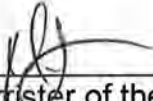


This is Exhibit "K" referred to in the  
Affidavit of Mark Horne  
sworn before me on January 17, 2025



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A Barrister of the Supreme  
Court of Nova Scotia

DAVID A. DUNPHY  
A Barrister of the Supreme  
Court of Nova Scotia

ATLANTIC CENTRAL

## GUARANTEE AND POSTPONEMENT OF CLAIM (UNLIMITED)

TO: Atlantic Central

I/WE STEVEN CARYI (hereinafter called the "Guarantor")

To be initialed by the  
witness and the person  
who signs the form.

*MS*

For Valuable Consideration, the receipt and sufficiency of which are hereby acknowledged, the guarantor hereby guarantees payment to Atlantic Central (forthwith after demand therefore as hereinafter provided) of the liabilities which ANNAPOLIS MANAGEMENT, INC. and RUBY, L.P. (herein referred to as the "Member") has incurred or is under or may in the future incur or be under to Atlantic Central, whether arising from dealings between Atlantic Central and the Member or from any other dealings by which the Member may become in any manner whatever liable to Atlantic Central.

### PART I

#### THE GUARANTOR AGREES TO THE FOLLOWING TERMS AND CONDITIONS:

1. 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.
2. Atlantic Central may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Member and with other parties and securities as Atlantic Central may see fit, and may apply all moneys received from the Member or others, or from securities, upon such part of the Member's liability as it may think best, without prejudice to or in any way limiting or lessening the liability of the Guarantor under this Guarantee.
3. The failure of Atlantic Central to take any security that the parties herein contemplated it would take or the failure of Atlantic Central to perfect any security by registration of the security in the appropriate registry shall not prejudice or in any way limit or lessen the liability of the Guarantor under this Guarantee.
4. Any loss of or in respect of securities received by Atlantic Central from the Member or any other person, whether occasioned through the fault of Atlantic Central or otherwise, shall not discharge pro tanto or limit or lessen the liability of the Guarantor under this Guarantee.
5. This shall be a continuing guarantee and shall cover present liabilities (if any) of the Member to Atlantic Central and all liabilities incurred after the date hereof and shall apply to and secure any ultimate balance due or remaining due to Atlantic Central and shall be binding as a continuing security on the Guarantor. The Guarantor shall pay to Atlantic Central all costs, charges and expenses (including legal fees on a solicitor and client basis) incurred by Atlantic Central or its agents in the perfection and enforcement of this Guarantee.
6. Any change or changes in the name of the Member, or (if the Member be a partnership) any change or changes in the Membership of the Member's firm by death or by the retirement of one or more of the partners or by the introduction of one or more other partners shall not affect or in any way limit or lessen the liability of the Guarantor hereunder and this guarantee shall extend to the person, firm or corporation acquiring or from time to time carrying on the business of the Member.
7. All moneys, advances, renewals and credits in fact borrowed or obtained from Atlantic Central shall be deemed to form part of the liabilities hereby guaranteed notwithstanding any incapacity, disability or lack of limitation of status or of power of the Member or of the directors, partners or agents thereof, or that the Member may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits; and any amount which may not be recoverable from the Guarantor on the footing of a guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to Atlantic Central after demand therefore as hereinafter provided.
8. Any account settled or stated by or between Atlantic Central and the Member shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Member to Atlantic Central is so due.
9. Should Atlantic Central receive from the Guarantor a payment or payments in full or on account of the liability under this guarantee, the Guarantor shall not be entitled to claim repayment against the Member or the Member's estate until Atlantic Central's claims against the Member have been paid in full; and in case of liquidation, winding up or bankruptcy of the Member (whether voluntary or compulsory) or in the event that the Member shall make a bulk sale of any of the Member's assets within the bulk transfer provisions of any applicable legislation or any composition with creditors or scheme of arrangement, Atlantic Central shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue liable up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing to Atlantic Central by the Member, and in the event of the valuation by Atlantic Central of any of its securities and/or the retention thereof by Atlantic Central, such valuation and/or retention shall not, as between Atlantic Central and the Guarantor, be considered as a purchase of such securities, or as payment or satisfaction or reduction of the Member's liabilities to Atlantic Central, or any part thereof.
10. The Guarantor shall make payment to Atlantic Central of the amount of the liability of the Guarantor forthwith after demand therefore is made in writing and such demand shall be deemed to have been effectually made when an envelope containing it addressed to the Guarantor at the last address of the Guarantor known to Atlantic Central is deposited, postage prepaid and registered, in the Post Office and the liability of the Guarantor shall bear interest from the date of such demand at the rate or rates then applicable to the liabilities of the Member to Atlantic Central.

## PART II

11. And for the further security of Atlantic Central the Guarantor agrees:
- (a) That any debts or claims against the Member now or at any time hereafter held by the Guarantor are and shall be held by the Guarantor for the further security of Atlantic Central, and as between the Guarantor and Atlantic Central are hereby postponed to the debts and claims against the Member now or at any time hereafter held by Atlantic Central, