance Outstanding at Maturity Date

Current Principal and

Taxes included in Payment (if applicable) **Total Current** 

Type of Modgage

January 1, 2023

\$5,016,658.07

Interest Only

\$5,243.00

Interest only plus taxes

in the amount of

CONV

In this Extension Agreement, the words "YOU" and "YOUR" mean the Borrower and the Co-Borrower, if any "WE", "OUR", and "US" means League Savings and Mortgage Company

We have made a loan to you which is evidenced by a Promissory Note dated \_

May 28, 2020

4.250% per year, calculated on a/an plus interest at the rate of Your finel payment is due on the maturity date shown above.

We hereby offer to extend the time for payment of the balance of your loan and in return, you agree to extend your League Savings and Montgage Company Loan and Promissory Note. The terms of your League Savings and Mortgage Company Loan and Promissory Note, as extended, are sall out below. The revised monthly payment including principal, interest and if applicable, taxes, will begin on your regular payment date the month following the current maturity date and will continue on that day of each subsequent month until the new maturity date, at which time the balance of the loan then unpaid will become due and

Schedule C1 outlining your prepayment provisions is attached

#### **Extension Term**

Important Notes

Approx, balance outstanding at maturity date is subject to

range due to further advances. torest Rate Prime +1.50%

Extension Option based on a 0.5 year Amortization Plan

Principal

and Interest

New Payment

Payments Begin

Extension Processing

Extension Term/Mos 6.0

Meturity Date 01-Jul-23

Interest Rate 7.450%

Payment Interest Only

Taxes \$5,243.00 Interest only plus

01-Feb-23

\$1,250.00

If on the maturity date of the mortgage as renewed, the balance of the mortgage, including principal and interest remains unpaid, then without your consent, we may, at our option, automatically renew this mortgage for a further one year closed term at our current interest rate offered at that time. The revised monthly payment of principal, interest and taxes, will commence on the regular payment date the month following the then current majurity date. A renewal processing tee will be added to the principal balance of the mortgage. The provisions of this automatic renewal shall again apply for each renewed term of the mortgage

If you decide to accept this offer to extend the time for payment of the belence of your Loan and Promissory Note under the above extension option(s), sign one copy of this agreement and cause it to be signed by the Quarantor (if any) and return the agreement to us.

We are only able to offer the above interest rates until your Loan and Promissory Note matures, therefore, please be sure the signed copy of this offer is returned to us by that date along with your chaque for the extension processing fee. This offer shall in no event extend beyond the maturity date of your Loan and Promissory Note and we reserve the right to revoke it at any time prior thereto unless prior to the revocation we have received at the Branch above mentioned a properly executed copy of this offer. The date on this form is only for renewal purposes and is NOT a payout figure

IF YOU ARE MARRIED, YOUR SPOUSE MUST SIGN IN THE SPACE PROVIDED BELOW IN ORDER TO COMPLY WITH ANY PROVINCIAL FAMILY LEGISLATION.

Date December 7, 2022

Totale on their Melodie van'tKruis

## OTHER PROVISIONS OF YOUR LOAN

Subject to whatever Changes are made above, the other provisions of your League Savings and Mortgage Company Loan and Promissory Note remain in full force and effect. This Agreement will not invalidate any security or charge we hold, nor will it effect our rights against you or any other person for the recovery of amounts owing under yor League Savings and Mortgage Company Loan, your Promissory Note or under any security or charge

You hereby give us authorization to effect payments on your loan by way of pre-authorized payments.

#### CREDIT INFORMATION

You authorize us to obtain credit information about you and check any information you have given us. We may also give information about you to credit bureaus and other credit grantors as permitted by Law

By signing this Agreement, you acknowledge the indebtsdness evidenced by the Promissory Note and agree to be bound by the tarms of your League Savings and Mortgage Company L missory Note, including the fees set out in Schedule C2 attached, as ex ended by this Extending Agreement

day of

Deted at Signature of Guarantor

or behall of Ruby

Signature of Воложе Signature of Ca-Borrower

3337151 Nova Scot

Consent of Spouse (to be completed in the event the property is registered in only one name)

The undersigned being the spouse of the registered owner of the above-mentioned property, consent to the transaction evidenced by the above mentioned Loan and Promissory Note and lemms theeof as amended and I postpone my interest in the property there to.

this day of 20

Address of Spouse

Signature of Spouse ☐ Retained by Borrower

Retained by Branch

A106

Signature of

Guerantor

☐ Return to League Savings

# SCHEDULE "C1" PREPAYMENT OPTIONS FOR RESIDENTIAL MORTGAGES

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

#### A. Prepayment Privileges

#### 1. Regularly Scheduled Payments

During each regularly scheduled payment period you are permitted to pay up to double your contracted regularly scheduled payment without prepayment charges regardless of the contracted interest rate or the current posted interest rate, provided your regularly scheduled payments are up-to-date. This privilege is non-cumulative.\*

#### 2. Annuelh

In addition to increasing your regularly scheduled payment (as above), you are permitted to prepay, without prepayment charges, up to twenty (20%) percent of your outstanding balance once in any twelve (12) month period. Regular payments must continue without interruption. This privilege is non-cumulative.\* Prepayments in excess of 20% will be charged a penalty on the amount of prepayment as outlined in section B (Prepayment Charges) below.

"These prepayment priviliges without penalty are non-cumulative and cannot be used at the time you payout the principal amount of the mortgage in full

#### B. Prepayment Charges

If you want to payout all or a portion (greater than 20%) of your mortgage balance before the end of your mortgage term, you will be charged a penalty. Your penalty will be the greater of: three (3) months interest at your contracted annual interest rate QR 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 (ie. 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 1-800-869-2679 or visit our web site at www.lsm.ca

Table 1 - Similar Term to Maturit

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	5.000% (A)
Your interest rate	6.000% (B)	Similar term to maturity rate (3 yrs)	5,500% (B)
(A) x (B) = Annual interest	\$8,000 (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.

#### C. Statutory Right of Prepayment

If the term of your mortgage is greater than 5 years, you may prepay the outstanding principal amount of your mortgage any time after the end of the 5th year after the interest adjustment date, provided you pay a penalty equal to the outstanding principal amount and interest owing to the date of prepayment, plus an amount equal to three (3) months interest calculated at your existing annual interest rate on the date of prepayment. The "term" of your mortgage means the period of time until your mortgage becomes due and payable unless renewed; it does not mean amortization.

# 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 Renewal Fee - The greater of \$200.00 or 1/10 of 1% of the balance at the time of amendment 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 Amendment Fee - The greater of \$200,00 or 1/10 of 1% of the balance at the time of amends 7 General Security Agreement - The document will be registered for the amortized period of the debt and a fee charged (PPSA), if applicable to the mortgage account in accordance with provincial legislation.
- Property Tax Administration Fee, where As billed by your municipality, applicable

Note: Leagus 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.

M18 (NS, NB, PE, NL) Rev. Mar15

#### Extending Agreement

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	21555-70-2	<b>_</b>			JE SAVINO MORTGAO	PRESERT, NO. DUI	
Mall To:							
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	teeting Place	A.A.		1980	ood Danis good of Fr	an in a	
	FLORIDA 32 8	114	N.				
		Approx. Balanca	1 12	Guerentoria		f and Annapolis Manageme int Inc. on behalf of Ruby LL	
		Outstanding at	Current Princi		Taxes included in	Total Current	
Makerby		Metarity Date	Interve		ayment (If epplicable)	Payment	Type of Mortgage
July 1, 2	2023	\$5,632,084.38	Interest	inty	\$5,243.00	Interest only plus lex	es CONV
In this Exter Mortgage C		e words "YOU" an	d "YOUR" mean	въ Вопочи а	and the Co-Borrower	If any. "WE", "OUR", and	"US" means League Savings and
We have m	ade a loan to you wi		y Promissory	lote deted	May 28, 2020	in the amount of	\$6,300,000.00
plus interes	at all the rate of	Prime + 1.50 = 4.25% pe	r year, calculate	d on e/en	Monthly basis.		
	symment is due on the						
payment inc on thei day	bushing principal, into	erest and if applicat month until the nev	ole, lexes, will be writefully dele,	egin on your reg	ular payment date (	the month following the curre then unpeld will become di	it out below. The revised monthly int meturity date and will continue as and psyable.
			E	xtension '	Term	mportant Notes	
Extension O based on a	ption N/A	yeer Amortizati	on Plan			rime + 1.50% with a floor rate	of 7.95% As of the date of this 9% providing a current rate of
			40000000				
Edension	Alarer	triarest	Principal and interest			New	Extension Processing
TermyMos.	Meturity Date	Rate	Payment	Taxes	New Payment	Payments Begin	Fee
3.0	01-Oct-23	(Prime + 1.50) = 0.45%	interest only	\$5,243.00	Interest only plus	01-Aug-23	\$1,500,00
Ve are only a s by that dan	te allong with your c	re interest rates un theque for the exter	sill your Loan an	d Promissory No.	ole matures, therefo	dend beyond the meantly d	ed copy of this offer is returned to ate of your Loan and Promissory
					to the revocation we is NOT a payout figu		nch above mentioned a property
Date	June 13, 20	23			filet wit	thin	
					Malodia van'tKruis		CONTRACTOR
							Department
ubject to who nd effect. To wing under y AYMENT it ou hereby gh	atover changes are the Agreement will no or League Bevings IEETHOD we us authoritzation i	of invalidate any se	scurity or charge spany Loan, you	we hold, nor w Promissory No	it affect our rights its or under any sec	against you or any other pe	missory Note remain in full force
ubject to who not effect. The wing under you AYMENT in our hereby ghous REDIT INF our authorize ther credit go	elever changes are to Agreement with or Leepus Bevings BETHOD we us authorization ORMATION us to obtain credit is anters as permitted	not investigate any si and Mortgage Com to effect payments information about yo by Leer.	ecurity or charge painy Loan, you on your loan by ou and check an	we hold, nor w Promissory No way of pre-auth ny information yo	es it affect our rights ris or under any sect orized payments. su have given us. W	agains! you or any other pe sity or charge. In may also give information	missory Note remain in full force raion for the recovery of amounts a about you to credit bureaus and
ubject to what affect. The wing under your content is out hereby ghous under the content in the	alerver changes are ss Agreement with or Leepus Bevings IEETHOD we us substration i ORMATION us to obtain credit is sentors as permitted to Agreement, you ac	not invalidate any se and Mortgage Com to affect payments information about yo by Law. cknowledge the ind	ecurity or charge painy Loan, you on your loan by ou and check an actadness avoid	we hold, nor w Promissory No way of pre-auth y information you anced by the Pri	is it affect our rights to or under any sect orland payments. ou have given us. W combisory Note and i	agains! you or any other pe sity or charge. In may also give information	missory Note remain in full force recording for the recovery of amounts in about you to credit bureaus and import your Leegue Gentings and
ubject to what affect. The wing under your content is out hereby ghous under the content in the	alerver changes are ss Agreement with or Leepus Bevings IEETHOD we us substration i ORMATION us to obtain credit is sentors as permitted to Agreement, you ac	not invalidate any se and Mortgage Com to affect payments information about yo by Law. cknowledge the ind	ecurity or charge painy Loan, you on your loan by ou and check an actadness avoid	we hold, nor w Promissory No way of pre-author y information you arroad by the Pro- al out by the Pro-	is it affect our rights to or under any sect orland payments. ou have given us. W combisory Note and i	against you or any other pa rity or charge. I'e may also give information agree to be bound by the te	missory Note remain in full force recording to the recovery of amounts in about you to credit bureaus and import your Leegue Servings and
ubject to seh and effect. To wing under y  AYMENT is out hereby gh REDIT INF out authorize ther credit gn y signing the origage Con etted st	alerver changes are ss Agreement with or Leepus Bevings IEETHOD we us substration i ORMATION us to obtain credit is sentors as permitted to Agreement, you ac	not invalidate any se and Mortgage Com to affect payments information about yo by Law. cknowledge the ind	county or charge openy Loen, you on your loen by ou and check en settledness evid ading the flees se	we hold, nor w Promissory No way of pre-author y information you arroad by the Pro- al out by the Pro-	is it affect our rights the or under any sectorized payments.  In these given us. We comissory Note and the C2 attached, as a	against you or any other pa rity or charge. I'e may also give information agree to be bound by the te	missory Note remain in full force recording to the recovery of amounts in about you to credit bureaus and import your Leegue Servings and
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\*Please return by email, dated and sign

# **Extending Agreement**

Loan Number 21555-70-2



## LEAGUE SAVINGS AND MORTGAGE

Mail To:

Ra: Property Address

6074 Lady Hammond Road Heldan, NS B3K 2R7

3337151	Nova Scotia Limit	ed		1598-16	00 Barrington St Ha	lifax	
2786 Med	eting Place						
Orlando	FLORIDA 32 8	114		Guarantor(s)		and Annapolis Management nt Inc. on behalf of Ruby LLP	
Maturity Di	ats	Approx, Balence Outstanding at Maturity Date	Current Princip Interest	Pa	Taxes included in iment (if applicable)	Total Current Payment	Type of Mortgage
October 1,	2023	\$5,832,084.38	Interest or	nly	\$5,243.00	Interest only plus taxes	CONV
We have man	mperry. de a loan to you w at the raile of	hich is evidenced by Prime + 1.50 = 4.25% per	a Promissory N	lote dated	May 28, 2020  Monthly basis.	in the amount of	US" means League Savings and \$8,300,000.00
Your final pay	yment is due on th	e maturity date show	n above.				
and Promisso payment incli on that day o	ory Note. The ten uding principal, in if each subsequen	ns of your League Sa terest and if applicab	avings and Mort le, taxes, with be maturity date, i	igaga Company agin on your regu	Loan and Promisso lar payment date ti	y Note, as extended, are set	is and Mortgage Company Loan oul below. The revised monthly at maturity date and will continue is and payable.
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			,=	Ktension		important Notes	of 1.95% As of the date of this
Extension Op based on a	ption N/A	year Amortizati	on Pien			renewal, the Prime rate is 7.29 8.70%	
Extension	New	Interest	Principal and Internal			New	Extension Processing
Term/Mos	Maturity Date	Rate	Payment	Taxes	New Payment	Payments Begin	Fee
4.0	01-Feb-24	(Prime + 1.50) = 8.70%	interest only	\$5,243.00	Interest only plus	15-Oct-23	\$1,500.00

If on the meturity date of the mortgage as renewed, the balance of the mortgage, including principal and interest remains unpaid, then without your consent, we may, at our option, automatically renew this mortgage for a further one year closed term at our current interest rats offered at that time. The revised monthly payment of principal, interest and taxes, will commence on the regular payment date the month following the then current maturity date. A renewal processing fee will be added to the principal balance of the mortgage. The provisions of this automatic renewal shall again apply for each renewal term of the mortgage from time to time.

If you decide to accept this offer to extend the time for payment of the balance of your Loan and Promissory Note under the above extension option(s), eign one copy of this agreement and cause it to be signed by the Guarantor (if any) and return the agreement to us.

We are only able to offer the above interest rates until your Loan and Promissory Note matures, therefore, please be sure the signed copy of this offer is returned to us by that date along with your cheque for the extension processing fee. This offer shall in no event extend beyond the maturity date of your Loan and Promissory. Note and we reserve the right to revoke it at any time prior thereto unless prior to the revocation we have received at the Branch above mentioned a properly executed copy of this offer. The date on this form is only for renewal purposes and is NOT a payout figure.

Date	October 3, 2023	A comment of the a		
AGNAVA :		Melodie van'tKruis	Mortgage Department	_
	ROVISIONS OF YOUR LOAN			
Eubiard In s	shalaver changes are made above, the other on	ovisions of your League Savings and Mortgage Com	pany Loan and Promissory Note remain in full I	NCB

and effect. This Agreement will not invalidate any security or charge we hold, nor will it affect our rights against you or any other person for the recovery of amounts owing under yor League Savings and Mortgage Company Loan, your Promissory Note or under any security or charge.

### PAYMENT METHOD

You hereby give us authorization to effect payments on your loan by way of pre-authorized payments.

#### CREDIT INFORMATION

You authorize us to obtain credit information about you and check any information you have given us. We may also give information about you to credit bureaus and other credit grantors as permitted by Law.

Bu similar our Assument your acknowledge the indehendance extended by the Promissor Note and some to be bound by the terms of your Legoue Savings and

Mortgage Company Loan and Promissory P	icte, including the fees set out in Schedule C2 allached, as extended by	this Extending Agreement.
Signature of Borrower(s):	3337151 Nova Scotia Limited	
	Authorized Signature	11
Signature of Guarantor(s):	VIN	[/]
CORPORATE GUARANTOR (S):	Annapolia Management loc on behalf of Ruby LLP	Annapolis Management Inc
PERSONAL GUARANTOR (S):	Authorized Signature	futhorized Signature
'Please return by email, dat	1 1/1	

This is Exhibit "B" referred to in the Affidavit of Mark Horne sworn before me on January 17, 2025

> A Barrister of the Supreme Court of Nova Scotia

> > MARC L.J. DUNNING A Barrister of the Supreme Court of Nova Scotia



# COLLATERAL MORTGAGE

	This MORTGAGE made this 28th day of May	20
BETWEEN:	3337151 NOVA SCOTIA LIMITED	_
	(hereinafter called the "Mortgagor")	
	- and -	
	LEAGUE SAVINGS AND MORTGAGE COMPANY	
	(hereinafter called the "Mortgagee")	

- 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.

# 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.

# INTEREST

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

# 4. SECURITY

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

# 5. REPRESENTATIONS AND WARRANTIES

The Mortgagor represents and warrants to the Mortgagee that:

- (a) if it is a corporation, the Mortgagor is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Mortgage are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Mortgagor is a party or by which it is bound;
- (b) if it is a corporation, the Mortgagor's name as set forth on the first page of this Mortgage is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Mortgagor has provided a written memorandum to the Mortgagee accurately setting forth all prior names under which the Mortgagor has operated;
- (c) if it is a partnership, the Mortgagor's name as set forth on the first page of this Mortgage is its full, true and correct name and where required or voluntarily registered its registered name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this

Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Mortgagor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership have been delivered to the Mortgagee;

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

# 6. COVENANTS OF THE MORTGAGOR

(a) The Mortgagor covenants that at all times while this Mortgage remains in effect the Mortgagor will:

- 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:
  - inspecting the Property;
  - 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;
- 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;
  - 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;
  - 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
  - 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:
  - leases, licenses, undertakings, and any other agreements to which it is a party;
  - 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;
  - 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.

#### ENVIRONMENT

The Mortgagor represents and agrees that:

- 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;
- it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- 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;
- 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;
  - 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.

#### 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.

#### 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.

#### EXTENSION OF TIME

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

## 16. CONDOMINIUMS

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

- (a) The Mortgagor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Mortgagor by Applicable Laws applying to condominiums and by the condominium declaration, the by laws and the rules, as amended from time to time, of the condominium corporation that governs the Property (the "Condominium Corporation"), by virtue of the Mortgagors ownership of the Property. Any breach of such duties and obligations shall constitute a breach of covenant under this Mortgage.
- (b) Without limiting the generality of the foregoing, the Mortgagor covenants and agrees that the Mortgagor will pay promptly when due any contributions to common expenses required of the Mortgagor as owner of the Property and in the event of the Mortgagor's default in doing so the Mortgagee, at its option, may pay the same and the amount so paid shall be added to the amounts secured by this Mortgage and bear interest at the Interest Rate from the time of such payments and the amounts so paid shall be a charge on the Property and shall be payable forthwith by the Mortgagor to the Mortgagee whether or not any payment in default has priority to this Mortgage or any part of the amounts secured hereby.
- (c) The Mortgagor by this Mortgage irrevocably authorizes and empowers the Mortgagee to exercise the Mortgagor's right as owner of the Property to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:
  - (i) the Mortgagee may at any time or from time to time give notice in writing to the Mortgagor and the said Condominium Corporation that the Mortgagee does not intend to exercise the said right to vote or consent and in that event until the Mortgagee revokes the said notice the Mortgagor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter;

- 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:

- 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
- 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
- any representation or warranty made by the Mortgagor to the Mortgagee, whether or not contained in this Mortgage is untrue; or

- 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
- 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
- if the Mortgagor or a guarantor of the Mortgagor is a corporation and its voting control changes without the Mortgagee's written consent; or
- 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
- 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;
  - 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:
  - 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:
  - 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:
    - 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;
  - in or toward payment to the Mortgagee of all principal and other monies (except interest) due in respect of the Obligations; and
  - 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.

#### 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.
- The Mortgagee may from time to time release or discharge the whole or any part or parts (c) 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.

### 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 emission 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.

#### 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.

## JOINT AND SEVERAL

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

## 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 SOOTIA LIMITED

Per: Steven Caryl, 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.

Marc Beaubien

A Barrister of the Supreme Court of Nova Scotia

# CANADA PROVINCE OF NOVA SCOTIA

#### AFFIDAVIT

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

- 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.
- I am authorized to execute the foregoing instrument on behalf of the Corporation and thereby bind the Corporation.
- 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.
- The Corporation 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 entitle the shareholder or owner of a share 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.

Steven Car

SWORN TO by videoconference from Winter Park to Halifax, this 28th day of May, 2020 before me:

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 QR 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 (ie. 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 tess 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 уевгв
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 meturity) is 5.50%.

- The 3 month interest penalty would be calculated using the member's contracted annual interest rate of 8%.
- 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	\$8,000 (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) \$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

8 Max Mortgage Amendment Fee

The greater of \$200.00 or 1/10 of 1% of the balance at the time of amendment

 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

changes, we will pr

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

This is Exhibit "C" referred to in the Affidavit of Mark Horne sworn before me on January 17, 2025

> A Barrister of the Supreme Court of Nova Scotia

> > MARC L.J. DUNNING A Barrister of the Supreme Court of Nova Scolia



#### **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:

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

- (iv) each and every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Property (hereinafter defined).
- (c) "Mortgage" shall mean a charge of the Property (hereinafter defined) from the Assignor to and in favour of the Assignee and registered against the Property (hereinafter defined) at the Land Registration Office for Hallfax 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 helrs, 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.
- 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:	3337151 NOVA SCOTIA LIMITED
Witnessed by videoconference	Per: Name: Steven Caryi Title: 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.

Marc Beaubien

A Barrister of the Supreme Court of Nova Scotia

## CANADA

## **PROVINCE OF NOVA SCOTIA**

## **AFFIDAVIT**

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

- I am the President of 3337151 NOVA SCOTIA LIMITED (the "Corporation"), and have a personal 1. 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 Carr

#### 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 Hallfax 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 bylaws in the municipality and therefore no subdivision approval was required for creation of this parcel. This is Exhibit "D" referred to in the Affidavit of Mark Horne sworn before me on January 17, 2025

A Barrister of the Supreme Court of Nova Scotia

> MARC L.J. DUNNING A Barrister of Via Supreme Court of Nova Scella



#### GENERAL SECURITY AGREEMENT

#### TO: LEAGUE SAVINGS AND MORTGAGE COMPANY ("Lender")

#### 3337151 NOVA SCOTIA UMITED

(hereinafter called the "Borrower"),

for valuable consideration, hereby grants, assigns, transfers, sets over, mortgages and charges to the Lender, as general and continuing security for payment of all indebtedness, a security interest in all of the property of the kinds described in paragraph 2 below of which the Borrower is now or may hereafter become the owner.

#### 1. Definitions

#### in this Agreement:

- "PPSA" means the Personal Property Security Act, and any Act that may be substituted therefor, as from time to time amended.
- "Receivables" means all present and after acquired accounts, demands and choses in action now or hereafter due, owing or accruing due to the debtor, and all proceeds that are present or after acquired personal property, and all contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Borrower in respect of or as security for any of the said accounts, demands and choses in action, and all books, accounts, invoices, letters, papers and documents in any way evidencing or relating to any of the Collateral, as hereinafter defined.
- "Indebtedness" means all obligations of the Borrower to the Lender, including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender, whether arising from dealings between the Lender and the Borrower or from other dealings or proceedings by which the Lender may be or become in any manner whatever a creditor of the Borrower and wherever incurred, in any currency, and whether incurred by the Borrower alone or with another or others and whether as principal or surety, plus all interest, commissions, legal and other costs, charges and expenses, including a Ten Dollar (\$10.00) discharge fee to discharge the security interest created herein under the PPSA.
- All words and phrases which are defined in the PPSA and not otherwise defined in this Security Agreement shall have the meanings respectively ascribed to them in the PPSA.

## 2. Security interest

As security for the payment and performance of all indebtedness, the Borrower hereby grants to the Lender a continuing security interest in the personal property of the Borrower and in all property of the following kinds now owned or hereafter acquired by the Borrower:

- a) Inventory;
- b) Equipment;
- c) Receivables;
- d) Chattel Paper;
- e) Documents of Title;
- f) All books and papers recording, evidencing or relating to the Receivables, Chattel Paper or Documents of Title, and all securities, bills, notes, instruments or other documents now or hereafter held by or on behalf of the Borrower or any one or more of them with respect to the said Receivables, Chattel Paper or Documents of Title;
- All shares, stock, warrants, bonds, debentures, debenture stock or other securities together with renewals thereof, substitutions therefore, accretions thereto and all rights and claims in respect thereof;
- h) All accounts, including deposit accounts in banks, companies, trust companies and similar institutions, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Borrower, and all claims of any kind which the Borrower now has or may hereafter have;
- All intangibles including but not limited to contracts, agreements, options, permits, licenses, consents, approvals, authorizations, orders, judgments, certificates, rulings, insurance policies, agricultural and other quotas, subsidies, franchises, immunities, privileges, and benefits and all goodwill, patents, trademarks, trade names, trade secrets, inventions, processes, copyrights and other industrial or intellectual property;
- All personal property specifically listed or otherwise described in Schedule "A" attached hereto;
- All of the Borrower's right, title and Interest in and to all its present and after acquired personal property of whatever nature or kind, wheresoever situate.

The above named property, whether now owned or hereafter acquired, shall hereinafter be called the "Collateral".

### 3.1 Warranties and Covenants

- Except for the security interest granted hereby, the Borrower Is (and as to Collateral to be acquired after the date hereby, shall be) the owner of the Collateral free and clear of all liens, charges, claims, encumbrances, taxes or assessments.
- b) Except for inventory sold or accounts collected in the ordinary course of the Borrower's Property, the Borrower will not sell, offer to sell, bransfer, piedge or mortgage the Collateral, nor will the Borrower allow any other security interest in the Collateral in favour of any person other than the Lender, without the prior written consent of the Lender. All proceeds of sales shall be received "In Trust" for the Lender and shall be forthwith paid over to the Lender.
- c) The Borrower shall, during the term of this Agreement, insure and keep insured the Collateral to its full insurable value for fire, theft and such other risks as the Lender may reasonably require, and will, at the request of the Lender, pay such further premium as is necessary to obtain an endorsement that the security interest of the Lender will not be invalidated by any breach of statutory condition. The proceeds in any insurance held pursuant to this paragraph shall be payable to the Lender, and any proceeds of such insurance shall, at the option of the Lender, be applied to the replacement of the Collateral or towards repayment of any indebtedness of the Borrower or any one or more of them to the Lender. Should the Borrower neglect to maintain such insurance, the Lender may insure, and any premiums paid by the Lender together with interest thereon shall be payable by the Borrower to the Lender upon demand. The Borrower

will deposit a certified copy of such insurance with the Lender on request, or obtain an insurance endorsement in favour of the Lender.

- d) The Borrower shall provide from time to time, upon request from the Lender, written information relating to the Collateral or any part thereof, and the Lender shall be entitled from time to time to inspect the tangible collateral including, without limitation, the books and records referred to in paragraph 2(f) above wherever located. For such purpose, the Lender shall have access to all places where the Collateral or any part thereof is located, and to all premises occupied by the Borrower.
- This Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Borrower in accordance with its terms.

#### 3.2 The Borrower agrees that:

- The Borrower shall diligently maintain, use and operate the Collateral and shall carry on and conduct its Property in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- b) The Borrower shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Lender, when required, the receipts and vouchers establishing such payment;
- The Borrower shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- d) The Borrower shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Lender such financial information and statements and such information and statements relating to the Collateral as the Lender may from time to time require, and the Borrower shall permit the Lender or its authorized agents at any time at the expense of the Borrower to examine all books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom:
- e) The Borrower shall furnish to the Lender such information with respect to the Collateral and the insurance thereon as the Lender may from time to time require and shall give written notice to the Lender of all litigation before any court, administrative board or other tribunal affecting the Borrower or the Collateral;
- f) The Borrower shall defend the title to the Collateral against all persons and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances except for those disclosed to the Lender in writing prior to the execution of this Agreement or hereafter approved in writing by the Lender prior to their creation or assumption;
- The Borrower shall, upon request by the Lender, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be considered by the Lender to be necessary or desirable to give effect to the intent of this Agreement and the Borrower hereby irrevocably constitutes and appoints the Manager or Acting Manager for the time being of the Branch of the Lender mentioned herein, the true and lawful attorney of the Borrower, with full power of substitution, to do any of the foregoing in the name of the Borrower whenever and wherever the Lender may consider it to be necessary or desirable;
- h) The Borrower shall promptly notify the Lender in writing of any event which occurs that would have a material adverse effect upon the Collateral or upon the financial condition of the Borrower and Immediately upon the Borrower's acquisition of rights in any vehicle, mobile home, trailer, boat, aircraft or aircraft engine, shall promptly provide the Lender with full particulars of such Collateral; and
- The Borrower will not change its name or the location of its chief executive office or place of Property.

#### 4. Event(s) of Default

Any and all Indebtedness shall, at the option of the Lender and notwithstanding any time or credit allowed by any instrument evidencing a liability, be immediately due and payable without notice or demand upon the occurrence of any of the following events (hereinafter referred to as "Event(s) of Default"):

- Default in the payment or performance when due or payable of any Indebtedness;
- Default by the Borrower of any obligation or covenant contained herein;
- Any warranty, representation or statement made by the Borrower or furnished to the Lender herein, or in the application for any loan, was false in any material respect when made or furnished;
- d) Any loss, theft, damage or destruction of Collateral or of any part of it, or the making of any levy, selzure or attachment thereto or the appointment of a receiver of any part thereof:
- If the Borrower does not perform any provisions of this Agreement or of any other agreement to which the Borrower and the Lender are parties;
- f) If the Borrower ceases or threatens to cease to carry on its Property, commits an act of bankruptcy, becomes insolvent, makes an assignment or proposal under the Bankruptcy and Insolvency Act (Canada), takes advantage of provisions for relief under the Componies' Creditors Arrangement Act (Canada) or any other legislation for the benefit of insolvent debtors, transfers all or substantially all of its assets, or proposes a compromise or arrangement to its creditors;
- If the Borrower enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
- If any execution, sequestration or any other process of any court becomes enforceable against the Borrower or if any distress or analogous process is levied upon any Collateral;
- If the Lender in good falth believes and has commercially reasonable grounds for believing that the prospect of payment or performance of any Indebtedness is or is about to be impaired or that any Collateral is or is about to be in danger of being lost, damaged, confiscated or placed in Jeopardy.

#### 5. Remedies

Upon the occurrence of any Event(s) of Default and at any time thereafter, the Lender, at its option, may declare that all indebtedness secured by this Agreement shall immediately become due and payable, and:

- a) The Lender shall then have all rights and remedies of a secured party under the PPSA.
- The Lender shall then be constituted to appoint in writing any person to be a receiver b) (which term shall include a receiver and manager) of the Collateral, including any rents and profits thereof, and may remove any receiver and appoint another in his stead. Such receiver so appointed shall have power to take possession of the Collateral and to carry on or concur in carrying on the business of the Borrower, and to sell or concur in selling the Collateral or any part thereof. Any such receiver shall for all purposes be deemed to be the agent of the Borrower. The Lender may from time to time fix the remuneration of such receiver. All monies from time to time received by such receiver shall be paid by him first in discharge of all rents, taxes, rates, insurance premiums and outgoings affecting the Collateral; secondly in payment of his remuneration as receiver; thirdly in keeping in good standing any itens and charges on the Collateral prior to the security constituted by this Agreement; and fourthly in or toward payment of such parts of the indebtedness and liability of the Borrower to the Lender as to the Lender seems best; and any residue of such monies so received shall be paid to the Borrower. The Lender in appointing or refraining from appointing such receiver shall not incur any liability to the receiver, the Borrower or otherwise.

c) The Lender may then collect, realize, sell or otherwise deal with the Receivables or any part thereof in such manner, upon such terms and conditions at such time or times, and without notice to the Borrower, as may seem to it advisable. The Lender shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Receivables or any part thereof, and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Lender, the Borrower or any other person, firm or corporation in respect of the same. All monies collected or received by the Borrower in respect of the Receivables shall be received as trustee for the Lender and shall be forthwith paid over to the Lender. All monies collected or received by the Lender in respect of the Receivables or other Collateral may be applied on account of such parts of the Indebtedness and liability of the Borrower as to the Lender seems best or, in the discretion of the Lender, may be released to the Borrower, all without prejudice to the liability of the Borrower or the Lender's right to hold and realize this security.

#### 6. Charges and Expenses

The Lender may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in or in connection with realizing, disposing of, retaining or collecting the Collateral or any part thereof. Such sums shall be a first charge on the proceeds of realization, disposition or collection. The Lender may at its option pay taxes, discharge any encumbrance or charge claimed (whether validly or not) against the Collateral and pay any amount which, in the Lender's sole discretion, it may consider requisite to secure possession of the Collateral with or without litigation or compromise. The Lender may settle any litigation in respect of the Collateral or the possession thereof, and may pay for insurance, repairs and maintenance to the Collateral, and any sum so paid by the Lender shall constitute indebtedness of the Borrower secured hereunder which the Borrower shall repay on demand.

#### 7. Possession of Collateral

Upon any Event(s) of Default, the Borrower may have possession of the Collateral and enjoy the same subject to the terms hereof. However, whether or not default has occurred, the Lender may at any time request that debtors on the Receivables be notified of the Lender's security interest. Until such notification is made, the Borrower shall continue to collect Receivables but shall hold the proceeds received from collection in trust for the Lender without cominging the same with other funds; and after the Lender gives the Borrower notice of default, the Borrower shall turn the same over to the Lender immediately upon receipt in the Identical form received.

#### 8. Location of Collateral

The Collateral, insofar as it consists of tangible property, is now and will hereafter be kept at the place or places, listed in Schedule "A" attached hereto. None of the Collateral shall be removed from such place or places without the written consent of the Lender.

#### 9. General

- This Agreement shall be a continuing agreement in every respect.
- This Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia.
- c) The Borrower may terminate this Agreement by delivering written notice to the Lender at any time when there is no Indebtedness. No remedy for the enforcement of the rights of the Lender hereunder shall be exclusive of or dependent on any other such remedy and any one or more of such remedies may from time to time be exercised independently or in combination. The security interest created or provided for by this Agreement is intended to attach when this Agreement is signed by the Borrower and delivered to the Lender. For greater certainty it is declared that any and all future loans, advances or other value which the Lender may in its discretion make or extend to or for the account of the Borrower or of any one or more of them shall be secured by this Agreement. If more than one person executes this Agreement, their obligations hereunder shall be joint and several.

- d) In construing the Agreement, the word "Borrower" and the personal pronouns "he" or "his" and any verb relating thereto shall be read and construed as the number and gender of the parties signing this Agreement may require.
- e) The Lender may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Borrower, debtors of the Borrower, sureties and others, and with the Collateral and other securities, as the Lender may see fit and without prejudice to the liability of the Borrower or the Lender's right to hold and realize this security.
- f) Nothing in this Agreement shall obligate the Lender to make any loan or accommodation to the Borrower or extend the time for repayment or satisfaction of the indebtedness.
- g) Any failure by the Lender to exercise any right set out in this Agreement shall not constitute a waiver thereof and nothing in this Agreement or in the indebtedness secured by this Agreement shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the indebtedness secured by this Agreement.
- All rights of the Lender under this Agreement shall enure to the benefit of its successors and assigns and all obligations of the Borrower under this Agreement shall bind the Borrower, his heirs, executors, administrators, successors and assigns.

The Borrower hereby acknowledges receipt of an executed copy of this Agreement and waives the right to receive a verification statement regarding registration of the security interest created herein under the PPSA.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

SIGNED AND DELIVERED this 28 day of May, 2020

3337151 NOVA SCOTIA LIMITED

Witness by videoconference

Per: Name: Steven Caryl Tible: President

## SCHEDULE "A"

General Colleteral (other than serial numbered goods)				
A security interest is taken in all of the de including proceeds located at o 1598-1600 Barrington Street, Halifax, Nova		a		
Detail below exactly what asset the Lender number, if any.	r is taking a security interest in and record the seri	a		
Serial Numbered Goods (motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat)				
Asset	Serial Number			
-		-		
	-	_		
_		-		

3. Location of Colleteral

1598-1600 Barrington Street, Hallfax, Nova Scotia.

This is Exhibit "E" referred to in the Affidavit of Mark Horne sworn before me on January 17, 2025

> A Barrister of the Supreme Court of Nova Scotia

> > MARC L.J. DUINNING A Barrisier of the Suprems Count of Nova Scotia



## **GUARANTEE AND POSTPONEMENT OF CLAIM**

THIS GUARANTEE is made as of the 28th day of May, 2020

WHEREAS LEAGUE SAVINGS AND MORTGAGE COMPANY (the "Lender") issued to 3337151 NOVA SCOTIA LIMITED (the "Borrower") an Offer of Finance letter dated May 26, 2020, as amended, modified, extended or renewed from time to time (hereinafter collectively referred to as the "Commitment") whereby the Lender has agreed to make a loan in the sum of \$6,300,000.00 (the "Loan") to the Borrower secured, inter alia, by a charge and mortgage of lands and premises (the "Mortgage") known as civic number 1598-1600 Barrington Street, Halifax, Nova Scotia (the "Property");

AND WHEREAS the undersigned, STEVEN CARYI (the "Guarantor") has agreed to provide the Lender with a guarantee of the Obligations (hereinafter defined) of the Borrower;

NOW THEREFORE THIS GUARANTEE WITNESSETH that in consideration of the premises and the covenants and agreements herein contained, the sum of \$2.00 now paid by the Lender to each of the Guarantors and other good and valuable consideration (the receipt and sufficiency of which are hereby mutually acknowledged), the Guarantor covenants with the Lender as follows:

# ARTICLE 1 GUARANTEE

### 1.1 Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees payment of the "Indebtedness", as defined in the Mortgage, at any time owing by the Borrower to the Lender or remaining unpaid by the Borrower to the Lender (hereinafter collectively referred to as the "Obligations"), together with interest thereon as provided in the Commitment. The Guarantor acknowledges having received and reviewed a copy of the Commitment.

#### 1.2 Indemnity

If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Lender from and against all losses resulting from the failure of the Borrower to perform such Obligations.

#### 1.3 Primary Obligation

If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1.1, or the Lender is not indemnified under Section 1.2, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.

# 1.4 Guarantee Absolute

- (a) The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:
  - (i) any lack of validity or enforceability of any agreements between the Lender and any Borrower Entity (as hereinafter defined), including any of the security documents granted under the terms of the Commitment; any change in the time, manner or place of payment of or in any other term of such agreements, or the failure on the part of any Borrower Entity to carry out any of its obligations under such agreements;
  - (ii) any impossibility, impracticability, frustration of purpose, illegality, force majeure or act of government;
  - the bankruptcy, winding-up, liquidation, dissolution or insolvency of any Borrower Entity or any party to any agreement to which the Lender is a party;
  - (iv) any lack or limitation of power, incapacity or disability on the part of any Borrower Entity or the Lender or of the directors, partners or agents thereof, or any other irregularity, defect or informality on the part of any Borrower Entity in its obligations to the Lender; or
  - (v) Any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, any Borrower Entity in respect of any or all of the Obligations.

(For the purpose of this Guarantee, "Borrower Entity" means the Borrower, each beneficial owner (if any) of the Property, each indemnifier (if any) and any other guarantor of all or part of the Indebtedness.)

(b) Any amount which may not be recoverable from the Guarantor by the Lender on the basis of a guarantee shall be recoverable by the Lender from the Guarantor as principal debtor in respect thereof, and shall be paid to the Lender forthwith after demand therefor as provided herein.

### 1.5 Joint and Several Liability

If more than one Guarantor executes this instrument the provisions hereof shall be read with all grammatical changes thereby rendered necessary and each reference to the Guarantor shall include the undersigned and each and every one of them severally and this guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.

# ARTICLE 2 DEALINGS WITH BORROWER AND OTHERS

### 2.1 No Release

The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Lender in connection with any duties or liabilities of the Borrower to the Lender or any security therefor, including any loss of or in respect of any security received by the Lender from the Borrower or other Borrower Entity. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, without obtaining the consent of or giving notice to the Guarantor, the Lender, as the case may be, may discontinue, reduce, increase or otherwise vary the credit of the Borrower and/or any other Borrower Entity in any manner whatsoever and may:

- (a) make any change in the time, manner or place of payment under, or in any other term of, any agreement between the Borrower and/or any other Borrower Entity and the Lender, or the failure on the part of the Borrower and/or any other Borrower Entity to carry out any of its obligations under any such agreement;
- (b) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower and/or other Borrower Entity;
- (c) take or abstain from taking or enforcing securities or collateral from the Borrower and/or any other Borrower Entity or from perfecting securities or collateral of the Borrower and/or any other Borrower Entity;
- (d) accept compromises from the Borrower and/or any other Borrower Entity;
- (e) apply all money at any time received from the Borrower and/or any other Borrower Entity or from securities upon such part of the Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit; and
- (f) Otherwise deal with the Borrower and/or any other Borrower Entity and all other persons and securities as the Lender may see fit.

## 2.2 No Exhaustion of Remedies

The Lender shall not be bound or obligated to exhaust its recourse against the Borrower, any other Borrower Entity or other persons or any securities or collateral it may hold, or take any other action before being entitled to demand payment from the Guarantor hereunder.

#### 2.3 Prima Facie Evidence

Any account settled or stated in writing by or between the Lender and the Borrower shall be prima facie evidence that the balance or amount thereof appearing due to the Lender is so due.

### 2.4 No Set-off

In any claim by the Lender against the Guarantor, the Guarantor may not assert any set-off or counterclaim that either the Guarantor or the Borrower may have against the Lender.

# ARTICLE 3 CONTINUING GUARANTEE

### 3.1 Continuing Guarantee

This Guarantee shall be a continuing guarantee of the Obligations, and shall apply to and secure any ultimate balance due or remaining due to the Lender, and shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Lender upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

# ARTICLE 4 DEMAND

### 4.1 Demand

The Lender shall be entitled to make demand upon the Guarantor at any time upon the occurrence of any Event of Default (as defined in the standard charge terms forming part of the Mortgage), and upon such Event of Default, the Lender may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder whether or not such Obligations are yet due and payable at the time of demand for payment hereunder. The Guarantor shall make payment to the Lender of the total amount guaranteed hereunder forthwith after demand therefor is made to the Guarantor. The Guarantor shall pay all reasonable costs and expenses incurred by the Lender in enforcing this Guarantee.

## 4.2 Interest

The Guarantor shall pay interest to the Lender at the Interest Rate (established pursuant to the Commitment) on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to accrue from and including the date of demand by the Lender on the Guarantor.

# ARTICLE 5 ASSIGNMENT, POSTPONEMENT AND SUBROGATION

### 5.1 Assignment and Postponement

All debts and liabilities, present and future, of the Borrower to any party comprising the Guarantor are hereby assigned to the Lender and postponed to the Obligations, and all money received by any party comprising the Guarantor in respect thereof shall be held in trust for the Lender and forthwith upon receipt shall be paid over to the Lender upon the Lender giving the Guarantor notice of default of payment of the Obligations by the Borrower, the whole without in any way lessening or limiting the liability of the

Guarantor hereunder, and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and paid in full.

### 5.2 Subrogation

The Guarantor will not be entitled to subrogation until the Obligations are performed and paid in full.

# ARTICLE 6 GENERAL

### 6.1 Benefit of the Guarantee

This Guarantee will enure to the benefit of the Lender and its respective successors and assigns and be binding upon the Guarantor and his heirs, administrators, executors, successors and assigns.

## 6.2 Entire Agreement

This Guarantee is subject to all of the terms and conditions of the Commitment, and if there is any conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment, the rights and obligations of the parties will be governed by the provisions of the Commitment. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein, or in the Commitment. The Lender shall not be bound by any representations or promises made by the Borrower to the Guarantor, and possession of this Guarantee by the Lender shall be conclusive evidence against the Guarantor that the Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with.

#### 6.3 Amendments and Waivers

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Lender. No waiver of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

## 6.4 Severability

If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

## 6.5 Notices

Any demand, notice or other communication to be given to the Guarantor in connection with this Guarantee shall be sufficiently given if hand-delivered or sent by registered letter, postage prepaid, and such notice shall be deemed to have been given on the fifth business day following the mailing there of to the Guarantor at:

127 West Fairbanks Avenue, #433 Winter Park, Florida 32789

### 6.6 Discharge

The Guarantor will not be discharged or released from any of its Obligations hereunder except upon payment in full of the total amount guaranteed hereunder together with any interest thereon as provided in Section 4.2.

### 6.7 Additional Security

This Guarantee is in addition and without prejudice to, or in substitution for, any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Lender and any other rights or remedies that the Lender might have.

### 6.8 Governing Law

This Guarantee will be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador and the laws of Canada applicable therein.

## 6.9 Executed Copy

The Guarantor acknowledges receipt of a fully executed copy of this Guarantee.

## 6.10 "As is" Assignment

In the event the Guarantor pays the Lender the Obligations remaining outstanding and all other amounts due by the Guarantor to the Lender under this Guarantee, the Lender agrees to assign to the Guarantor, on a without recourse, warranty or representation and "as is" basis, the Obligations and all assignable security held by the Lender therefor.

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IN WITNESS WHEREOF the Guarantor has	executed this Guarantee.	
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Ti.	////	
lluko —	//// ·	(seal)
Witnessed by videoconference	STEVEN CARYY	



### **GUARANTEE AND POSTPONEMENT OF CLAIM**

THIS GUARANTEE is made as of the 28th day of May, 2020

WHEREAS LEAGUE SAVINGS AND MORTGAGE COMPANY (the "Lender") issued to 3337151 NOVA SCOTIA LIMITED (the "Borrower") an Offer of Finance letter dated May 26, 2020, as amended, modified, extended or renewed from time to time (hereinafter collectively referred to as the "Commitment") whereby the Lender has agreed to make a loan in the sum of \$6,300,000.00 (the "Loan") to the Borrower secured, *inter alia*, by a charge and mortgage of lands and premises (the "Mortgage") known as civic number 1598-1600 Barrington Street, Halifax, Nova Scotia (the "Property");

AND WHEREAS the undersigned, ANNAPOLIS MANAGEMENT, INC. (the "Guarantor") has agreed to provide the Lender with a guarantee of the Obligations (hereinafter defined) of the Borrower;

NOW THEREFORE THIS GUARANTEE WITNESSETH that in consideration of the premises and the covenants and agreements herein contained, the sum of \$2.00 now paid by the Lender to each of the Guarantors and other good and valuable consideration (the receipt and sufficiency of which are hereby mutually acknowledged), the Guarantor covenants with the Lender as follows:

# ARTICLE 1 GUARANTEE

## 1.1 Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees payment of the "Indebtedness", as defined in the Mortgage, at any time owing by the Borrower to the Lender or remaining unpaid by the Borrower to the Lender (hereinafter collectively referred to as the "Obligations"), together with interest thereon as provided in the Commitment. The Guarantor acknowledges having received and reviewed a copy of the Commitment.

## 1.2 Indemnity

If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Lender from and against all losses resulting from the failure of the Borrower to perform such Obligations.

### 1.3 Primary Obligation

If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1.1, or the Lender is not indemnified under Section 1.2, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.

### 1.4 Guarantee Absolute

- (a) The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:
  - (i) any lack of validity or enforceability of any agreements between the Lender and any Borrower Entity (as hereinafter defined), including any of the security documents granted under the terms of the Commitment; any change in the time, manner or place of payment of or in any other term of such agreements, or the failure on the part of any Borrower Entity to carry out any of its obligations under such agreements;
  - (ii) any impossibility, impracticability, frustration of purpose, illegality, force majeure or act of government;
  - the bankruptcy, winding-up, liquidation, dissolution or insolvency of any Borrower Entity or any party to any agreement to which the Lender is a party;
  - (iv) any lack or limitation of power, incapacity or disability on the part of any Borrower Entity or the Lender or of the directors, partners or agents thereof, or any other irregularity, defect or informality on the part of any Borrower Entity in its obligations to the Lender; or
  - (v) Any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, any Borrower Entity in respect of any or all of the Obligations.

(For the purpose of this Guarantee, "Borrower Entity" means the Borrower, each beneficial owner (if any) of the Property, each indemnifier (if any) and any other guarantor of all or part of the Indebtedness.)

(b) Any amount which may not be recoverable from the Guarantor by the Lender on the basis of a guarantee shall be recoverable by the Lender from the Guarantor as principal debtor in respect thereof, and shall be paid to the Lender forthwith after demand therefor as provided herein.

## 1.5 Joint and Several Liability

If more than one Guarantor executes this instrument the provisions hereof shall be read with all grammatical changes thereby rendered necessary and each reference to the Guarantor shall include the undersigned and each and every one of them severally and this guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.

# ARTICLE 2 DEALINGS WITH BORROWER AND OTHERS

## 2.1 No Release

The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Lender in connection with any duties or liabilities of the Borrower to the Lender or any security therefor, including any loss of or in respect of any security received by the Lender from the Borrower or other Borrower Entity. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, without obtaining the consent of or giving notice to the Guarantor, the Lender, as the case may be, may discontinue, reduce, increase or otherwise vary the credit of the Borrower and/or any other Borrower Entity in any manner whatsoever and may:

- (a) make any change in the time, manner or place of payment under, or in any other term of, any agreement between the Borrower and/or any other Borrower Entity and the Lender, or the failure on the part of the Borrower and/or any other Borrower Entity to carry out any of its obligations under any such agreement;
- (b) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower and/or other Borrower Entity;
- (c) take or abstain from taking or enforcing securities or collateral from the Borrower and/or any other Borrower Entity or from perfecting securities or collateral of the Borrower and/or any other Borrower Entity;
- (d) accept compromises from the Borrower and/or any other Borrower Entity;
- (e) apply all money at any time received from the Borrower and/or any other Borrower Entity or from securities upon such part of the Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit; and
- (f) Otherwise deal with the Borrower and/or any other Borrower Entity and all other persons and securities as the Lender may see fit.

# 2.2 No Exhaustion of Remedies

The Lender shall not be bound or obligated to exhaust its recourse against the Borrower, any other Borrower Entity or other persons or any securities or collateral it may hold, or take any other action before being entitled to demand payment from the Guarantor hereunder.

### 2.3 Prima Facie Evidence

Any account settled or stated in writing by or between the Lender and the Borrower shall be prima facie evidence that the balance or amount thereof appearing due to the Lender is so due.

## 2.4 No Set-off

In any claim by the Lender against the Guarantor, the Guarantor may not assert any set-off or counterclaim that either the Guarantor or the Borrower may have against the Lender.

# ARTICLE 3 CONTINUING GUARANTEE

### 3.1 Continuing Guarantee

This Guarantee shall be a continuing guarantee of the Obligations, and shall apply to and secure any ultimate balance due or remaining due to the Lender, and shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Lender upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

# ARTICLE 4 DEMAND

### 4.1 Demand

The Lender shall be entitled to make demand upon the Guarantor at any time upon the occurrence of any Event of Default (as defined in the standard charge terms forming part of the Mortgage), and upon such Event of Default, the Lender may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder whether or not such Obligations are yet due and payable at the time of demand for payment hereunder. The Guarantor shall make payment to the Lender of the total amount guaranteed hereunder forthwith after demand therefor is made to the Guarantor. The Guarantor shall pay all reasonable costs and expenses incurred by the Lender in enforcing this Guarantee.

## 4.2 Interest

The Guarantor shall pay interest to the Lender at the Interest Rate (established pursuant to the Commitment) on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to accrue from and including the date of demand by the Lender on the Guarantor.

# ARTICLE 5 ASSIGNMENT, POSTPONEMENT AND SUBROGATION

### 5.1 Assignment and Postponement

All debts and liabilities, present and future, of the Borrower to any party comprising the Guarantor are hereby assigned to the Lender and postponed to the Obligations, and all money received by any party comprising the Guarantor in respect thereof shall be held in trust for the Lender and forthwith upon receipt shall be paid over to the Lender upon the Lender giving the Guarantor notice of default of payment of the Obligations by the Borrower, the whole without in any way lessening or limiting the liability of the Guarantor hereunder, and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and paid in full.

## 5.2 Subrogation

The Guarantor will not be entitled to subrogation until the Obligations are performed and paid in full.

# ARTICLE 6 GENERAL

## 6.1 Benefit of the Guarantee

This Guarantee will enure to the benefit of the Lender and its respective successors and assigns and be binding upon the Guarantor and his heirs, administrators, executors, successors and assigns.

## 6.2 Entire Agreement

This Guarantee is subject to all of the terms and conditions of the Commitment, and if there is any conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment, the rights and obligations of the parties will be governed by the provisions of the Commitment. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein, or in the Commitment. The Lender shall not be bound by any representations or promises made by the Borrower to the Guarantor, and possession of this Guarantee by the Lender shall be conclusive evidence against the Guarantor that the Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with.

## 6.3 Amendments and Walvers

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Lender. No waiver of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach walved.

## 6.4 Severability

If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

### 6.5 Notices

Any demand, notice or other communication to be given to the Guarantor in connection with this Guarantee shall be sufficiently given if hand-delivered or sent by registered letter, postage prepaid, and

such notice shall be deemed to have been given on the fifth business day following the mailing there of to the Guarantor at:

127 West Fairbanks Avenue, #433 Winter Park, Florida 32789

### 6.6 Discharge

The Guarantor will not be discharged or released from any of its Obligations hereunder except upon payment in full of the total amount guaranteed hereunder together with any interest thereon as provided in Section 4.2.

# 6.7 Additional Security

This Guarantee is in addition and without prejudice to, or in substitution for, any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Lender and any other rights or remedies that the Lender might have.

## 6.8 Governing Law

This Guarantee will be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador and the laws of Canada applicable therein.

## 6.9 Executed Copy

The Guarantor acknowledges receipt of a fully executed copy of this Guarantee.

### 6.10 "As is" Assignment

In the event the Guarantor pays the Lender the Obligations remaining outstanding and all other amounts due by the Guarantor to the Lender under this Guarantee, the Lender agrees to assign to the Guarantor, on a without recourse, warranty or representation and "as is" basis, the Obligations and all assignable security held by the Lender therefor.

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WITNESS WHEREOF the Guarantor has	executed this Guarantee.
1	ANNAPOLIS MANAGEMENT, INC.
Mul >	Per: //// .
Vitnessed by videoconference	Name: Steven farvi Title: President

I have authority to bind the Guarantor



### **GUARANTEE AND POSTPONEMENT OF CLAIM**

THIS GUARANTEE is made as of the 28th day of May, 2020

WHEREAS LEAGUE SAVINGS AND MORTGAGE COMPANY (the "Lender") issued to 3337151 NOVA SCOTIA LIMITED (the "Borrower") an Offer of Finance letter dated May 26, 2020, as amended, modified, extended or renewed from time to time (hereinafter collectively referred to as the "Commitment") whereby the Lender has agreed to make a loan in the sum of \$6,300,000.00 (the "Loan") to the Borrower secured, inter alia, by a charge and mortgage of lands and premises (the "Mortgage") known as civic number 1598-1600 Barrington Street, Halifax, Nova Scotia (the "Property");

AND WHEREAS the undersigned, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP (the "Guarantor") has agreed to provide the Lender with a guarantee of the Obligations (hereinafter defined) of the Borrower;

NOW THEREFORE THIS GUARANTEE WITNESSETH that in consideration of the premises and the covenants and agreements herein contained, the sum of \$2.00 now paid by the Lender to each of the Guarantors and other good and valuable consideration (the receipt and sufficiency of which are hereby mutually acknowledged), the Guarantor covenants with the Lender as follows:

# ARTICLE 1 GUARANTEE

## 1.1 Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees payment of the "Indebtedness", as defined in the Mortgage, at any time owing by the Borrower to the Lender or remaining unpaid by the Borrower to the Lender (hereinafter collectively referred to as the "Obligations"), together with interest thereon as provided in the Commitment. The Guarantor acknowledges having received and reviewed a copy of the Commitment.

## 1.2 Indemnity

If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Lender from and against all losses resulting from the failure of the Borrower to perform such Obligations.

### 1.3 Primary Obligation

If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1.1, or the Lender is not indemnified under Section 1.2, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.

## 1.4 Guarantee Absolute

- (a) The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:
  - (i) any lack of validity or enforceability of any agreements between the Lender and any Borrower Entity (as hereinafter defined), including any of the security documents granted under the terms of the Commitment; any change in the time, manner or place of payment of or in any other term of such agreements, or the failure on the part of any Borrower Entity to carry out any of its obligations under such agreements;
  - any impossibility, impracticability, frustration of purpose, illegality, force majeure or act of government;
  - the bankruptcy, winding-up, liquidation, dissolution or Insolvency of any Borrower Entity or any party to any agreement to which the Lender is a party;
  - (iv) any lack or limitation of power, incapacity or disability on the part of any Borrower Entity or the Lender or of the directors, partners or agents thereof, or any other irregularity, defect or informality on the part of any Borrower Entity in its obligations to the Lender; or
  - (v) Any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, any Borrower Entity in respect of any or all of the Obligations.

(For the purpose of this Guarantee, "Borrower Entity" means the Borrower, each beneficial owner (if any) of the Property, each indemnifier (If any) and any other guarantor of all or part of the Indebtedness.)

(b) Any amount which may not be recoverable from the Guarantor by the Lender on the basis of a guarantee shall be recoverable by the Lender from the Guarantor as principal debtor in respect thereof, and shall be paid to the Lender forthwith after demand therefor as provided herein.

### 1.5 Joint and Several Liability

If more than one Guarantor executes this instrument the provisions hereof shall be read with all grammatical changes thereby rendered necessary and each reference to the Guarantor shall include the undersigned and each and every one of them severally and this guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.

# ARTICLE 2 DEALINGS WITH BORROWER AND OTHERS

## 2.1 No Release

The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Lender in connection with any duties or liabilities of the Borrower to the Lender or any security therefor, including any loss of or in respect of any security received by the Lender from the Borrower or other Borrower Entity. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, without obtaining the consent of or giving notice to the Guarantor, the Lender, as the case may be, may discontinue, reduce, increase or otherwise vary the credit of the Borrower and/or any other Borrower Entity in any manner whatsoever and may:

- (a) make any change in the time, manner or place of payment under, or in any other term of, any agreement between the Borrower and/or any other Borrower Entity and the Lender, or the failure on the part of the Borrower and/or any other Borrower Entity to carry out any of its obligations under any such agreement;
- (b) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower and/or other Borrower Entity;
- (c) take or abstain from taking or enforcing securities or collateral from the Borrower and/or any other Borrower Entity or from perfecting securities or collateral of the Borrower and/or any other Borrower Entity;
- (d) accept compromises from the Borrower and/or any other Borrower Entity;
- (e) apply all money at any time received from the Borrower and/or any other Borrower Entity or from securities upon such part of the Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit; and
- (f) Otherwise deal with the Borrower and/or any other Borrower Entity and all other persons and securities as the Lender may see fit.

# 2.2 No Exhaustion of Remedies

The Lender shall not be bound or obligated to exhaust its recourse against the Borrower, any other Borrower Entity or other persons or any securities or collateral it may hold, or take any other action before being entitled to demand payment from the Guarantor hereunder.

#### 2.3 Prima Facie Evidence

Any account settled or stated in writing by or between the Lender and the Borrower shall be prima facie evidence that the balance or amount thereof appearing due to the Lender is so due.

### 2.4 No Set-off

In any claim by the Lender against the Guarantor, the Guarantor may not assert any set-off or counterclaim that either the Guarantor or the Borrower may have against the Lender.

# ARTICLE 3 CONTINUING GUARANTEE

### 3.1 Continuing Guarantee

This Guarantee shall be a continuing guarantee of the Obligations, and shall apply to and secure any ultimate balance due or remaining due to the Lender, and shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Lender upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

# ARTICLE 4 DEMAND

### 4.1 Demand

The Lender shall be entitled to make demand upon the Guarantor at any time upon the occurrence of any Event of Default (as defined in the standard charge terms forming part of the Mortgage), and upon such Event of Default, the Lender may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder whether or not such Obligations are yet due and payable at the time of demand for payment hereunder. The Guarantor shall make payment to the Lender of the total amount guaranteed hereunder forthwith after demand therefor is made to the Guarantor. The Guarantor shall pay all reasonable costs and expenses incurred by the Lender in enforcing this Guarantee.

### 4.2 Interest

The Guarantor shall pay interest to the Lender at the Interest Rate (established pursuant to the Commitment) on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to accrue from and including the date of demand by the Lender on the Guarantor.

# ARTICLE 5 ASSIGNMENT, POSTPONEMENT AND SUBROGATION

### 5.1 Assignment and Postponement

All debts and liabilities, present and future, of the Borrower to any party comprising the Guarantor are hereby assigned to the Lender and postponed to the Obligations, and all money received by any party comprising the Guarantor in respect thereof shall be held in trust for the Lender and forthwith upon receipt shall be paid over to the Lender upon the Lender giving the Guarantor notice of default of payment

of the Obligations by the Borrower, the whole without in any way lessening or limiting the liability of the Guarantor hereunder, and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and paid in full.

## 5.2 Subrogation

The Guarantor will not be entitled to subrogation until the Obligations are performed and paid in full.

# ARTICLE 6 GENERAL

### 6.1 Benefit of the Guarantee

This Guarantee will enure to the benefit of the Lender and its respective successors and assigns and be binding upon the Guarantor and his heirs, administrators, executors, successors and assigns.

## 6.2 Entire Agreement

This Guarantee is subject to all of the terms and conditions of the Commitment, and if there is any conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment, the rights and obligations of the parties will be governed by the provisions of the Commitment. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein, or in the Commitment. The Lender shall not be bound by any representations or promises made by the Borrower to the Guarantor, and possession of this Guarantee by the Lender shall be conclusive evidence against the Guarantor that the Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with.

# 6.3 Amendments and Waivers

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Lender. No waiver of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

#### 6.4 Severability

If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

### 6.5 Notices

Any demand, notice or other communication to be given to the Guarantor in connection with this Guarantee shall be sufficiently given if hand-delivered or sent by registered letter, postage prepaid, and such notice shall be deemed to have been given on the fifth business day following the mailing there of to the Guarantor at:

127 West Fairbanks Avenue, #433 Winter Park, Florida 32789

#### 6.6 Discharge

The Guarantor will not be discharged or released from any of its Obligations hereunder except upon payment in full of the total amount guaranteed hereunder together with any interest thereon as provided in Section 4.2.

## 6. 7 Additional Security

This Guarantee is in addition and without prejudice to, or in substitution for, any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Lender and any other rights or remedles that the Lender might have.

### 5.8 Governing Law

This Guarantee will be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador and the laws of Canada applicable therein.

### 6.9 Executed Copy

The Guarantor acknowledges receipt of a fully executed copy of this Guarantee.

#### 6.10 "As is" Assignment

In the event the Guarantor pays the Lender the Obligations remaining outstanding and all other amounts due by the Guarantor to the Lender under this Guarantee, the Lender agrees to assign to the Guarantor, on a without recourse, warranty or representation and "as Is" basis, the Obligations and all assignable security held by the Lender therefor.

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# IN WITNESS WHEREOF the Guarantor has executed this Guarantee.

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

Per:

Witnessed by videoconference

Name: Steven Caryi

Title: President

I have authority to bind the Guarantor

This is Exhibit "F" referred to in the Affidavit of Mark Horne sworn before me on January 17, 2025

A Barrister of the Supreme Court of Nova Scotia

> MASC L.J. DUMMING A Barrister of the Supremo Count of Nova Scotia



December 2, 2020

Mr. S. Caryi
Annapolis Management Inc., as general partner of Ruby LLP and Annapolis Management Inc., in its own Capacity
c/o Cox & Palmer
Purdy's Wharf, Tower I
1100-1959 Upper Water Street
Halifax, NS B3J 3N2

Dear Sirs:

## RE: OFFER OF FINANCING - SUBJECT TO SYNDICATION

On behalf of Atlantic Central, we are pleased to advise your request to finance the renovation of the property at civic number 1533 Barrington Street, Halifax, NS, being PID# 00444141 (sometimes collectively referred to below as the "Property"), has been approved. The construction on the Property is sometimes referred to as the "Project". In addition to the terms and conditions outlined in the related security documents, this approval is subject to the following:

Borrowers: Annapolis Management Inc., as general partner of Ruby LLP and

Annapolis Management Inc., in its own Capacity

Lender: Atlantic Central

Guarantor: Steve Caryi

Purpose: To payout existing debt and assist in the renovation of the property at 1533

Barrington Street, Halifax NS

Loan type: Construction Loan

Loan Amount: A maximum loan of \$13,375,000 being 72.3% of the appraised value of the

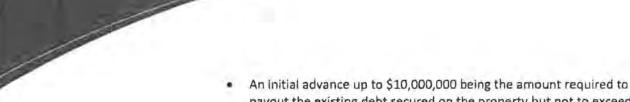
property once completed, released as follows:

PC Box 9200 6074 Lady Hammond Read Haliffax, NS B3K 5N3

Lef (902) 45 C0680 Fax (902) 455-2437 Foll Free (800) 668-2879 nnt Pinewood Roud Riverview, NH 1-111-5Rn

Let (506) 857-8184 Lax (506) 857-9431 Lott Free (800) 332-3320 2) Julia Yeo Drice, Unit 3 Charlottetown, PJ CTL 333

Let (902) 566-3550 Line (902) 368-3534



 An initial advance up to \$10,000,000 being the amount required to payout the existing debt secured on the property but not to exceed 75% of the "as is" value to be provided by CBRE, and

 Progress draws totaling \$3,375,000 being 100% of the remaining renovation costs, to be released on a cost to complete basis.

Interest Rate: Prime + 1.50% for an 18-month term, with a floor rate of 4.30%.

As of the date of this letter, the prime rate is 2.45%

Loan Term: 18 months

Repayment: Interest only payments monthly, with full repayment at maturity.

### PRE-AUTHORIZED PAYMENT SYSTEM:

All payments of principal, interest, property taxes and annual review fees, will be made under the Lender's Pre-Authorized Payment System.

## SECURITY (all in the Lender's standard form):

- 1st Collateral Mortgage supported by a Promissory Note, over property located at 1533
   Barrington Street, Halifax NS (PID #00444141) including assignment of leases and rents.
- Assignment of Insurance over buildings and contents, with 1st loss payable to The Lender.
- Assignment of the Borrowers rights and interest (but not obligations) in all construction and
  other contracts (including ongoing operations), plans and specification, working drawings,
  budgets and schedules for the provision of material equipment and services to the project.
- A first charge General Security Agreement registered under PPSA for 24 months providing a security interest in all personal property, book debts, and other amounts arising from the company limited to property located at 1533 Barrington Street, Halifax NS.
- An Assignment of Builders Risk Insurance with loss payable to The Lender during the construction phase.
- An Unlimited Guarantee and Postponement of Claim from Steve Caryi
- A cost over-run and completion guarantee from the Borrowers and Guarantor on a Joint and several basis agreeing to fund all costs in excess of forecast and approved expenditures, which guarantee shall be in addition to and shall not reduce liability under the Guarantee required above.
- A Title Insurance Policy is to be supplied by First Canadian Title including FCT Extended Super Priority Lien Coverage.
- Such additional security as may be recommended by The Lender's solicitors, acting reasonably.

- The Borrowers and all guarantors confirm that they irrevocably appoint Marc Beaubien of Cox & Palmer (or, in his absence of any reason, the managing partner of Cox & Palmer (Halifax)) to accept service of any document, instrument or notice from the Lender or its solicitors under this letter or any of the security granted in furtherance of this letter.
- All security shall be supported by such Legal Opinions, Resolutions and incumbency certificates as may be recommended by the Lender's solicitors respecting the title to the property, priority, and registration of the security and confirming that the security has been duly authorized, executed and delivered by the borrower and enforceable in accordance with its terms.

#### EXPENSES:

All appraisal costs and legal fees relating to security preparation and registration fees are for the account of the Borrower.

#### FIRE INSURANCE:

The Borrowers agree to provide and arrange for the following:

A property insurance policy (Fire and Extended coverage or "All Risks") satisfactory to the Lender in respect to all real and personal property subject to the Lender's security and which records the Lender as First Loss Payee and contains the Standard Mortgage Clause as approved by the Insurance Bureau of Canada.

The Borrowers will advise their insurance broker/agent to arrange necessary insurance or amend existing policies as noted above. The solicitor instructed to take security on the Borrowers Facilities must have evidence that the required insurance is in force, prior to disbursement under either of the Facilities, and, if requested from time to time, prior to additional disbursements.

It is necessary to forward copies of insurance policies or renewals to the Lender and the Borrowers insurance broken/agent should be informed accordingly.

The Borrowers are obliged to inform the Lender of any loss or damage to all and any assets that are pledged as security to the Lender, including without limitation the Property and any personal property thereon from time to time.

### APPLICATION FEE:

Total Application Fee: \$66,875.00 Commitment Fee: \$3,000.00 (Received)

This total application fee includes a \$3,000.00 commitment fee which is payable at initial negotiations to cover investigations and other charges incurred by the Lender in processing the

Borrowers application. The remaining application fee of \$63,875.00 may be deducted from the Facilities' proceeds at closing.

## AMENDMENT FEES:

The Borrowers agree on a joint and several basis to pay the Lender's standard loan amendment and security processing fees then in effect, which are charged for the administrative handling of the loan documents by the Lender.

### ANNUAL REVIEW FEE:

The Borrowers agree to pay an annual review fee of \$500.00.

## LEGAL FEES:

Payment of legal charges relative to the preparation, execution and registration of this letter and security documents are the responsibility of the Borrowers and Guarantor on a joint and several basis.

### SOLICITOR - BORROWER:

Marc Beaubien Cox & Palmer Purdy's Wharf Tower I, 1100-1959 Upper Water Street Halifax NS B3J 3N2 Phone 902 491-4108

## SOLICITOR - LENDER:

Jim Musgrave Cox & Palmer Purdy's Wharf Tower I, 1100-1959 Upper Water Street Halifax NS B3J 3N2 Phone 902 491-4118

THE BORROWER HEREBY AGREES TO THE FOLLOWING TERMS OF LENDING WHICH SHALL BE CONTAINED IN THE MORTGAGE:

## Prepayment Privileges:

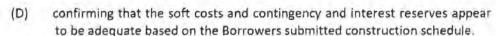
The Borrowers shall have the privilege of prepaying the Facilities in whole or part.

# THE BORROWERS HEREBY AGREE TO THE FOLLOWING PRE-FUNDING CONDITIONS PRECEDENT:

- Confirmation of the amount required to payout existing debt secured on the property at 1533 Barrington Street, Halifax.
- We will require that a minimum of 70% of the Hard Costs are to be arranged by way of fixed-price contracts. Fixed price contracts are to be in place for the excavation/earthworks, the foundation, framing, electrical, plumbing, asphalt, drywall, flooring, trim/doors, kitchen/bath and any contract greater than \$100,000.
- We will require an independent costs consultant / project monitor to review the
  construction cost budget, to monitor the construction works and provide certification to
  Atlantic Central on a cost to complete basis, upon which progress draws towards the
  construction will be made.
- Subject to receipt of a Phase 1 Environmental Site Assessment addressed to the Lender of the property at 1533 Barrington Street, Halifax NS.
- Subject to receipt of a transmittal letter from CBRE providing Atlantic Central authority to rely upon their appraisal dated October 2, 2020 for 1533 Barrington Street, Halifax NS.
- All and any cost overruns, and/or the cost of construction in excess of the market valuation, are the responsibility of the Borrower and Guarantor on a joint and several basis.
- The Borrower shall permit the Lender to erect up to an advertising banners, to a maximum size
  of 8ft x 4 ft. each, at the Property during construction, indicating that financing has been
  provided by credit unions of Atlantic Canada.
- The Lender will retain a quantity cost surveyor or quantity cost surveying firm (in either case, the "Project Monitor"), who shall act on behalf of the Lender and report directly to the Lender during the construction of the Project. The Lender will approve the Project Monitor prior to its being retained. The Project Monitor shall maintain errors and omissions insurance satisfactory to the Lender. All costs of the Project Monitor are for the account of the Borrowers on a joint and several basis and may be deducted from any advances under either Facility, at the Lender's sole option.

Duties of the Project Monitor include, but are not limited to, the following:

- (i) conducting an initial project review incorporating the following functions:
  - (A) reviewing the plans and specifications for the Project in conjunction with the project architect and confirming they are adequate to enable completion of the Project, that they are in line with industry norms and that as described in the plans and specifications the Project complies with all applicable zoning and other government requirements;
  - (B) confirming the construction contracts are in line with industry norms.
  - (C) confirming the construction budget, including hard and soft costs, appears to be adequate to complete the Project in accordance with the plans and specifications, and is in line with industry norms.



- (E) confirming that the Borrowers construction schedule is reasonable and attainable.
- (F) confirming that the Borrowers construction draw schedule is adequate and consistent with the time period allocated for construction of the Project.
- (ii) confirming that the Borrower has invested equity in the Project as required hereunder.
- (iii) approving the amounts to be advanced under the Facilities as requested by the Borrowers from time to time.
- (iv) reviewing any material changes to the original plans and specifications, construction budget and/or construction schedule, and advising the Lender in respect of same.
- (v) reserves the right to review invoices and cancelled cheques related to the Project on a monthly basis and prior to each advance under any Facility, to ensure previous loan advances have been used to pay appropriate outstanding invoices and that all major trades have been paid.
- (vi) certifying on each advance under the Facilities that the Project is being completed in accordance with the approved plans and specifications, construction budget and construction schedule, setting out the value of the work completed to date and the cost to complete the Project, and certifying that all moneys advanced by the Lender to date have been used only for the Project and that all major trades have been paid to date.
- (vii) certifying on the final disbursements of the Facilities that the Project has been completed in accordance with the approved plans and specifications, the construction budget and the construction contracts.

The Project Monitor shall provide written reports to the Lender in respect of the foregoing, setting out its professional opinion on same, and on any other matters related to the Project within the ambit of it professional expertise, as and when requested by the Lender.

All advances will be made through the Borrowers solicitor.

### THE BORROWER HEREBY AGREES TO THE FOLLOWING ONGOING CONDITIONS:

- Annual Review Engagement financial statements to be provided within 120 days of yearend for Ruby LLP.
- Annual Management prepared financial statements to be provided within 120 days of year end for Annapolis Management Inc. In the event that Annapolis Management Inc. acquires other assets at a value higher than \$500,000, in its own capacity and not in its capacity as general partner of a limited partnership, the requirement will be for the financial statements to be prepared on a Notice to Reader basis.

- o The borrowers will not, without the prior written consent of the Lender, pay any sums to Shareholders or related parties, whether in the form of salaries, bonuses, dividends, management fees, repayment of loans or otherwise that would cause an operating loss, cash flow deficit or breach of covenant for each fiscal year of the Borrower.
- In the event that any of these statements are not received within 120 days of the applicable financial year end, a late reporting fee of \$250 per month will be charged.

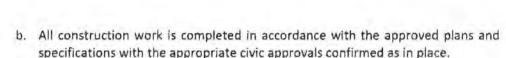
#### DISBURSEMENT OF FUNDS:

### **Drawdown Conditions:**

- (i) Subject to completion of all security and Pre-funding conditions.
- (ii) Total construction loan advances will be to a maximum of \$13,375,000, based on the approved project budget (the total project costs including without limitation the cost of the Property).
- (iii) The construction loan will be advanced as follows:
  - An initial advance of \$10,000,000 to payout the existing debt secured on the Property.
  - b. The balance of the construction loan, \$3,375,000 will then be advanced in progress draws on a cost-to-complete basis.
- (iv) If at any time the budgeted costs to complete the Project exceeds the unadvanced amount of the two Facilities, the Borrowers shall pay for the continuing work directly as any payments therefore fall due until such time as the cost to complete is less that the unadvanced amount of the Facilities.
- (v) All municipal approvals including without limitation building permit/development agreement, Provincial/Federal environmental approvals, etc. necessary to the development must be confirmed to be in place prior to any funding.

#### Conditions Precedent to Each Construction Advance:

- (i) On each disbursement, the Borrowers shall certify to the Lender that there have been no material amendments to the construction budget, construction schedule or plans and specifications approved by the Lender, except material amendments previously approved in writing by the Lender.
- (ii) Advances will be made from the Lender's solicitor through the Borrower's solicitor, with applicable holdbacks for liens under the Builders Lien Act.
- (iii) Construction advances will be calculated based on the Certificate from the Project Monitor that should confirm:
  - a. A detailed breakdown of original estimated costs, revised costs per change orders if any, and completed construction to date, as well as confirmation sufficient undrawn funds are available to complete the Project (i.e., cost to complete basis).

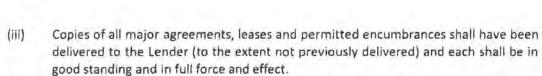


- c. Construction work is progressing within the original construction schedule,
- d. All draws are to be supported by a signed declaration of the general contractor and of an officer of the Borrowers, confirming all sub-trades and supplier accounts are in good standing.
- (iv) On each disbursement, the Lender shall receive a certificate of the architect for the Project that the Project is being completed in accordance with the approved plans and specifications, that all requisite development and regulatory approvals and permits have been granted to permit construction of the Project to the point to which the advance relates and that construction to date is in compliance with same and with all material municipal and other governmental requirements relating to construction of the Project.
- (v) Delivery of an opinion of the Lender's counsel addressed to the Lender confirming that a subsearch of title has been conducted and that no liens or other encumbrances are registered against title to the Property except for encumbrances previously approved by the Lender, in form and content satisfactory to the Lender.
- (vi) Confirmation that Property Taxes are paid up to date.
- (vii) The Lender, acting reasonably, shall be satisfied in its sole opinion, acting reasonably, that there has been no material adverse change from what was represented to the Lender as at the date of this Commitment, in (i) the position, financial or otherwise, of the Borrower, any beneficial owner of the Property (if different from the Borrower) or any additional Guarantor or (ii) the condition of the Property or the actual or anticipated revenues therefrom.
- (viii) Progress draws will be allowed no more frequently than monthly, and there will be a fee of \$250 per advance.

### Conditions Precedent to Final Advance of Loan

Prior to the final advance of the Facilities, the Lender shall be satisfied that each of the following conditions has been met.

- (i) The Lender shall have received satisfactory evidence that all costs, outlays and expenses incurred by the Borrowers in the development, construction, equipping and furnishing of the Project have been paid in full or in the alternative, the Lender must be satisfied that the final advance will be used to pay any such outstanding amounts.
- (ii) The Lender shall have received a certificate, satisfactory to it from the architect for the Project, stating that the Project has been completed in accordance with the approved plans and specifications, the construction budget and the construction contracts, that it is in compliance with all applicable laws and that the Borrower has received all necessary permits and approvals for occupation (including without limitation an occupancy permit) of the Project for its intended use.



- (iv) The statutory period for registration of liens in respect of the Project shall have expired, with no liens having been registered or notices of liens given, or if liens have been registered or notice thereof given, the Borrower shall have obtained the discharge, release, vacation or withdrawal of all such liens, as the case may be.
- (v) The Borrowers shall have paid all fees, costs and expenses of the Lender including without limitation, all legal costs of the Lender and all costs of experts and consultants engaged in connection with the Loan.
- (vi) The Lender shall have received such additional evidence, documents or undertakings as the Lender may reasonably request to establish compliance with the conditions set out in this Schedule.

### STANDARD TERMS:

Per attached Schedule "A"

#### Other Conditions:

It is understood that the Lender reserves the right to withdraw this Offer of Finance at any time should there be in the Lender's opinion, acting reasonably, any of the following:

- Any material adverse changes in the financial conditions of the Borrowers.
- B. Any unacceptable change in ownership of the Borrowers or their assets.
- C. Any legal matters or environmental matters arise or are discovered which are detrimental to the affairs of the Borrowers or The Lender's security.
- Any unusual delay in the finalization of the credit arrangements including the granting of security; or
- E. Any material adverse change in risk has occurred.

This Offer of Financing is open for written acceptance until December 17, 2020 or such other extended date as may be advised by The Lender in writing, and if this Offer of Financing is not accepted by that date, or the extended date, this Offer of Financing shall become null and void.

Sincerely,

Mark Horne

Director, Commercial & Lending Services

то:	Atlantic Central
ATTENTION:	Mark Horne, Director, Commercial & Lending Services
RE:	Annapolis Management Inc., as general partner of Ruby LLP and Annapolis Management Inc., in its own Capacity

We certify that all the information provided to Atlantic Central is true and we accept the Offer of Financing dated December 2, 2020 and agree to the above terms and conditions contained herein and acknowledge receipt of a copy of the Offer of Financing and Schedule 'A'.

1/1
Authorized Signature
Authorized Signature
1,
Signature

### Schedule A - Standard Credit Terms

#### 1. Definitions:

1.1 "Atlantic Central's Prime Rate" – means the annual rate of interest announced by the Atlantic Central through its offices from time to time as its prime rate then in effect for determining the floating rate on Canadian Dollar loans. The interest rate applicable to your loan will vary automatically without notice to you upon each change in the Atlantic Central's Prime Rate.

#### 2. Interest

- 2.1 Interest Calculation Interest is calculated monthly in arrears on the principal outstanding commencing on the date of first disbursement both before and after maturity, default and judgment.
- 2.2 Interest on Arrears Arrears of interest and any other amounts not paid when due bear interest at the same rate and are calculated and paid in the same way as interest on principal not in arrears.
- 3. Commitment Fee The commitment fee is liquidated damages, not a penalty and represents a reasonable estimate of the Atlantic Central's damages should you cancel more than 50% of the loan, cumulative, or allow it to lapse.
- 4. Transaction fees You will pay the Atlantic Central's standard loan amendment and security processing fees, which are charged for the administrative handing of the file including amending loan terms and conditions, switching interest rate plans, and the provision of discharges. You will pay the Atlantic Central on demand any amounts incurred by the Atlantic Central for returned cheque or pre-authorized payments handing. These fees may change from time to time without notice.
- Expenses You are responsible for all expenses, fees and disbursements relative to the placing of the loan and the security and you permit the Atlantic Central to pay same out of loan proceeds.
- 6. Signature This Offer of Finance and any modification of it may be executed and delivered by original signature, fax, or any other electronic means of communication acceptable to the Atlantic Central and in any number of counterparts, each of which is deeded to be an original and all of which taken together shall constitute one and the same Offer of Finance.

- 7. Disbursement Once you have satisfied all the Atlantic Central's security requirements, satisfied insurance requirements, met its contingent and underlying conditions, if any and utilized all the financing obtained from sources other than the Atlantic Central, if applicable, the Atlantic Central may disburse finds as required against documents evidencing program expenditures. Unless otherwise authorized, funds will be disbursed to the solicitor or notary taking security. The Atlantic Central may withhold disbursement or any non-disbursed balance if, in the Atlantic Central's opinion, a material adverse change in risk occurs. Neither the execution nor delivery of this Offer of Finance nor the advance of funds binds the Atlantic Central to make any advance or further advance of the loan.
- 8. Application of Payments All payments will be applied in the following order: 1) prepayment indemnity (if applicable), 2) disbursements necessary to protect the Atlantic Central's security or otherwise authorized by the Atlantic Central's security, 3) standby fees, 4) arrears, in the following order: transaction fees, annual management ices, monthly management fees, monthly management fees, interest and principal 5) commitment fees, 6) credits to the Tax Reserve Account and Maintenance and Upgrade Account, if applicable and 7) other amounts due and payable. Other than regular payments of principal and interest the Atlantic Central may apply any other monies received by it, before or after default, to any debt you may owe the Atlantic Central under this Offer of Finance or any other agreement and the Atlantic Central may change those applications from time to time.
- 9. Multiple Borrowers Where there is more than one borrower their obligations are joint and several and each stands as a principal debtor.
- 10.Illegal Activities You and if applicable, the guarantor(s) will not engage in or permit your premises to be used for any illegal activities or any businesses that are engaged in or associated with illegal activities or any businesses trading in countries that are proscribed by the Federal Government. The Atlantic Central's finding that there is an illegal activity will be final and binding between the parties and will not be subject to review.

11. Insurance – You will keep all your assets insured for physical damages and losses on an all risk basis for their full insurable value. The Atlantic Central reserves the

right to request a certified copy of the policies. The policies shall name the Atlantic Central as first loss payce and include a standard mortgage clause applicable to your particular coverage. As further security you assign all insurance proceeds to the Atlantic Central. You will notify the Atlantic Central immediately of any loss or damage to your property. If you do not maintain insurance as required the Atlantic Central may purchase insurance to protect its own interest and you will pay the premium.

- 12. Government Remittances You undertake to forward your remittances to the various government agencies as required by law and to provide proof of payment as the Atlantic Central may direct from time to time.
- 13. Environment In relation to your business and the assets of the business, you and your staff are operating and will continue to operate in conformity with all environmental laws; you and your staff will ensure that your assets are and will remain free of environmental damage or contamination: you will inform the Atlantic Central immediately upon becoming aware of my environmental problem or issue and will provide the Atlantic Central with copies of all communications with environmental authorities and all studies or assessments prepared on your behalf, all as soon as received by you; and you agree to pay the cost of any external environmental consultant engaged by the Atlantic Central to effect an environmental audit and the cost of any environmental rehabilitation, removal or repair necessary to protect, preserve or remediate the assets, including any fine or penalty the Atlantic Central is obligated to incur by reason of any statute. order or directive by a competent authority.
- Defaults any of the following events constitutes a default under the loan:
  - Default under the terms of this Offer of Finance or any security, promissory note or other documentation delivered by you or a guarantor to the Atlantic Central; or
  - Failure to make any payment to the Atlantic Central when due or to meet your other obligations under the security, this Offer of Finance, a promissory note or any other loan or agreement with the Atlantic Central; or
  - Any representation or warranty made by you to the Atlantic Central is untrue or ceases to be true;
  - Bankruptcy, insolvency, proposal or other relief under the Bankruptcy and Insolvency Act; appointment of a receiver or receiver-manger, winding up or failure to perform obligations to

other lenders or creditors; or

- You cease or threaten to cease to carry on all or a substantial party of your business.
- The Atlantic Central in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any of your obligations is impaired or any security is or is about to be placed in jeopardy.

Default under this Offer of Finance, the application for financing, any of the security or any other documentation delivered to the Atlantic Central constitutes default under this Offer of Finance and all the security and other such documentation. In the event of a default the Atlantic Central may, at its option, accelerate the loan, demand payment and enforce the security.

- 15. Information You authorize the Atlantic Central, from time to time, to obtain credit, compliance, account status and other information about you and your business from any financial institution, credit reporting or rating agency, credit bureau, governmental department, body or authority or utilities (e.g., hydro, natural gas).
- 16. Conflicts Except for the application for financing and the security, this Offer of Finance constitutes our entire agreement. To the extent that any provision of the application for financing or any of the security is inconsistent with or in conflict with the provisions of this Offer of Finance, the provisions of this Offer of Finance shall govern.
- 17. Notices we may give you notice in person, by telephone or by a letter sent by fax, by mail or electronically to your address above or such other address as you advise the Atlantic Central of in writing.
- 18. Governing Law This agreement will be governed by and construed in accordance with the laws of Nova Scotia

  (Province)

# 19. Covenants:

19.1 No Merger – Business Combination – You agree that there shall be no amalgamation, merger, acquisition or any other business combination, nor sale of the business or any of its assets, nor creation of an affiliated company, nor granting of any operating license, without the Atlantic Central's prior written consent.

19.2 Shareholders: Sell/Transfer – Change in Capital Structure – You must obtain the prior written consent of the Atlantic Central before permitting any of your shareholders to sell or transfer their shares or before any change in effective voting control or change in capital

structure of your corporation by contractual or other means

- 19.3 Disposition you agree not to sell, lease, exchange or otherwise dispose of your property other than in the ordinary course of business.
- 19.4 Reorganization you agree not to institute proceedings for the winding up, reorganization or dissolution of your corporation or business.
- 19.5 Nature of Business you agree not to change the nature of your business.
- This Offer of Finance may only be amended by terms set out in writing to which you and the Atlantic Central agree
- 21. Representations the Borrower and any guarantor hereby represents and warrants to the Atlantic Central, upon each of which representations and warranties the Atlantic Central specifically relies, as follows:
- 21.1 Due Incorporation. Power and Execution
   if any of the Borrower or Guarantors is a corporation, it
  is duly incorporated and validly subsisting under the laws
  of this governing jurisdiction and is duly authorized and
  licensed to own its properties, to carry out its business as
  currently carried on by it and each has all necessary
  power and authority to enter into and perform its
  obligations under this Offer of Finance and the security
  relating thereto and such agreements constitute valid and
  binding obligations of the Borrower and the guarantors as
  the case may be, enforceable against it in accordance with
  its terms.
- 21.2 Compliance with Laws the Borrower and any Guarantor is conducting its business and operations in material compliance in all material compliance in all material respects with all applicable federal, provincial and municipal laws, by-laws, regulations and guidelines and with applicable permits.
- 21.3 Environmental Matters the Borrower has not used any property, nor permitted any property to be used in contravention of any environmental laws and it has not received any notice that it is potentially responsible for any cleanup or remediation under any environmental laws.
- 21.4 Litigation except as disclosed to the Atlantic Central, there are no actions or proceedings or threatened against or affecting the Borrower or any of the guarantors or any property in which it has any interest.
- 21.5 Disclosure all material information, including financial information, provided or to be provided from time to time to the Atlantic Central is true and correct and none of the documentation provided to the Atlantic Central contains or will contain any untrue statement of material fact or misleading information or omits a Rev 2011-09

material fact necessary to make the statements contained therein not misleading. Any financial statement has been prepared in accordance generally accepted accounting principals applied on a basis consistent with preceding statements.

21.6 Title to Assets – the Borrower has and will have good and marketable fille to the pledged collateral and its property and assets free and clear of all liens and encombrances except those in favour of the Atlantic Central and save except as disclosed, approved and permitted by the Atlantic Central.

CREDIT

# DEMAND PROMISSORY NOTE FLOATING RATE

\$ 13,375,000.00

Account No. 06104-1

Date: December | 2020

FOR VALUE RECEIVED I (WE JOINTLY AND SEVERALLY) PROMISE TO PAY TO

Atlantic Central ("The Credit Union") on demand the principal sum of:
THIRTEEN MILLION, THREE HUNDRED AND SEVENTY-FIVE THOUSAND DOLLARS

(\$13,375,000.00)

(the "loan") together with interest at the rate of the greater of: (i) The Credit Union's stated prime rate of interest, plus One Point Five Percent (1.50%) per annum, or (ii) Four Point Three Percent (4.30%) per annum, calculated and payable monthly, before as well as after maturity, default and judgment. The Credit Union reserves the right to charge fees and penalties in the amount of <u>Fifty Dollars</u> (\$50.00) each time there is a failure to honour any payment schedule or any other terms as stipulated in this agreement or in any other agreement related to this loan. Such fees and penalties are subject to change by the Credit Union without notice.

The undersigned agree(s) to pay all expenses, including legal expenses, incurred by the Credit Union in taking the security for the loan (as hereinafter set out), in collecting the loan or in enforcing and realizing upon the security for the loan.

All payments will be applied firstly toward interest and secondly toward principal.

I (WE) hereby pledge to the Credit Union all shares in the capital stock of the Credit Union, all dividends paid on account of shares in the capital stock of the Credit Union, all patronage refunds received or payable from the Credit Union and all deposits with the Credit Union (hereinafter referred to as the "Collateral"), which I (WE) now have or hereafter may have, either individually or jointly with one or more of the undersigned, as security for repayment of the principal sum and interest as herein set forth and all costs and expenses incurred by the Credit Union in enforcing thereof, and hereby authorize the Credit Union to apply any or all of the Collateral to the payment of the said principal sum, interest, costs and expenses.

Each party to this note severally waives demand and presentation for payment, notice for non-payment, protest and notice of protest of this note.

[signature page follows]

11. 60	ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP
Wimess	Per: (c/s) Name: Steven Caryi Title: President
	I have authority to bind the corporation
	ANNAPOLIS MANAGEMENT, INC.
Witness	Per: (c/s) Name: Steven faryi
	Title: President

I have authority to bind the corporation



6074 Ledy Hammond Road, Halifax, NS B3K 2R7 Toll Free: 1-800-668-2879 Telephone: 902-453-4220

# Renewal Agreement

Mortgage Number: 06104-70-1

Re: Property Address:

1533 Barrington Street, Hallfax, NS PID 00444141

Mail To:

Guarantor(s):

Annapolis Management Inc., as general partner of Ruby LLP & Annapolis Management Inc., in its own Capacity 2766 Meeting Place

Approx. Balance Outstanding

Steve Caryl

Orlando, Florida 32814

Property Taxes Total Current

Maturity Date at Maturity Date Payment (if applicable Payment \$11,068.00 \$11,068,078,42 \$0.00 Interest Only collateral July 1, 2022 Interest only

important Notes: 8 Months renewal has been issued based on monthly interest only payments. Interest Rate is based on Prime plus 1.50%, with a floor rate of 4.30%. At the date of this renewal the prime rate is 3.70%.

#### Renewal Terms

Current Monthly Interest

Borrowera	# of	Term	Interest	Monthly Interest	Taxes	Total Monthly	Date of	Date of New
initials	Payments		Rate	Only Payments	(# applicable)	Payment	First Payment	Maturity Date
-3-3	8	6 Months Closed	5.200%	interest only	\$0.00	Interest Only	August 2, 2022	January 2, 2023

- 3. The current remaining amortization on this mortgage is 0 Years 6 Months.
- 4. Interest shall be charged at a rate based on your selected term. Payments shall include interest calculated half-yearly, not in advance.
- 5. The fees applicable to this Agreement, including the renewal processing fee, are set out in Schedule 'C2', see attached. 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 the unpaid fee(s).
- 6. During the term of the Mortgage, as renewed by this Agreement, or during the term of any further renewal, the prepayment privileges as described in Schedule 'C1' (see attached) apply, subject to any rights you may have under the federal Interest Act and applicable provincial legislation. For the purpose of statutory rights you may have under the federal Interest Act and applicable provincial legislation, the date of your Mortgage is changed to the Maturity Data
- 7. If on the Maturity Date, the outstanding balance of principal, together with all interest due and payable remains unpaid, we may at our option, without further consent by you, automatically renew this Mongage for a further 1 year closed term at the then current interest rate offered by us. If we choose to renew your Mongage for an additional 1 year term, the payment of principal, interest, and taxes (if applicable), will commence on your regular payment date, following the New Maturity Date. A renewal processing fee may be added to the principal balance of the Mortgage, as renewed. The provisions of our option to renew for a 1 year term shall again apply for each renewed term of the Mortgage from time to lime.
- 8. Upon acceptance of this offer, your revised payment including principal, interest, and taxes (if applicable), will start on your regular payment date, following the Maturity Date, and will continue on that subsequent date until the New Maturity Date, at which time, subject to paragraph 7 above, the behance of the ionn then unpaid will become due and payable. Taxes may be subject to further adjustment.
- 9. All terms and conditions of the Mortgage shall remain in full force and effect except as amended by this Agreement.
- 10. All schedules to this Agreement shall form part of this Agreement.
- 11. If you decide to accept this offer, please sign this Agreement and cause it to be signed by the Guarantor(s) (if any) and return the original to us on or before the Maturity Date noted above. We are only able to offer the above interest rate until your Montgage manures on the Maturity Date, therefore, please be sure the signed original of this Agreement is received by us on or before that date along with your payment for the renewal processing fee noted above. This offer shall in no event extend beyond the Maturity Date of your Montgage and we reserve the right to revoke this offer at any time before that date unless we have received the signed original of this Agreement. The date contained in this Agreement is for renewal purposes only and is NOT a payout figure.
- 12. If there is any inconsistency between the terms of the Mortgage and this Agreement, the terms and conditions of this The Agreement shall prevail to the extent of the inconsistency.
- 13. IF YOU ARE MARRIED OR ARE A PARTY TO A REGISTERED DOMESTIC-PARTNER DECLARATION PURSUANT TO PROVINCIAL LEGISLATION, YOUR SPOUSE MUST SIGN IN THE SPACE PROVIDED ON THE REVERSE ("Consent of Spouse of the Borrower") IN ORDER TO COMPLY WITH PROVINCIAL FAMILY LEGISLATION.

June 09, 2022	Barrana Horvicon
Date	Barbara MacVicar, FSO I, Commercial & Lending Services
Signature	es are Required on Reverse
☐ Return to Atta	ntic Central Retained by Borrower

<sup>1.</sup> Your Mortgage will mature on the meturity date noted above ("Maturity Date"). The address of the mortgaged property, approximate balance duristanding on your Mortgage, and other current details of your Mortgage are also noted above

<sup>2.</sup> This Renewal Agreement and Disclosure Statement (the 'Agreement') is an offer to renew your mortgage for an additional term. The terms of this Agreement, including the renewal options, are act out below. Select your renewal option by initialing beside your choice in the space provided. This offer is conditional upon you making payments, when due, up to and including the Maturity Date. This offer is also conditional upon you signing this Agreement and providing the original signed. Agreement to us on or before the Maturity Date.

#### \*\*IMPORTANT\*\*

# Please ensure that all borrowers have initialed in the space provided beside your desired renewal term on the previous page.

# To: Atlantic Central

I/We accept this affer of renewal and agree to the terms and conditions of this Agreement. I/We agree to observe and perform all the terms and conditions of this Agreement and of the Mortgage.

I/We further agree to notify all subsequent purchasers and mortgages of the terms and conditions of this Agreement and upon request, to execute such further documents as may be necessary to protect the interest and priority of Atlantic Central under the Mortgage and The Agreement. I/We agree that in consideration of this offer of renewal, to repay all montes now due or to become due under the Mortgage and this Agreement, including interest.

Dated at Orlando FL	this 10	th day of Jun	× 11.20-22	
Signature of Bodylmer. Annapolis Manage	ment inc., as goneral partner	of Ruby LLP Signature of Borro	Annapolle Management Inc., in	its own Capacity
Consent of Spouse of the Borrower (to be o				
I am the spouse of the owner of the property subject thereto.	o the Mortgage above and agree	e to the terms and conditions of thi	s Agreement and I agree to postpone my interest in	the mortgaged property
Dated at	this	day of	, 20	
Signature of Spouse			Address of Spouse	
Signature of Guarantor(s) (if any)				
I/We, the Guarantor(s) of the Mortgage agree that my	our guarantee extends to the w	orms and conditions of this Agreeme	int.	
Deted at MO Lund	0 F) ma 10	1 day of Jun	e 20 ZZ	
1/10/100	7			
X Steve Caryl		-		
///				

Has your identification information changed since we've last talked?

Please advise your Credit Union or Atlantic Central representative if you have had any changes to the following:

Name, Address, Phone Number, Occupation



6074 Ledy Hernmond Road, Hallfax, NS B3K 2R7
Toll Free: 1-800-868-2879 Telephone: 902-453-4220

# Renewal Agreement

Mortgage Number: 06104-70-1

Re: Property Address:

1533 Barrington Street, Halifax, NS PID 00444141

Mail To:

Guarantor(s): Steve Carvi

Annapolis Management Inc., as general partner of Ruby LLP & Annapolis Management Inc., in its own Capacity 2766 Meeting Place Orlando, Florida 32814

	Approx. Balance Outstanding	Current Monthly Interest	Property Taxes	Total Current	Renewal Processing	
Maturity Date	at Maturity Date	Payment	(if applicable)	Payment	Fee	Type of Mortgage
January 2,2023	\$11,834,949.39	Interest only	\$0.00	Interest Only	\$1,000.00	collateral

- 1. Your Mortgage will mature on the maturity date noted above ("Maturity Date"). The address of the mortgaged property, approximate balance outstanding on your Mortgage, and other current details of your Mortgage are also noted above.
- 2. This Renewal Agreement and Disclosure Statement (the 'Agreement') is an offer to renew your mortgage for an additional term. The terms of this Agreement, including the renewal options, are set out below. Select your renewal option by initialing beside your choice in the space provided. This offer is conditional upon you making payments, when due, up to and including the Maturity Date. This offer is also conditional upon you signing this Agreement and providing the original signed. Agreement to us on or before the Maturity Date.

Important Notes: 6 Months renewal has been issued based on monthly interest only payments. Interest Rate is based on Prime plus 1.50%., with a floor rate of 4.30%. At the date of this renewal the prime rate is 5.95%.

#### Renewal Terms

Borrowers	# of	Term	Interest	Monthly Interest	Taxes	Total Monthly	Date of	Naw
Initials	Payments		Rate	Only Payments	(if applicable)	Payment	First Payment	Maturity Date
	5	6 Months Closed	7.450%	interest only	\$0.00	Interest Only	Febuary 3, 2023	June 30, 2023

- 3. The current remaining amortization on this mortgage is 0 Years 6 Months.
- 4. Interest shall be charged at a rate based on your selected term. Payments shall include interest calculated half-yearly, not in advance
- 5. The fees applicable to this Agreement, including the renewal processing fee, are set out in Schedule 'C2', see attached. If you do not pay any of these fees when due, we may add them to the belance owing on your Mortgage and additional interest will accrue on the unpaid fee(s).
- 6. During the term of the Mortgage, as renewed by this Agreement, or during the term of any further renewal, the prepayment privileges as described in Schedule 'C1' (see attached) apply, subject to any rights you may have under the federal interest Act and applicable provincial legislation. For the purpose of statutory rights you may have under the federal interest Act and applicable provincial legislation, the date of your Mortgage is changed to the Maturity Date.
- 7. If on the Meturity Date, the outstanding balance of principal, together with all interest due and payable remains unpaid, we may at our option, without further consent by you, automatically renew this Mortgage for a further 1 year closed term at the then current interest rate offered by us. If we choose to renew your Mortgage for an additional 1 year term, the payment of principal, interest, and taxes (if applicable), will commence on your regular payment date, following the New Maturity Date. A renewal processing fee may be added to the principal balance of the Mortgage, as renewed. The provisions of our option to renew for a 1 year term shall again apply for each renewed term of the Mortgage from time to time.
- 8. Upon acceptance of this offer, your revised payment including principal, interest, and taxes (if applicable), will start on your regular payment date, following the Maturity Date, and will continue on that subsequent date until the New Maturity Date, at which time, subject to further adjustment.
- 9. All terms and conditions of the Mortgage shall remain in full force and effect except as amended by this Agreement.
- 10. All schedules to this Agreement shall form part of this Agreement
- 11. If you decide to accept this offer, please sign this Agreement and cause it to be signed by the Guarantor(s) (if any) and return the original to us on or before the Maturity Date noted above. We are only able to offer the above interest rate until your Mortgage matures on the Maturity Date, therefore, please be sure the signed original of this Agreement is received by us on or before that date along with your payment for the renewal processing fee noted above. This offer shall in no event extend beyond the Maturity Date of your Mortgage and we reserve the right to revoke this offer st any time before that date unless we have received the signed original of this Agreement. The data contained in this Agreement is for renewal purposes only and is NOT a payout figure.
- 12. If there is any inconsistency between the terms of the Mortgage and this Agreement, the terms and conditions of this The Agreement shall prevail to the extent of the inconsistency.

13. IF YOU ARE MARRIED OR ARE A PARTY TO	D A REGISTERED DOMESTIC-PARTNER DECLARATION PURSUANT TO PROVINCIAL LEGISLATION, YOUR SPOUSE MUST SIGN IN
THE SPACE PROVIDED ON THE REVERSE ("C	consent of Spouse of the Borrower") IN ORDER TO COMPLY WITH PROVINCIAL FAMILY LEGISLATION.
And the second of the second o	P (Int Ch.)

December 07, 2022		BONDON HOLVICON	RF
Date	<del></del>	Barbara MacVicar, FSO I, Commercial & Lending Services	-
	Signatures are Requ	uired on Reverse	
	Return to Atlantic Central	☐ Retained by Borrower	

# \*\*IMPORTANT\*\*

# Please ensure that all borrowers have initialed in the space provided beside your desired renewal term on the previous page.

#### To: Atlantic Central

I/We accept this offer of renewal and agree to the terms and conditions of this Agreement. I/We agree to observe and perform all the terms and conditions of this Agreement and of the Mortgage.

I/We further agree to notify all subsequent purchasers and mortgages of the terms and conditions of this Agreement and upon request, to execute such further documents as may be necessary to protect the interest and priority of Atlantic Central under the Mortgage and The Agreement. I/We agree that in consideration of this offer of renewal, to repay all monies now due or to become due under the Mortgage and this Agreement, including interest.

sted at Oan Co	Lthis	day of Dece	mber 2 22			
nature of Borrower: Aymagoliy Magageme	nt Inc.,as general partner of	Ruby LLP Signature of Borrower(s	Annapolis Management Inc., in its o	wn Capacity		
				-		
nsent of Spouse of the Borrower (to be cor	npleted in the event the	property is registered in only o	ne name)			
m the spouse of the owner of the property subject to t perty thereto.	ne Mortgage above and agree	to the terms and conditions of this Agr	eement and I agree to postpone my interest in the	топрадеа		
ed at	this	day of	. 20			
Signature of Spouse		Address of Spouse				
gnature of Guarantor(s) (if any)						
materio di Guaranto (a) (ii any)	guarantee extends to the ten	ns and conditions of this Agreement.				
e, the Guarentor(s) of the Mortgage agree that my/ou						
01.11	7 0	th No.	her 77			
01.11	-L this g	th day of Dece	mer 20 22			
Ne, the Guarantor(s) of the Mortgage agree that my/ou ated at X	this g	th day of Dece	mer 20 22			

Has your identification information changed since we've last talked?

Please advise your Credit Union or Atlantic Central representative if you have had any changes to the following:

Name, Address, Phone Number, Occupation

# SCHEDULE "C1" PREPAYMENT OPTIONS

#### FOR RESIDENTIAL MORTGAGES

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

#### A. Prepayment Privileges

#### 1. Regularly Scheduled Payments

During each regularly scheduled payment period you are permitted to pay up to double your contracted regularly scheduled payment without prepayment charges regardless of the contracted interest rate or the current posted interest rate, provided your regularly scheduled payments are up-to-date. This privilege is non-cumulative.\*

#### 2. Annualh

In addition to increasing your regularly scheduled payment (as above), you are permitted to prepay, without prepayment charges, up to twenty (20%) percent of your outstanding balance once in any twelve (12) month period. Regular payments must continue without interruption. This privilege is non-cumulative.\* Prepayments in excess of 20% will be charged a penalty on the amount of prapayment as outlined in section B (Prepayment Charges) below.

\*These prepayment priviliges without penalty are non-cumulative and cannot be used at the time you payout the principal amount of the mortgage in full

#### B. Prepayment Charges

If you want to payout all or a portion (greater than 20%) of your mortgage balance before the end of your mortgage term, you will be charged a penalty. Your penalty will be the greater of: three (3) months interest at your contracted annual interest rate QR 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 (ie. a term equal to the time 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 1-900-669-2679 or visit out 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 ha/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 5% 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 meturity 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 Mcs	\$1,500 (3 mos interest penalty)	Amount you want to prepay	\$100,000 (D)
Grand Street Street Contract of	Contract Contract Contract	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.

#### C. Statutory Right of Prepayment

If the term of your mortgage is greater than 5 years, you may prepay the outstanding principal amount of your mortgage any time after the end of the 5th year after the interest adjustment date, provided you pay a penalty equal to the outstanding principal amount and interest owing to the date of prepayment, <u>plus</u> an amount equal to three (3) morths interest calculated at your existing annual interest rate on the date of prepayment. The "term" of your mortgage means the period of time until your mortgage becomes due and payable unless renewed; it does not mean amortization.

#### 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 Renewal Fee The greater of \$200.00 or 1/10 of 1% of the balance at the time of amendment
  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 \$25.00 per statement
- 8 Amendment Fee The greater of \$200.00 or 1/10 of 1% of the balance at the time of amenda
- 7 General Security Agreement The document will be registered for the amortized period of the debt and a fee charged (PPSA), if applicable to the mortgage account in accordance with provincial legislation.
- 5 Property Tax Administration Fee, where As billed by your municipality. applicable



# **Extending Agreement**

	*						10an Number 05104-70-1	
rrower(s)	Annapolis Manager	ment Inc., as general partner o	Ruby LLP		erty Address			-0,1
-		gement Inc., in its own Capacit Orlando, Florida 32814	Y		33 Barrington Street,	Heilfax, NS PID 00444141		-
urantor(s)	Stove Garyi							
	unity Date	Approx Belance Outstand Maturity Date \$12,901,032.38	ing at the	Interest Only payments	Taxes included applie		Yotel Gureen Payment Interest Only	Ty: Murt
a Extension Ag	greement, the words "YOU" a	and "YOUR" mass the Berrower and the	Co-Barrawer, if any, "WE", "OUR	Control City Value 1 and 1				
interest of final payment i haraby offer to ding principal. I payable.	the rate of is due on the majurity date a extend the time for payment	r of the belance of your loan and in reli see, will begin on your regular payment.	per year, calculated o	m alan monthly  Its Canical Loan and Promissory Nate	haste. The forms of your Atlantic stay of each subsequent in	\$13,375,900.09 Contrel Loan and Prembserry Note, se month until the new malurity data, at whi	estanded, are set out below. The revision the lives the below the lives the below the set of the lives the livest the live	ed monthly aid will bes
nsion Option at on a		0.8 year Amortization	n Plan	Extension	n Term	Interest Rate is based on	n waved based on moretry interest or Prime plus 1 50%, with a floor rate of	
erdion Fee		1,000.00				At the dise of this renewal	the prime rate a 6 70%.	
A de Initias	Extension Term/Mos.	New Malurity Date	Interest Rate	Monthly payments (Interest only.)	Taxes	New Payment	New Payments Begin	-
~	6.0 • Mortgage shall be made on	December 15, 2023	Prime Plus 1.50%	Interest Only	30.00	Interest Only	July 15, 2023	
	Bartona Hot Vita	ac	_	Checked By	Panda Trancis			
	Barb MacVicar, Finan	ncial Services Officer		1120 20 10	tuane banacia			
ect to whatever very of amounts MENT METHI hereby give as	ONS OF YOUR LOAN or changes are made above, a owing under yer Allantic Co  OO sulfortballen to effect paym		ider any security of charge.	emain in full force and effect. This Ag		any security or charge wa hold, yar we	i if alfact our rights against you or any	olinia park
MENT METHI hereby give as a DIT INFORMA authorize us to	ONS OF YOUR LOAN or changes are made above, a owing under yer Allentic Co OO. suthorization to affect payme IATION oddain credit information abo	the other provisions of your Atlantic Cr entral Lean, your Phonosopy Note or le ents on your loan by way of pre-aichieru and you wild chiefe any information you?	ndar any secutify or charge led psymiants. heve given us. We may also give in	Normalion about you to credit burnaus a	rehmaat wii not krysiidate nid aliher credii greniora ee	parmitted by Law.		
MENT METH thereby give as a EDIT INFORMA authorize us to	ONS OF YOUR LOAN  If changes are made store, is ewing under your Allentic Cr  GO  sufficiellen to affect psymmetrion  officer and the control of the control	the other provisions of your Atlantic Ci entral Lean, your Promissory Note at let enter on your bean by very of pre-sistence and you and check any information you? I indestriations a selfanced by the Promis	det any secutity of charge. ced psymiants. heve given us. We may also give in secry Male and agree to be bound b	Normalion about you to credit burnaus a	rehmaat wii not krysiidate nid aliher credii greniora ee			
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#### SCHEDULE "C1"

#### PREPAYMENT OPTIONS

#### FOR COMMERCIAL MORTGAGES

#### As at the execution date of this mortgage and/or mortgage renewel

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

2. Prepayment Charges

If the terms of your mortgage permit you to payout all or a portion of your mortgage belance before the end of your mortgage terms sucject to the payment at a prepayment panalty, as set our yet the Mortgage Commitment, the penalty will be the greater of: three (3) months interest as your contracted indirect size of size of a prepayment to the control of th

#### Table 1 - Rimiter Term to Maturity

Time Rémaising on Your Mortgage	Mortgage with Similar Term to Maturity		
Greater than 5 morths and less than or equal to 18 morths (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 then or equal to 42 months (i.e. < 2.5 to 3.5 years)	3 years		
Grester than 42 months and less than or equal to 54 months (La < 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 assurable, a manifest has a mindgage of \$100,000 that heishe wants to pay off 40 months and 15 days early. The member's consisted annual interest rate in \$15, and the current 2 year interest rate (mystgage with a similar term to modular) in \$50.

- The 3 month interest penelty would be calculated using the momber's contracted annual interest rate of 5%.
  The 3 month interest rate and the current posted interest rate and the current posted interest rate on a montpage with a similar term to maturity. In this assumption, as the term remaining on the member's montpage and of months and 15 days (or 3.375 years) it has a similar term to maturity as a 3 year montpage (see Table 1). The interest differential is therefore equal to the difference between the member's montpage and year water and 15 days (or 3.375 years) it has a similar term to maturity as a 3 year montpage (see Table 1). The interest differential is therefore equal to the difference between the member's indeed rate of year water and 2 year water at 3 years.

3 Months interest:		OR	Interest Rate Differential (IRD)	
Amount you want to prepay	\$100,000 (A)		Your interest 10te	
Your interest rate	6,000% (B)		Similar term to maturity rate (3 yrs)	
(A) x (B) = Annual interest	\$6,000 (C)		(A) - (B) = Rate Differential	
(C) Armuel Interest / 12 x 3 Mos	\$1,500 (3 mos interest penalty)		Amount you want to prepay	
			You term to malumy	\$1,507,500,000

In the above example, the (sester of the 3 months inlines) penalty (\$1,500) or the Interval rate differential penalty (\$1,507,50) would be the Interval rate differential penalty. Therefore, the modage prepayment penalty that would be charged in the above example would be the interval rate differential penalty of \$1,507,50.

MIG (NS NO PE, NL) Rev.

#### SCHEDULE "C2"

# FEES AS AT THE EXECUTION DATE OF THIS MORTGAGE

AND/OR MORTGAGE RENEWAL Fire Insurance
 Administration Fee \$100 00 plus cost of insurence premium The greater of \$200.00 or 1/10 of 1% of the balance at the time of renewal 2 Maximum Renewal Fee \$150.00 if refinencing with Attentic Central \$300.00 if loan paid out prior to being fully amortized \$150.00 if loan fully amortized 3 Release Fees 4 NSF Cheque Fees + \$50,00 per occurrence \$25 00 per eletement 6 Max-Mortgage Amendment Fee. The greater of \$200.00 or 1/10 of 1% of the balance at the time of amendment. 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

6 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

Picte: Atlantic Central reserves the right to make changes to the aboye fees from time to time

EFFECTIVE DATE March 1, 2015

#### 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 QR 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 (ie. 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 morths remaining on your mortgage term until maturity. For a detailed example of a comparison between the three (3) morths 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 Meturity
Greater than 6 months and less than or equal to 18 months (i.e. 0.6 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 80 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 meturity as a 3 year mortgage (see Table 1). The interest differential is therefore equal to the difference between the member's interest rate of 6.50% (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 y	ra) 5.500% (B)
(A) x (B) = Annual Interest	\$8,000 (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)
Contract to the second		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 montgage 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

4	Fire insurance	
ľ	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	<ul> <li>\$150.00 if refinancing with Atlantic Central</li> <li>\$300.00 if loan paid out prior to being fully amortized</li> <li>\$150.00 if loan fully amortized</li> </ul>
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 amendm

- 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 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.
- Maximum Annual Review Fee
   The greater of \$200.00 or 1/10 of 1% of the balance at the time of review.
- Property Tax Administration Fee, As billed by your municipality where applicable

Note: Atlantic Central reserves the right to make changes to the above fees from time to time,



# **Extending Agreement**

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This is Exhibit "G" referred to in the Affidavit of Mark Horne sworn before me on January 17, 2025

A Barrister of the Supreme Court of Nova Scotia

> MARC L.J. DUNNING A Barrister of the Supreme Count of Nova Scota

# COLLATERAL MORTGAGE

This MORTGAGE made this 11 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")

- 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.
  - (c) 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.

Property means the real property described in Schedule "A" to this Mortgage, and (f) includes all buildings, fixtures, equipment, machinery, furniture, furnishings and chattels and improvements now or hereafter brought or erected thereon.

#### GRANT OF MORTGAGE 2.

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.

#### SECURITY 4.

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:

- if it is a corporation, the Mortgagor is a corporation incorporated and organized and (a) 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:
- if it is a corporation, the Mortgagor's name as set forth on the first page of this Mortgage (b) 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

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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.

#### COVENANTS OF THE MORTGAGOR

- (a) The Mortgagor covenants that at all times while this Mortgage remains in effect the Mortgagor will:
  - 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;
  - 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;
- 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;
  - 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;
  - 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
  - such information concerning the Property, the Mortgagor and the Mortgagor's business and affairs as the Mortgagee may require;
- 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;
- (xli) 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:
  - leases, licenses, undertakings, and any other agreements to which it is a party;

- 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.

#### 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;
- 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;
- 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 \*10033971/00036/3779778/v1

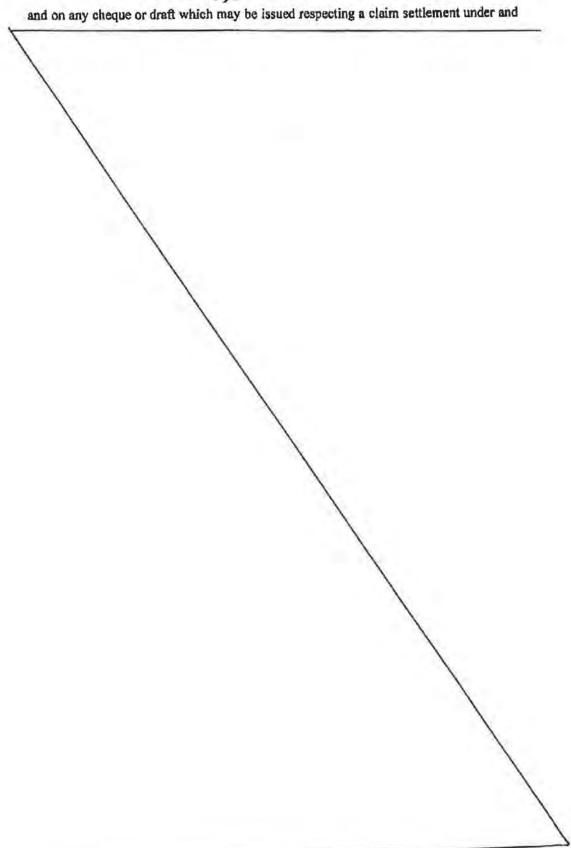
consents to the Mortgagee contacting and making enquiries of environmental officials or assessors;

- (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;
  - 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 \*10033971/00036/3779778/v1



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 Mortgager 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 Mortgager 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.

### 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.

#### 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.

# 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 \*10033971/00036/3779778/v1

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

- 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
- any representation or warranty made by the Mortgager to the Mortgagee, whether or not contained in this Mortgage is untrue; or
- 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
- 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
- if the Mortgagor or a guarantor of the Mortgagor is a corporation and its voting control changes without the Mortgagee's written consent; or
- 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
- 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;
  - 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

- 14 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:
  - 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:
  - 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:
    - 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;
- 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.

### 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.

### 19. 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.

# 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 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.

# 21. 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.

#### 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 Mortgagor 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.
- The Mortgagee may from time to time release or discharge the whole or any part or parts (c) 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.

#### 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.

#### 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;
- this Mortgage shall be governed by the laws of the jurisdiction in which the Property is situated.

# 33. <u>TIME</u>

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)

II WIINESS WHEREOF HIS WORKER	e has been signed and derivered on the date first written abov	
line	ANNAPOLIS M NAGEMENT, INC., in it capacity as general partner of RUBY, LLP	S
Witnessed by videoconference	Per: Name: Steven Caryi	_
	Title: Presideft	

# PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this Management, 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.

Mare Beaublen

A Barrister of the Supreme Court of Nova Scotia

# CANADA PROVINCE OF NOVA SCOTIA

# AFFIDAVIT

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

SWORN TO by videoconference from Winter Park, Florida to Halifax, Nova Scotia this day of December, 2020 before me:

Marc Beaubien

A Barrister of the Supreme Court of

Nova Scotia

Steven Carvi

#### 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).

This is Exhibit "H" referred to in the Affidavit of Mark Horne sworn before me on January 17, 2025

A Barrister of the Supreme Court of Nova Scotia

> (MATICAL J. DUNNING A Barrisser of the Supreme Count of Nova Scotta

#### GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this \_\_\_\_\_ 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:

- 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:
    - 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 \*10033971/00036/3779802/v1

- 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.

- 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.

[the remainder of the page intentionally blank]

IN WITNESS WHEREOF this Mortgage	has been signed and delivered on the date first written ab	ove.
11 00	ANNAPOLIS MANAGEMENT, INC., in capacity as general partner of RUBY, LLP	its
Witnessed by Videoconference	Per: Name: Steven Chryi Title: President	

#### PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this Uday 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.

Marc Beaubien

A Barrister of the Supreme Court of Nova Scotia

# CANADA PROVINCE OF NOVA SCOTIA

#### AFFIDAVIT

- I, Steven Caryi, of Winter Park, Florida, make oath and say that:
- 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.
- I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
- I am authorized to execute the foregoing instrument on hehalf of the Corporation and the Partnership and thereby bind them.
- I acknowledge that the foregoing instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
- The Corporation is not a non-resident of Canada under the Income Tax Act (Canada). Likewise, the Partnership is not a non-resident of Canada under the Income Tax Act (Canada).
- 6. That property described in the within mortgage has never been occupied as a Matrimonial Home by any of the shareholders of the Corporation nor does the ownership of a share in the Corporation or an interest in the Partnership entitle the shareholder, partner or owner of a share or interest to occupy the aforesaid property as a Matrimonial Home. For the purpose of this my Affidavit, "Matrimonial Home" means a dwelling and real property occupied by a person and that person's spouse as their family residence and in which either or both of them have a property interest.

SWORN TO by videoconference from

Winter Park, Florida to Halifax, Nova Scotia
this day of December. 2020
before me:

Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia

#### 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,

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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 is Exhibit "I" referred to in the Affidavit of Mark Horne sworn before me on January 17, 2025

Court of Nova Scotia

MARCO S DURS BACO A Sandara d'Ensuprens Contra Horo Bloce

#### SUBORDINATION AGREEMENT

THIS AGREEMENT made as of October 18- 2023 between ATLANTIC CENTRAL (the "Lender"), GRAYSBROOK CAPITAL LTD. (the "Subordinate Lender") and ANNAPOLIS MANAGEMENT, INC., In its own capacity and as general partner of RUBY, LLP (collectively, the "Borrower").

WHEREAS pursuant to a letter of offer between, Inter alia, the Borrower as borrower, and the Lender dated December 2, 2020 (as amended or restated from time to time, the "Offer Letter"), the Lender agreed to make a loan (the "Loan") to the Borrower on the security of, Inter alia (a) a mortgage of the lands and premises described in Schedule "A" hereto (the "Lands" and together with all other property securing the Loan and the Indebtedness (as hereinafter defined) from time to time, collectively, the "Property") recorded at the Halifax County Land Registration Office (the "LRO") on December 17, 2020 as document number 117677816 (the "Mortgage"); (b) an assignment of rents and leases with respect to the Lands recorded at the LRO on December 17, 2020 as document number 117677824 (the "GARL"); and (c) general security agreements granted by the Borrower in favour of the Lender dated December 11, 2020 (collectively, the "Security Agreement") pursuant to which a verification statement was registered in accordance with the Personal Property Security Act (Nova Scotia) on December 21, 2020 as registration number 33823477;

AND WHEREAS all existing and future indebtedness and other obligations and liabilities owing by the Borrower to the Lender from time to time pursuant to the Offer Letter are called the "Indebtedness", and the Offer Letter, the Mortgage, the GARL, and Security Agreement, and all other security now or hereafter securing the Indebtedness is called the "Security";

AND WHEREAS the Borrower is indebted to the Subordinate Lender pursuant to the terms of a loan agreement dated September 27, 2023 granted by the Borrower in favour of the Subordinate Lender (the "Subordinate Loan Agreement") which is secured by a mortgage of the Property recorded at the LRO on October 1, 2023 as document number 123149701 (the "Subordinate Mortgage") and an assignment of rents and leases with respect to the Lands recorded at the LRO on October 1, 2023 as document number 123149719 (the "Subordinate GARL");

AND WHEREAS the Subordinate Loan Agreement and all existing and future indebtedness and other obligations and liabilities owing by the Borrower to the Subordinate Lender from time to time are called the "Subordinate Indebtedness", and all security now or hereafter securing the Subordinate Indebtedness, including but not limited to the Subordinate Mortgage and Subordinate GARL is called the "Subordinate Security");

AND WHEREAS the Subordinate Lender has agreed to subordinate and postpone the Subordinate Security to and in favour of the Indebtedness and the Security. Reference herein to the Subordinate Indebtedness, Subordinate Security, Indebtedness and Security Includes all renewals, extensions, amendments, modifications, and restatements thereof or thereto from time to time.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

- Covenants, Representations and Warrantles of Subordinate Lender. The Subordinate Lender consents to the Indebtedness and the Security. The Subordinate Lender represents and warrants to the Lender that: (a) the Subordinate Lender holds no security of any kind against the Property other than the Subordinate Security; and (b) the Subordinate Lender is the sole owner of the Subordinate Security and has full power, authority, and legal right to enter into this agreement. Upon request by the Lender from time to time, the Subordinate Lender shall provide to the Lender copies of the Subordinate Security and/or a statement confirming the status thereof.
- Subordination and Postponement. The Subordinate Lender hereby subordinates and
  postpones the Subordinate Security and Subordinate Indebtedness to the Security
  and the Indebtedness. The Subordinate Lender hereby covenants and agrees with
  the Lender, its heirs, executors, administrators, successors and assigns that:
  - repayment of the Subordinate Indebtedness is hereby expressly postponed in favour of the Lender;
  - (b) any claim of the Lender in respect of the Loan shall take precedence over and be fully paid in priority to the Subordinate Indebtedness;
  - (c) the Subordinate Lender postpones in favour of the Lender, all its or his right, title, and interest in any security in respect of the Subordinate Indebtedness postponed by these presents; and
  - (d) the Mortgage shall be an encumbrance upon the Property prior to the Subordinate Mortgage, in the same manner and to the same effect as if it had been dated and registered prior to the Subordinate Mortgage; and in order to effectuate the same, the Subordinate Lender hereby grants and conveys to the Lender, its heirs, executors, administrators, successors and assigns, priority and preference of rank for the recorded interest and charge on the Property created or purported to be created by the Subordinate Mortgage, so that the security created or purported to be created by the Subordinate Mortgage is postponed and subordinated to the encumbrance created or purported to be created by the Mortgage, all as if the Mortgage had been executed, delivered and registered prior to the execution, delivery, and registration of the Subordinate Mortgage.

No discharge, release, or waiver by the Lender of any of the Security against or in respect of any part the Property, or any other person or any amendment, renewal, extension, replacement, modification, supplement or restatement of any indebtedness and/or the Security shall require notice to or the consent of the Subordinate Lender or otherwise affect the subordination and postponement of the Subordinate Security hereby granted by the Subordinate Lender. The Subordinate Lender shall not amend, extend, renew, modify, replace, supplement, or restate the Subordinate Security without the prior written consent of the Lender.

- 3. Notice of Default. The Subordinate Lender shall give the Lender copies of any notices given by or on behalf of the Subordinate Lender to the Borrower of any default, breaches, or events of default under the Subordinate Security, and any notices of events that with the giving of notices or the passage of time and failure to cure, would result in a default, breach, or event of default under the Subordinate Security.
- 4. Payments. All insurance, expropriation, condemnation, and other proceeds relating to the Property shall be dealt with and applied, whether before or after any default under or in respect of the Indebtedness, in accordance with the provisions of the Security notwithstanding any provision to the contrary in the Subordinate Security. Each of the parties shall provide reasonable cooperation to each other following the giving of such notice of default under the Loan to ensure the provisions of this paragraph are complied with.
- 5. Assignment by Subordinate Lender. The Subordinate Lender agrees that it shall not sell, transfer, assign or otherwise dispose of any interest in the Subordinate Indebtedness or the Subordinate Security to any person or persons (the "Assignee") except upon terms and conditions which are expressly subject to the terms of this agreement. Concurrently with any such sale, transfer, assignment or other disposition, the Subordinate Lender shall cause each Assignee to enter into a subordination agreement with the Lender on the same terms and conditions as this agreement. The Lender may transfer or assign its interest in the Loan and this agreement without restriction and without prior notice to or the consent of the Subordinate Lender.
- 6. Further Assurances. The Subordinate Lender shall execute upon request by the Lender such further documents or instruments and take such further action as the Lender may reasonably require from time to time to carry out the intent of this agreement. The Subordinate Lender hereby consents to the Lender amending any registrations made in respect of the Subordinate Security to give notice of the terms of this agreement.
- Notices. Any notice, demand, or other communication which any party may desire or may be required to give to any other party shall be in writing and may be made or given by personal delivery, by registered mail or by facsimile transmission to the address for service of the recipient set forth below. Any demand, notice or communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, and if given by registered mall, on the third business day following the deposit thereof in the mail, and if given by facsimile transmission, on the first business day following the transmittal thereof. The address for service for each party is as follows:
  - (a) if to the Lender, to 6074 Lady Hammond Road, Halifax, NS B3K 2R7; and
  - (b) If to the Subordinate Lender, to 7105 Chebucto Road, Suite 350, Halifax, NS B3L 4W8.

If any party giving any demand, notice or other communication knows or reasonably ought to know of any difficulties with the postal system that might affect delivery of mail, such demand, notice or other communication shall not be mailed, but shall be given by personal delivery or by facsimile transmission. Any party hereto may change its address for service to which notices hereunder are required to be made or given by notice to other parties in accordance herewith.

- 8. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the Province in which the lands and premises described in Schedule "A" are located and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws other than the laws in force in such Province applying to this agreement; and the Subordinate Lender consents to the jurisdiction of the courts of such Province and irrevocably agrees that all actions or proceedings arising out of or relating to this agreement shall be litigated in such courts and the Subordinate Lender unconditionally accepts the non-exclusive jurisdiction of the said courts and waives any defense of forum non-conveniens, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this agreement, provided nothing herein shall affect the right to serve process in any other manner permitted by applicable law.
- 9. Successors. The acknowledgements and agreements contained in this agreement shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns. Where any reference is made in this agreement to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a sult or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to, a trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to, the trustee(s) of the trust.

**ISIGNATURE PAGE FOLLOWS** 

IN WITNESS WHEREOF THE Subordinate Lender has duly executed this agreement.

GRAYSBROOK CAPITAL LTD.

Name: Alain Mallet

Title: Director, Alternative Lending

#### PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 18<sup>th</sup> day of October, 2023, GRAYSBROOK CAPITAL LTD., one of the parties hereto, caused this instrument to be executed on its behalf by its duly authorized officer(s), in my presence and that I signed as a witness to such execution.

Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia

#### AFFIDAVIT OF EXECUTION AND STATUS

#### PROVINCE OF NOVA SCOTIA

I, Alain Mallet, of Moncton, in the Province of New Brunswick, make oath and swear that:

- I am the Director, Alternative Lending of Graysbrook Capital Ltd. (the "Company") and have personal knowledge of the facts herein deposed to.
- I acknowledge that I have executed the foregoing instrument on the date of this
  affidavit as Director, Alternative Lending of the Company.
- I am authorized to execute the foregoing instrument on behalf of the Company and thereby bind the Company.
- 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.

SWORN TO at Halifax in the Province of Nova Scotia, this 18th day of October, 2023, before me:

Marc Beaubien

A Barrister of the Supreme Court of Nova Scotia Name: Alain Mallet

#### SCHEDULE "A"

#### Lands

#### 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.

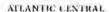
SUBJECT to a notice of heritage designation by the City of Halifax dated October 7, 1980 and recorded on October 23, 1980 in the Halifax Registry of Deeds in Book 3441 at Page 1168 as Document No. 43700.

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.

This is Exhibit "J" referred to in the Affidavit of Mark Horne sworn before me on January 17, 2025

A Barrister of the Supreme Court of Nova Scotia

200 000



#### GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT is made the 11 day of December, 2020.

#### BETWEEN:

ANNAPOLIS MANAGEMENT, INC. 127 West Fairbanks Ave., #433 Winter Park, FL 32789 (hereinafter called the "Member")

AND:

ATLANTIC CENTRAL 6074 Lady Hammond Road Halifax, NS B3K 2R7

#### I. SECURITY INTEREST

For consideration and as security for the payment and performance of the Obligations referred to in Section 3 hereof, the Member, subject to the exceptions set out in Section 2, hereby mortgages, charges, assigns, pledges, grants and transfers to Atlantic Central a security interest in all the Member's right, title and interest in and to all presently owned or held and all after acquired or held personal property, assets and undertakings of the Member (other than real property), tangible or intangible, located at or upon, or otherwise used or held in connection with civic address 1533 Barrington Street, Halifax, Nova Scotia, designated as PID 444141, of whatever nature or kind and wheresoever situate or in respect of which the Member now or hereafter has any right, title or interest and all proceeds thereof and therefrom (all of which is hereinafter collectively called the "Collateral") including, without limiting the generality of the foregoing:

- (i) Goods: all goods and equipment, including, without limiting the generality of the foregoing, machinery, tools, fixtures, furniture, furnishings, chattels, motor vehicles, vessels and other tangible personal property that is not inventory, including consumer goods, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing including, without limitation, the goods described in Schedule "A" hereto;
- (ii) Inventory: all inventory of the Member, including, without limiting the generality of the foregoing, goods acquired or held for sale or lease or that have been leased or furnished or consigned to the Member or to be furnished, leased or consigned to the Member under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing;
- (iii) Accounts: all debts, accounts, claims, monies and choses in action which now are, or which may at any time hereafter be, due or owing to or owned by the Member and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the said debts, accounts, claims, monies and choses in action or any part thereof;
- (iv) Other Personal Property; all of the Member's undertaking and all of the Member's other personal property and assets including, without limitation, all warehouse receipts, bills of lading and other documents of little whether negotiable or not, all chattel paper, instruments, securities, shares, warrants, bonds, debentures, debenture stock, letters of credit, cheques and money;
- (v) Intangibles: all contractual rights, licenses, permits, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Member, insurance claims, computer software, warranties, judgments, rights, franchises and all other choses in action of the Member of every kind which now are, or which may at any time hereafter be due or owing to or owned by the Member, and all other intangible property of the Member; and
- (vi) all proceeds of every nature and kind arising from the Collateral referred to in this Security Agreement.

The security interests, mortgages, charges, assignments, pledges and transfers created pursuant to this Section I shall be collectively hereinafter called the "Security Interests".

#### 2. EXCEPTIONS

The last day of the term created by any lease or agreement therefore is hereby excepted out of any mortgage, charge, assignment or security interest created by this Security Agreement but the Member shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as Atlantic Central shall direct. All consumer goods of the Member acquired after the date hereof are excepted out of any mortgage, charge, assignment or security interest created by this Security Agreement.

#### 3. OBLIGATIONS SECURED

This Security Agreement and the Security Interests hereby created are in addition to and not in substitution for any other mortgage, charge, assignment or security interest now or hereafter held by Atlantic Central from the Member or from any other person whomsoever and shall be general and continuing security for the payment and performance of all present and future indebtedness, liabilities and obligations of the Member to Atlantic Central (including interest thereon), of whatsoever nature or kind, whether incurred prior to or at the time of or after the signing of this Security Agreement, 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 Member to Atlantic Central whether or not contained in this Agreement (all of which indebtedness, liability, and obligations are hereinafter collectively called the "Obligations").

#### 4. ATTACHMENT

The Member acknowledges that the Security Interests attach upon the execution of this Security Agreement, that value has been given, and that the Member has, or in the case of after acquired property will have, rights in the Collateral. The Member confirms that there has been no agreement between the Member and Atlantic Central to postpone the time for attachment of the Security Interests.

#### 5. PURCHASE MONEY SECURITY INTEREST

The Member acknowledges and agrees that the Security Interests constitute and are Intended to create purchase money security interests in Collateral to the extent that money advanced by Atlantic Central, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

#### REPRESENTATIONS AND WARRANTIES

The Member represents and warrants to Atlantic Central that:

- (i) if a corporation, the Member 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 Security Agreement 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 Member is a party or by which it is bound;
- (ii) if it is a corporation, the Member's name as set forth on the first page of this Security Agreement 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 Member has provided a written memorandum to the Bank accurately setting forth all prior names under which the Member has operated;
- (iii) if it is a partnership, the Member's name as set forth on the first page of this Security Agreement is its full, true and correct, 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 purtnership agreement or any other agreement, indenture or undertaking to which the Member 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 are set forth on a Schedule attached to this Security Agreement;
- (iv) If the Member is an individual, the Member's full name as set out on the first page of this Security Agreement is the Member's full and correct name as described on the individual's birth certificate a true copy of which has been provided to Atlantic Central or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to Atlantic Central; the Member's

address as set out on the first page of this Security Agreement is the Member's full and correct address;

- (v) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Member, in which a decision adverse to the Member 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 Member; and the Member agrees to promptly notify Atlantic Central of any such future litigation or governmental proceeding;
- (vi) the Member does not have any information or knowledge of any facts relating to the Member's business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to Atlantic Central in writing and which, if known to Atlantic Central, might reasonably be expected to deter Atlantic Central from extending credit or advancing funds to the Member;
- (vii) the Member has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by Atlantic Central, and the Member has not granted any licenses in or of its intellectual property other than as disclosed and consented to by Atlantic Central;
- (viii) to the extent that any of the Collateral includes serial numbered goods which require serial number registration by virtue of the Act and its regulations, the serial numbers set out in Schedule "A" of this Security Agreement are the full and correct serial numbers of all such Collateral;
- the Collateral is and/or will be located at the place(s) described in Schedule "A" and will not be removed from such location(s) without the prior written consent of Atlantic Central;
- (x) each account and instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same and the amount represented by the Member to Atlantic Central from time to time as owing be each Account Debtor of the Member is the correct amount actually and unconditionally owing by such Account Debtor; and
- (xi) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Member, if the Member is a corporation, or, if the Member is a partnership, of the partners of the Member, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Member's obligations valid and there is no restriction contained in the constating documents of the Member or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Member to borrow money or give security.

#### COVENANTS OF THE MEMBER

- (a) The Member covenants that at all times while this Security Agreement remains in effect the Member will:
  - (i) promptly pay and satisfy the Obligations as they become due or are demanded;
  - defend the title to the Collateral for the benefit of Atlantic Central against the claims and demands of all persons;
  - maintain insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as Atlantic Central may require;
  - maintain the Collateral in good condition, order and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
  - (v) forthwith pay and satisfy:
    - (A) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon the Member or the Collateral when due, unless the Member shall in good faith contest its obligations so to pay and shall furnish such security as Atlantic Central may require; and
    - (B) all security interests, charges, encumbrances, ilens and claims which rank or could in any
      event rank in priority to any of the Security Interests, other than the charges or security
      interests, if any, consented to in writing by the Secured Party;
  - (vi) 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 Atlantic Central in:

- (A) inspecting the Collateral;
- (B) negotiating, preparing, perfecting and registering this Security Agreement and other documents, whether or not relating to this Security Agreement;
- (C) maintaining the intended priority of the Security Interests;
- (D) investigating title to the Collateral;
- (E) complying with any disclosure requirements under the Act;
- (F) taking, recovering, keeping possession of and insuring the Collateral;
- (G) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
- (H) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty Atlantic Central becomes obligated to pay by reason of any statute, order or direction of competent authority;
- any sums Atlantic Central pays as fines, or as clean up costs because of contamination of or from your assets; and
- all other actions and proceedings taken in connection with the preservation of the Collateral and the Security Interests and the enforcement of this Security Agreement and of any other security interest held by Atlantic Central as security for the Obligations;
- (vii) at Atlantic Central'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 Atlantic Central in its absolute discretion requires in order to confirm and perfect, and maintain perfection of, the Security Interests hereby created in favour of Atlantic Central upon any of the Collateral or to give effect to the intent of this Security Agreement;
- (vili) notify Atlantic Central promptly of:
  - (A) any change in the information contained herein relating to the Member, its address, its business or the Collateral, including without limitation any change of name or address and any change in the present location of any Collateral;
  - (B) the details of any material acquisition of the Collateral;
  - (C) any material loss or-damage to the Collateral;
  - (D) any material default by any Account Debtor in payment or other performance of his obligations to the Member with respect to any accounts;
  - (E) the return to or repossession by the Member of the Collateral where such return or repossession of the Collateral is material in relation to the business of the Member;
  - (F) any claims against the Member relating to the Collateral or any part thereof; and
  - (G) the acquisition of rights in any vehicle, mobile home, trailer, boat, aircraft or aircraft engine and the full particulars of such Collateral including its serial number.
- (ix) prevent the Collateral, other than inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession or fixture to other property not covered by this Security Agreement;
- (x) permit Atlantic Central and its representatives, at all reasonable times, access to all its property, assets and undertakings and to all its books of account and records for the purpose of inspection, including without limitation the taking of extracts and copies and render all assistance necessary for such inspection; and
- (xi) deliver to Atlantic Central from time to time promptly upon request:
  - (A) any documents of title, instruments, securities and chattel paper constituting, representing \*10033971/00022/3243434/v2

#### or relating to Collateral;

- (B) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
- a list of all Account Debtors of the Member with amounts owing by each and any securities therefor;
- (D) all financial statements prepared by or for the Member regarding the Member's business;
- (E) all policies and certificates of insurance relating to the Collateral; and
- (F) such information concerning the Collateral, the Member and the Member's business and affairs as Atlantic Central may require;
- (xii) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (xiii) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (xiv) 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 Member is subject;
- receive and hold in trust on behalf of and for the benefit of Atlantic Central all proceeds from the sale or other disposition of any Collateral;
- (xvi) consent to Atlantic Central contacting and making enquiries of the Member's lessors, as well as municipal or other governmentofficials;
- (xvii) without the consent of Atlantic Central, not create or permit to exist any mortgage, charge, assignment or security interest in, charge, encumbrance or lien over, or claim against the Collateral or any part thereof which ranks or could rank in priority to or part passu with any security interest created by this Security Agreement;
- (xviil) maintain the Security Interests as valid, effective and perfected security at all times;
- (xix) not move, remove or relocate any of the Collateral from its present location without first notifying Atlantic Central and effecting such further registrations as may be required or desirable to protect or preserve the Security Interests and to maintain the priority intended to be granted to Atlantic Central; and
- (xx) not grant, sell or otherwise assign its chattel paper or accounts.
- (b) The Member, if a company, covenants that at all times while this Security Agreement remains in effect, without the prior written consent of the Secured Party:
  - (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 guaranter of any obligation;
  - it will not become an endorser in respect of any obligation or otherwise become fiable upon any note or other obligation other than bills of exchange deposited to the bank account of the Member;
  - (v) it will maintain its corporate existence; and

(vi) it will not change its name, merge or amalgamate with any other entity.

#### ENVIRONMENT

The Member represents and agrees that:

- 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;
- it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- it possesses and will maintain all environmental licenses, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (iv) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Member's business or assets including without limitation the Collateral;
- it will advise Atlantic Central immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (vi) it will provide Atlantic Central with copies of all communications with environmental officials and all
  environmental studies or assessments prepared for the Member and it consents to Atlantic Central
  contacting and making enquiries of environmental officials or assessors; and
- (vii) it will from time to time when requested by Atlantic Central provide to Atlantic Central evidence of its full compliance with the Member's obligations in this section.

#### 9. INSURANCE

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

#### 10. PERFORMANCE OF OBLIGATIONS

perform any or all of such Obligations without prejudice to any other rights and remedies of Atlantic Central 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 Member to Atlantic Central forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be a charge upon and security interest in the Collateral in favour of Atlantic Central prior to all claims subsequent to this Security Agreement.

#### 11. DEALING WITH COLLATERAL

- (a) Except as herein provided, without the prior written consent of Atlantic Central, the Member will not:
  - (i) sell, lease, licence or otherwise dispose of the Collateral;
  - (ii) release, surrender or abandon possession of the Collateral; or
  - (iii) move or transfer the Collateral from its present location.
- (b) Provided that the Member is not in default under this Security Agreement, at any time without the consent of Atlantic Central, the Member may lease, sell, license, consign or otherwise deal with items of inventory in the ordinary course of business and for the purposes of carrying on its business and may possess, use, collect and benefit from the Collateral in the ordinary course and in any manner not inconsistent with the provisions of this Agreement.
- (c) Any disposition of any Collateral, excepting disposition of inventory pursuant to Section 11(b) of this Security Agreement, shall result in the Member holding the proceeds in trust for and on behalf of Atlantic Central and subject to Atlantic Central's exclusive direction and control. Nothing herein restricts Atlantic Central's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed of, unless it is sold or disposed of with Atlantic Central's prior written consent.

#### 12. ACCOUNTS AND SECURITIES

Notwithstanding any other provision of this Security Agreement, Atlantic Central may collect, realize, sell or otherwise deal with all or a portion of the accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Member, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. Atlantic Central may notify any Account Debtor of the Member of this Security Agreement and may direct such Account Debtor to make all payments to Atlantic Central. All forms of payment received by the Member in payment of any account, or as proceeds, shall be subject to the Security Interests and shall be received and hold by the Member in trust for Atlantic Central.

Atlantic Central may have any Collateral comprising instruments, shares, stock, warrants, bonds, debentures, debenture stock or other securities, registered in its name or in the name of its nominee and shall be entitled but not bound or required to vote in respect of such Collateral at any meeting at which the holder thereof is entitled to vote and, generally, to exercise any of the rights which the holder of such Collateral may at any time have; but Atlantic Central shall not be responsible for any loss occasioned by the exercise of any of such rights or by failure to exercise the same within the time limited for the exercise thereof.

#### 13. APPROPRIATION OF PAYMENTS

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as Atlantic Central sees fit, and Atlantic Central may at any time change any appropriation as Atlantic Central sees fit.

#### 14. DEFAULT

The Member shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Member and Atlantic Central, unless waived by Atlantic Central, in any of the following events:

- the Member defaults, or threatens to default, in payment when due of any of the Obligations of the Member to Atlantic Central;
- the Member is in breach of, or threatens to breach, any term, condition or covenant of the Obligations to Atlantic Central, whether or not contained in this Security Agreement;
- (c) the Member or a guarantor of the Member 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 Bankruptay 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;

- (d) a receiver, receiver and manager or receiver-manager of all or any part of the Collateral is appointed;
- the Member or a guarantor of the Member 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;
- distress or execution is levied or issued against the Collateral or any part thereof;
- (g) without the prior written consent of the Secured Party, the Member creates or permits to exist any charge, encumbrance or lien on or claim against or any security interest in, any of the Collateral which ranks or could in any event rank in priority to or pari passu with any security Interest created by this Security Agreement;
- (h) the holder of any other charge, encumbrance or lien on or claim against, or security interest in, any of the Collateral does anything to enforce or realize on such charge, encumbrance, lien, claim or security interest;
- any representation or warranty made by the Member to Atlantic Central, whether or not contained in this Security Agreement is untrue;
- 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 Member;
- (k) If the Member or a guarantor of the Member is a company or a partnership, an order is made or an effective resolution is passed for the dissolution, liquidation or winding up the Member or the guarantor of the Member;
- the Member, if a company, enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person, without Atlantic Central's prior written consent;
- (m) the Member, If an individual, dies or is declared incompetent by a court of competent jurisdiction;
- if the Member or a guarantor of the Member is a corporation and its voting control changes without Atlantic Central's written consent;
- (o) the Member uses any monies advanced by Atlantic Central to the Member for any purpose other than as agreed upon by Atlantic Central;
- (p) the lessor under any lease to the Member of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Member;
- (q) the Member cause or allows hazardous materials to be brought upon any lands or premises occupied by the Member or to be incorporated into any of its assets, or the Member causes, permits or falls 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
- (r) Atlantic Central 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 Collateral or any part thereof is or is about to be placed in jeopardy.

#### 15. ENFORCEMENT

- (a) Upon any default under this Security Agreement, Atlantic Central 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 and the Security Interests hereby constituted will immediately become enforceable. To enforce and realize on the Security Interests, Atlantic Central 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, Atlantic Central may do any of the following:
  - appoint by instrument a receiver, a receiver and manager or receiver-manager (the person so appointed is hereinafter called the "Receiver") of the Collateral, with or without bond as Atlantic

- Central may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
- enter upon any premises of the Member and take possession of the Collateral with power to exclude the Member, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;
- hold, preserve, protect and maintain the Collateral and make such replacements thereof and repairs and additions thereto as Atlantic Central may deem advisable;
- (iv) sell, lease or otherwise dispose of all or any part of the Collateral, 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 Atlantic Central may seem reasonable, provided that if any sale, lease or other disposition is on credit the Member 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;
- register assignments of the intellectual property and use, sell, assign, license or sub-license any of the intellectual property;
- (vi) retain the Collateral in satisfaction of the Obligations; and
- (vii) exercise all of the rights and remedies of a secured party under the Act or any other applicable legislation.
- (b) A Receiver appointed pursuant to this Security Agreement shall be the agent of the Member and not of Atlantic Central and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of Atlantic Central hereunder, and in addition shall have power to:
  - carry on the business of the Member and for such purpose from time to time to borrow money on any of the Collateral; such security interest may rank before or pari passu with or behind the Security Interests, and if it does not so specify such security interest shall rank before the Security Interests;
  - make an assignment for the benefit of the Member's creditors or a proposal on behalf of the Member under the <u>Bankruptcy and Insolvency Act</u> (Canada);
  - (iii) commence, continue or defend proceedings in the name of the Receiver or in the name of the Member for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
  - (iv) make any arrangement or compromise that the Receiver deems expedient.
- (c) Subject to the claims, if any, of the creditors of the Member ranking in priority to this Security Agreement, all amounts realized from the disposition of Collateral pursuant to this Security Agreement will be applied as Atlantic Central, in its absolute discretion, may direct as follows:
  - in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by Atlantic Central in connection with or incidental to;
    - the exercise by Atlantic Central of all or any of the powers granted to it pursuant to this Security Agreement; 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 Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
  - in or toward payment to Atlantic Central of all principal and other monies (except interest) due in respect of the Obligations; and
  - in or toward payment to Atlantic Central of all interest remaining unpaid in respect of the Obligations.

Subject to applicable law and the claims, if any, of other creditors of the Member, any surplus will be

paid to the Member.

#### 16. SET OFF

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

#### 17. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full the Member will immediately pay to Atlantic Central the amount of such deficiency.

#### 18. RIGHTS CUMULATIVE

All rights and remedies of Atlantic Central set out in this Security Agreement, and in any other agreement or document held by Atlantic Central from the Member 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 security agreement now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Member and Atlantic Central that may be in effect from time to time.

#### 19. LIABILITY OF SECURED PARTY

- (a) Atlantic Central shall not be responsible or liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfillment of contracts during any period when Atlantic Central shall manage the Collateral upon entry, as herein provided, nor shall Atlantic Central be liable to account as mortgagee in possession or for any default or omission for which a mortgagee in possession may be liable. Atlantic Central shall not be bound to do, observe or perform or to see to the observance or performance by the Member of any obligations or covenants imposed upon the Member nor shall Atlantic Central, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall Atlantic Central be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Member hereby waives any applicable provisions of law permitted to be waived by it which imposes higher or greater obligations upon Atlantic Central than aforesald.
- (b) Neither Atlantic Central nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of Atlantic Central, the Member or any other person respecting the Collateral. Atlantic Central shall also not be liable for any misconduct, negligence, misfeasance by Atlantic Central, the Receiver or any employee or agent of Atlantic Central or the Receiver, or for the exercise of the rights and remedies conferred upon Atlantic Central or the Receiver by this Security Agreement.
- (e) Atlantic Central in its sole discretion may realize upon any other security provided by the Member in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.

#### 20. APPOINTMENT OF ATTORNEY

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

#### 21. LIABILITY TO ADVANCE

None of the preparation, execution, perfection and registration of this Security Agreement or the advance of any monies shall bind Atlantic Central 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 Member to Atlantic Central.

#### 22. WAIVER

Atlantic Central may from time to time and at any time waive in whole or in part any right, benefit or default
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under any clause of this Security Agreement 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 Atlantic Central. No delay or omission on the part of Atlantic Central shall operate as a waiver of such right or any other right.

#### 23. 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.

#### EXTENSIONS

Atlantic Central 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 Member, Account Debtors of the Member, sureties and others and with the Collateral and other security interests as Atlantic Central may see fit without prejudice to the liability of the Member or the Secured Party's right to hold and realize on the security constituted by this Security Agreement.

#### NO MERGER

This Security Agreement 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 Atlantic Central from the Member 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 Security Agreement.

#### ASSIGNMENT

Atlantic Central may, without further notice to the Member, at any time assign, transfer or grant a security interest in any of the Obligations, this Security Agreement and the Security Interests. The Member expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of Atlantic Central's rights and remedies under this Security Agreement and the Member 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, as the Obligations become due.

#### 27. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Member to be indebted to Atlantic Central, shall be deemed not to be a redemption or discharge of this Security Agreement. Atlantic Central may in its sole discretion grant partial discharges or releases in respect of any of the Collateral on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the remainder of the Security Interests or after the Obligations of the Member. The Member shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations and upon written request by the Member and payment of all costs, charges, expenses and legal fees and dischargements (on a solicitor and his own client basis) incurred by Atlantic Central in connection with the Obligations and such release and discharge.

#### 28. ENUREMENT

This Security Agreement shall enure to the benefit of Atlantic Central and its successors and assigns, and shall be binding upon the respective heirs, executors, personal representatives, successors and permitted assigns of the Member.

#### INTERPRETATION

#### (a) In this Security Agreement:

- (i) "Collateral" has the meaning set out in Clause 1 hereof and any reference to Collateral shall, unless the context otherwise requires, be deemed a reference to Collateral as a whole or any part thereof.
- (ii) "Member" 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 Member is one or more individuals, corporations or partnerships;
- "the Act" means the Personal Property Security Act (Nova Scotia) and all regulations thereunder as amended from time to time;

- (iv) "Account Debtor" means a debtor of the Member on an intangible, chattel paper or account, or any obligor of the Member on an instrument;
- (b) words and expressions used herein that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined herein or unless the context otherwise requires;
  - (a) each of the provisions contained in this Security Agreement is distinct and severable and the invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause;
  - (b) the headings of the clauses of this Security Agreement have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Security Agreement;
  - (c) 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; and
  - (d) this Security Agreement shall be governed by the laws of the Province of Nova Scotia.

#### JOINT AND SEVERAL

If more than one Member executes this Security Agreement, the obligations of such Members shall be joint and several.

#### 31, FILINO

The Member authorizes Atlantic Central to file such financing statements, notices of security interest, and other documents and do such acts and things as Atlantic Central may consider necessary or desirable to perfect the Security Interests in the Collateral, to protect and preserve its interest in the Collateral and to realize upon the Collateral.

#### 32. COPY OF AGREEMENT AND FINANCING STATEMENT

The Member hereby:

- (a) acknowledges receiving a copy of this Security Agreement, and
- (b) waives all rights to receive from Atlantic Central a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Security Agreement.

#### TIME

Time shall in all respects be of the essence.

#### INDEPENDENT ADVICE

The Member acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the Member has executed this Security Agreement this 11 day of December,

2020.

SIGNED and DELIVERED in the presence

ANNAPOLIS MANAGEMENT, INC.

Per:

Name: Stever Co

I have authority to bind the above Corporation

## SCHEDULE "A"

## Section 1:

- The following specific items (insert description by item or kind):
- The following serial numbered goods:
- 3. Location(s) of the Collateral:

1533 Barrington Street, Halifax, Nova Scotia, designated as PID 444141



#### GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT is made the 11 day of December, 2020.

#### BETWEEN:

ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP 127 West Fairbanks Ave., #433 Winter Park, FL 32789 (hereinafter called the "Member")

AND:

ATLANTIC CENTRAL 6074 Lady Hammond Road Halifax, NS B3K 2R7

#### SECURITY INTEREST

For consideration and as security for the payment and performance of the Obligations referred to In Section 3 hereof, the Member, subject to the exceptions set out in Section 2, hereby mortgages, charges, assigns, pledges, grants and transfers to Atlantic Central a security interest in all the Member's right, title and interest in and to all presently owned or held and all after acquired or held personal property, assets and undertakings of the Member (other than real property), tangible or intangible, located at or upon, or otherwise used or held in connection with civic address 1533 Barrington Street, Halifax, Nova Scotia, designated as PID 444141, of whatever nature or kind and wheresoever situate or in respect of which the Member now or hereafter has any right, title or interest and all proceeds thereof and therefrom (all of which is hereinafter collectively called the "Collateral") including, without limiting the generality of the foregoing:

- (i) Goods: all goods and equipment, including, without limiting the generality of the foregoing, machinery, tools, fixtures, furniture, furnishings, chattels, motor vehicles, vessels and other tangible personal property that is not inventory, including consumer goods, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing including, without limitation, the goods described in Schedule "A" hereto;
- (ii) Inventory: all inventory of the Member, including, without limiting the generality of the foregoing, goods acquired or held for sale or lease or that have been leased or furnished or consigned to the Member or to be furnished, leased or consigned to the Member under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing;
- (iii) Accounts: all debts, accounts, claims, monies and choses in action which now are, or which may at any time hereafter be, due or owing to or owned by the Member and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the said debts, accounts, claims, monies and choses in action or any part thereof;
- (iv) Other Personal Property: all of the Member's undertaking and all of the Member's other personal property and assets including, without limitation, all warehouse receipts, bills of lading and other documents of title whether negotiable or not, all chattel paper, instruments, securities, shares, warrants, bonds, debentures, debenture stock, letters of credit, cheques and money;
- (v) Intangibles: all contractual rights, licenses, permits, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Member, insurance claims, computer software, warranties, judgments, rights, franchises and all other choses in action of the Member of every kind which now are, or which may at any time hereafter be due or owing to or owned by the Member, and all other intangible property of the Member; and
- (vi) all proceeds of every nature and kind arising from the Collateral referred to in this Security Agreement. The security interests, mortgages, charges, assignments, pledges and transfers created pursuant to this Section I shall be collectively hereinafter called the "Security Interests".

#### 2. EXCEPTIONS

The last day of the term created by any lease or agreement therefore is hereby excepted out of any mortgage, charge, assignment or security interest created by this Security Agreement but the Member shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as Atlantic Central shall direct. All consumer goods of the Member acquired after the date hereof are excepted out of any mortgage, charge, assignment or security interest created by this Security Agreement.

#### 3. OBLIGATIONS SECURED

This Security Agreement and the Security Interests hereby created are in addition to and not in substitution for any other mortgage, charge, assignment or security interest now or hereafter held by Atlantic Central from the Member or from any other person whomsoever and shall be general and continuing security for the payment and performance of all present and future indebtedness, liabilities and obligations of the Member to Atlantic Central (including interest thereon), of whatsoever nature or kind, whether incurred prior to or at the time of or after the signing of this Security Agreement, 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 Member to Atlantic Central whether or not contained in this Agreement (all of which indebtedness, liability, and obligations are hereinafter collectively called the "Obligations").

#### 4. <u>ATTACHMENT</u>

The Member acknowledges that the Security Interests attach upon the execution of this Security Agreement, that value has been given, and that the Member has, or in the case of after acquired property will have, rights in the Collateral. The Member confirms that there has been no agreement between the Member and Atlantic Central to postpone the time for attachment of the Security Interests.

#### 5. PURCHASE MONEY SECURITY INTEREST

The Member acknowledges and agrees that the Security Interests constitute and are intended to create purchase money security interests in Collateral to the extent that money advanced by Atlantic Central, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

#### 6. REPRESENTATIONS AND WARRANTIES

The Member represents and warrants to Atlantic Central that:

- (i) if a corporation, the Member 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 Security Agreement 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 Member is a party or by which it is bound;
- (ii) If it is a corporation, the Member's name as set forth on the first page of this Security Agreement 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 Member has provided a written memorandum to the Bank accurately setting forth all prior names under which the Member has operated;
- (iii) if it is a partnership, the Member's name as set forth on the first page of this Security Agreement is Its full, true and correct, 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 Member 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 are set forth on a Schedule attached to this Security Agreement;
- (iv) if the Member is an individual, the Member's full name as set out on the first page of this Security Agreement is the Member's full and correct name as described on the individual's birth certificate a true copy of which has been provided to Atlantic Central or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to Atlantic Central; the Member's

address as set out on the first page of this Security Agreement is the Member's full and correct address;

- (v) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Member, in which a decision adverse to the Member 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 Member; and the Member agrees to promptly notify Atlantic Central of any such future litigation or governmental proceeding;
- (vi) the Member does not have any information or knowledge of any facts relating to the Member's business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to Atlantic Central in writing and which, if known to Atlantic Central, might reasonably be expected to deter Atlantic Central from extending credit or advancing funds to the Member;
- (vii) the Member has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by Atlantic Central, and the Member has not granted any licenses in or of its intellectual property other than as disclosed and consented to by Atlantic Central;
- (viii) to the extent that any of the Collateral includes serial numbered goods which require serial number registration by virtue of the Act and its regulations, the serial numbers set out in Schedule "A" of this Security Agreement are the full and correct serial numbers of all such Collateral;
- the Collateral is and/or will be located at the place(s) described in Schedule "A" and will not be removed from such location(s) without the prior written consent of Atlantic Central;
- (x) each account and instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same and the amount represented by the Member to Atlantic Central from time to time as owing be each Account Debtor of the Member is the correct amount actually and unconditionally owing by such Account Debtor; and
- (xi) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Member, if the Member is a corporation, or, if the Member is a partnership, of the partners of the Member, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Member's obligations valid and there is no restriction contained in the constating documents of the Member or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Member to borrow money or give security.

## 7. COVENANTS OF THE MEMBER

- (a) The Member covenants that at all times while this Security Agreement remains in effect the Member will:
  - (i) promptly pay and satisfy the Obligations as they become due or are demanded;
  - defend the title to the Collateral for the benefit of Atlantic Central against the claims and demands of all persons;
  - (iii) maintain insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as Atlantic Central may require;
  - (iv) maintain the Collateral in good condition, order and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
  - (v) forthwith pay and satisfy:
    - (A) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon the Member or the Collateral when due, unless the Member shall in good faith contest its obligations so to pay and shall furnish such security as Atlantic Central may require; and
    - (B) all security interests, charges, encumbrances, liens and claims which rank or could in any
      ovent rank in priority to any of the Security Interests, other than the charges or security
      interests, if any, consented to in writing by the Secured Party;
  - (vi) 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 Atlantic Central in:

- (A) inspecting the Collateral;
- (B) negotiating, preparing, perfecting and registering this Security Agreement and other documents, whether or not relating to this Security Agreement;
- (C) maintaining the intended priority of the Security Interests;
- (D) investigating title to the Collateral;
- (E) complying with any disclosure requirements under the Act;
- (F) taking, recovering, keeping possession of and insuring the Collateral;
- (G) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
- (H) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty Atlantic Central becomes obligated to pay by reason of any statute, order or direction of competent authority;
- any sums Atlantic Central pays as fines, or as clean up costs because of contamination of or from your assets; and
- (J) all other actions and proceedings taken in connection with the preservation of the Collateral and the Security Interests and the enforcement of this Security Agreement and of any other security interest held by Atlantic Central as security for the Obligations;
- (vii) at Atlantic Central'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 Atlantic Central in its absolute discretion requires in order to confirm and perfect, and maintain perfection of, the Security Interests hereby created in favour of Atlantic Central upon any of the Collateral or to give effect to the intent of this Security Agreement;
- (viii) notify Atlantic Central promptly of:
  - (A) any change in the information contained herein relating to the Member, its address, its business or the Collateral, including without limitation any change of name or address and any change in the present location of any Collateral;
  - (B) the details of any material acquisition of the Collateral;
  - (C) any material loss or damage to the Collateral;
  - any material default by any Account Debtor in payment or other performance of his obligations to the Member with respect to any accounts;
  - (E) the return to or repossession by the Member of the Collateral where such return or repossession of the Collateral is material in relation to the business of the Member;
  - (F) any claims against the Member relating to the Collateral or any part thereof; and
  - (G) the acquisition of rights in any vehicle, mobile home, trailer, boat, aircraft or aircraft engine and the full particulars of such Collateral including its serial number.
- (ix) prevent the Collateral, other than inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession or fixture to other property not covered by this Security Agreement;
- (x) permit Atlantic Central and its representatives, at all reasonable times, access to all its property, assets and undertakings and to all its books of account and records for the purpose of inspection, including without limitation the taking of extracts and copies and render all assistance necessary for such inspection; and
- (xi) deliver to Atlantic Central from time to time promptly upon request:
  - (A) any documents of title, instruments, securities and chattel paper constituting, representing \*10033971/00022/3243434/v2

#### or relating to Collateral;

- (B) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
- (C) a list of all Account Debtors of the Member with amounts owing by each and any securities therefor;
- (D) all financial statements prepared by or for the Member regarding the Member's business;
- (E) all policies and certificates of insurance relating to the Collateral; and
- such information concerning the Collateral, the Member and the Member's business and affairs as Atlantic Central may require;
- (xii) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all coverants, terms and conditions upon or under which the Collateral is held;
- (xiii) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (xiv) 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 Member is subject;
- (xv) receive and hold in trust on behalf of and for the benefit of Atlantic Central all proceeds from the sale or other disposition of any Collateral;
- (xvi) consent to Atlantic Central contacting and making enquiries of the Member's lessors, as well as municipal or other governmentofficials;
- (xvii) without the consent of Atlantic Central, not create or permit to exist any mortgage, charge, assignment or security interest in, charge, encumbrance or lien over, or claim against the Collateral or any part thereof which ranks or could rank in priority to or pari passu with any security interest created by this Security Agreement;
- (xviii) maintain the Security Interests as valid, effective and perfected security at all times;
- (xix) not move, remove or relocate any of the Collateral from its present location without first notifying Atlantic Central and effecting such further registrations as may be required or desirable to protect or preserve the Security Interests and to maintain the priority intended to be granted to Atlantic Central; and
- (xx) not grant, sell or otherwise assign its chattel paper or accounts.
- (b) The Member, if a company, covenants that at all times while this Security Agreement remains in effect, without the prior written consent of the Secured Party:
  - (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 Member;
  - (v) it will maintain its corporate existence; and

(vi) it will not change its name, merge or amalgamate with any other entity.

## ENVIRONMENT

The Member represents and agrees that:

- 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;
- it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- it possesses and will maintain all environmental licenses, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (iv) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Member's business or assets including without limitation the Collateral;
- it will advise Atlantic Central immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (vi) it will provide Atlantic Central with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Member and it consents to Atlantic Central contacting and making enquiries of environmental officials or assessors; and
- (vii) it will from time to time when requested by Atlantic Central provide to Atlantic Central evidence of its full compliance with the Member's obligations in this section.

#### 9. INSURANCE

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

#### PERFORMANCE OF OBLIGATIONS

perform any or all of such Obligations without prejudice to any other rights and remedies of Atlantic Central 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 Member to Atlantic Central forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be a charge upon and security interest in the Collateral in favour of Atlantic Central prior to all claims subsequent to this Security Agreement.

#### 11. DEALING WITH COLLATERAL

- (a) Except as herein provided, without the prior written consent of Atlantic Central, the Member will not:
  - (i) sell, lease, licence or otherwise dispose of the Collateral;
  - (ii) release, surrender or abandon possession of the Collateral; or
  - (iii) move or transfer the Collateral from its present location.
- (b) Provided that the Member is not in default under this Security Agreement, at any time without the consent of Atlantic Central, the Member may lease, sell, license, consign or otherwise deal with items of inventory in the ordinary course of business and for the purposes of carrying on its business and may possess, use, collect and benefit from the Collateral in the ordinary course and in any manner not inconsistent with the provisions of this Agreement.
- (c) Any disposition of any Collateral, excepting disposition of inventory pursuant to Section 11(b) of this Security Agreement, shall result in the Member holding the proceeds in trust for and on behalf of Atlantic Central and subject to Atlantic Central's exclusive direction and control. Nothing herein restricts Atlantic Central's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed of, unless it is sold or disposed of with Atlantic Central's prior written consent.

#### 12. ACCOUNTS AND SECURITIES

Notwithstanding any other provision of this Security Agreement, Atlantic Central may collect, realize, self or otherwise deal with all or a portion of the accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Member, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. Atlantic Central may notify any Account Debtor of the Member of this Security Agreement and may direct such Account Debtor to make all payments to Atlantic Central. All forms of payment received by the Member in payment of any account, or as proceeds, shall be subject to the Security Interests and shall be received and held by the Member in trust for Atlantic Central.

Atlantic Central may have any Collateral comprising instruments, shares, stock, warrants, bonds, debentures, debenture stock or other securities, registered in its name or in the name of its nominee and shall be entitled but not bound or required to vote in respect of such Collateral at any meeting at which the holder thereof is entitled to vote and, generally, to exercise any of the rights which the holder of such Collateral may at any time have; but Atlantic Central shall not be responsible for any loss occasioned by the exercise of any of such rights or by failure to exercise the same within the time limited for the exercise thereof.

## 13. APPROPRIATION OF PAYMENTS

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as Atlantic Central sees fit, and Atlantic Central may at any time change any appropriation as Atlantic Central sees fit.

## 14. DEFAULT

The Member shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Member and Atlantic Central, unless waived by Atlantic Central, in any of the following events:

- the Member defaults, or threatens to default, in payment when due of any of the Obligations of the Member to Atlantic Central;
- the Member is in breach of, or threatens to breach, any term, condition or covenant of the Obligations to Atlantic Central, whether or not contained in this Security Agreement;
- (c) the Member or a guaranter of the Member 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;
- (d) a receiver, receiver and manager or receiver-manager of all or any part of the Collateral is appointed;
- the Member or a guaranter of the Member 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;
- distress or execution is levied or issued against the Collateral or any part thereof;
- (g) without the prior written consent of the Secured Party, the Member creates or permits to exist any charge, encumbrance or lien on or claim against or any security interest in, any of the Collateral which ranks or could in any event rank in priority to or pari passu with any security interest created by this Security Agreement;
- the holder of any other charge, encumbrance or lien on or claim against, or security interest in, any of the Collateral does anything to enforce or realize on such charge, encumbrance, lien, claim or security interest;
- any representation or warranty made by the Member to Atlantic Central, whether or not contained in this Security Agreement is untrue;
- 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 Member;
- (k) if the Member or a guarantor of the Member is a company or a partnership, an order is made or an effective resolution is passed for the dissolution, liquidation or winding up the Member or the guarantor of the Member;
- the Member, if a company, enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person, without Atlantic Central's prior written consent;
- (m) the Member, if an individual, dies or is declared incompetent by a court of competent jurisdiction;
- if the Member or a guaranter of the Member is a corporation and its voting control changes without Atlantic Central's written consent;
- the Member uses any monies advanced by Atlantic Central to the Member for any purpose other than as agreed upon by Atlantic Central;
- (p) the lessor under any lease to the Member of any real or personal property takes any stops to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Member;
- (q) the Member cause or allows hazardous materials to be brought upon any lands or premises occupied by the Member or to be incorporated into any of its assets, or the Member 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
- (r) Atlantic Central 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 Collateral or any part thereof is or is about to be placed in jeopardy.

#### ENFORCEMENT

- (a) Upon any default under this Security Agreement, Atlantic Central 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 and the Security Interests hereby constituted will immediately become enforceable. To enforce and realize on the Security Interests, Atlantic Central 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, Atlantic Central may do any of the following:
  - appoint by instrument a receiver, a receiver and manager or receiver-manager (the person so appointed is hereinafter called the "Receiver") of the Collateral, with or without bond as Atlantic

- Central may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
- enter upon any premises of the Member and take possession of the Collateral with power to exclude the Member, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;
- (iii) hold, preserve, protect and maintain the Collateral and make such replacements thereof and repairs and additions thereto as Atlantic Central may deem advisable;
- (iv) sell, lease or otherwise dispose of all or any part of the Collateral, 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 Atlantic Central may seem reasonable, provided that if any sale, lease or other disposition is on credit the Member 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;
- register assignments of the intellectual property and use, sell, assign, license or sub-license any of the intellectual property;
- (vi) retain the Collateral in satisfaction of the Obligations; and
- (vii) exercise all of the rights and remedies of a secured party under the Act or any other applicable legislation.
- (b) A Receiver appointed pursuant to this Security Agreement shall be the agent of the Member and not of Atlantic Central and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of Atlantic Central hereunder, and in addition shall have power to:
  - carry on the business of the Member and for such purpose from time to time to borrow money on any of the Collateral; such security interest may rank before or pari passu with or behind the Security Interests, and if it does not so specify such security interest shall rank before the Security Interests;
  - make an assignment for the benefit of the Member's creditors or a proposal on behalf of the Member 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 Member for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
  - (iv) make any arrangement or compromise that the Receiver deems expedient.
- (c) Subject to the claims, if any, of the creditors of the Member ranking in priority to this Security Agreement, all amounts realized from the disposition of Collateral pursuant to this Security Agreement will be applied as Atlantic Central, in its absolute discretion, may direct as follows:
  - in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by Atlantic Central in connection with or incidental to:
    - the exercise by Atlantic Central of all or any of the powers granted to it pursuant to this Security Agreement; 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 Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
  - ii) in or toward payment to Atlantic Central of all principal and other monies (except interest) due in respect of the Obligations; and
  - (iii) in or toward payment to Atlantic Central of all interest remaining unpaid in respect of the Obligations.

Subject to applicable law and the claims, if any, of other creditors of the Member, any surplus will be

paid to the Member.

## 16. SET OFF

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

#### 17. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full the Member will immediately pay to Atlantic Central the amount of such deficiency.

#### RIGHTS CUMULATIVE

All rights and remedies of Atlantic Central set out in this Security Agreement, and in any other agreement or document held by Atlantic Central from the Member 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 security agreement now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Member and Atlantic Central that may be in effect from time to time.

## 19. LIABILITY OF SECURED PARTY

- (a) Atlantic Central shall not be responsible or liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfillment of contracts during any period when Atlantic Central shall manage the Collateral upon entry, as herein provided, nor shall Atlantic Central be liable to account as mortgagee in possession or for any default or omission for which a mortgagee in possession may be liable. Atlantic Central shall not be bound to do, observe or perform or to see to the observance or performance by the Member of any obligations or covenants imposed upon the Member nor shall Atlantic Central, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall Atlantic Central be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Member hereby waives any applicable provisions of law permitted to be waived by it which imposes higher or greater obligations upon Atlantic Central than aforesaid.
- (b) Neither Atlantic Central nor any Receiver appointed by it shall be liable or accountable for any fallure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of Atlantic Central, the Member or any other person respecting the Collateral. Atlantic Central shall also not be liable for any misconduct, negligence, misfeasance by Atlantic Central, the Receiver or any employee or agent of Atlantic Central or the Receiver, or for the exercise of the rights and remedies conferred upon Atlantic Central or the Receiver by this Security Agreement.
- (c) Atlantic Central in its sole discretion may realize upon any other security provided by the Member in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.

#### 20. APPOINTMENT OF ATTORNEY

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

## 21. LIABILITY TO ADVANCE

None of the preparation, execution, perfection and registration of this Security Agreement or the advance of any monies shall bind Atlantic Central 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 Member to Atlantic Central.

#### 22. WAIVER

Atlantic Central may from time to time and at any time waive in whole or in part any right, benefit or default
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under any clause of this Security Agreement 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 Atlantic Central. No delay or omission on the part of Atlantic Central shall operate as a waiver of such right or any other right.

#### 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.

### 24. EXTENSIONS

Atlantic Central 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 Member, Account Debtors of the Member, sureties and others and with the Collateral and other security interests as Atlantic Central may see fit without prejudice to the liability of the Member or the Secured Party's right to hold and realize on the security constituted by this Security Agreement.

## NO MERGER

This Security Agreement 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 Adantic Central from the Member 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 Security Agreement.

#### ASSIGNMENT

Atlantic Central may, without further notice to the Member, at any time assign, transfer or grant a security Interest in any of the Obligations, this Security Agreement and the Security Interests. The Member expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of Atlantic Central's rights and remedies under this Security Agreement and the Member 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.

## 27. SATISFACTION AND DISCHARGE

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

#### 28. <u>ENUREMENT</u>

This Security Agreement shall enure to the benefit of Atlantic Central and its successors and assigns, and shall be binding upon the respective heirs, executors, personal representatives, successors and permitted assigns of the Member.

#### INTERPRETATION

## (a) In this Security Agreement:

- (i) "Collateral" has the meaning set out in Clause 1 hereof and any reference to Collateral shall, unless the context otherwise requires, be deemed a reference to Collateral as a whole or any part thereof.
- (ii) "Member" 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 Member is one or more individuals, corporations or partnerships;
- (iii) "the Act" means the Personal Property Security Act (Nova Scotia) and all regulations thereunder as amended from time to time;

- "Account Debtor" means a debtor of the Member on an intangible, chattel paper or account, or any obligor of the Member on an instrument;
- (b) words and expressions used herein that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined herein or unless the context otherwise requires;
  - each of the provisions contained in this Security Agreement is distinct and severable and
    the invalidity or unenforceability of the whole or any part of any clause of this Security
    Agreement shall not affect the validity or enforceability of any other clause or the
    remainder of such clause;
  - the headings of the clauses of this Security Agreement have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Security Agreement;
  - (c) 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; and
  - (d) this Security Agreement shall be governed by the laws of the Province of Nova Scotia.

#### JOINT AND SEVERAL

If more than one Member executes this Security Agreement, the obligations of such Members shall be joint and several.

#### 31. FILING

The Member authorizes Atlantic Central to file such financing statements, notices of security interest, and other documents and do such acts and things as Atlantic Central may consider necessary or desirable to perfect the Security Interests in the Collateral, to protect and preserve its interest in the Collateral and to realize upon the Collateral.

#### 32. COPY OF AGREEMENT AND FINANCING STATEMENT

The Member hereby:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) waives all rights to receive from Atlantic Central a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Security Agreement.

## 33. <u>TIME</u>

Time shall in all respects be of the essence.

#### 34. INDEPENDENT ADVICE

The Member acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the Member has executed this Security Agreement this May of December, 2020.

SIGNED and DELIVERED in the presence

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

Per:

Name: Stoven Zar Title: President

I have authority to bind the above Corporation

## SCHEDULE "A"

# Section 1:

- The following specific items (insert description by item or kind):
- 2. The following serial numbered goods:
- 3. Location(s) of the Collateral:

1533 Barrington Street, Halifax, Nova Scotia, designated as PID 444141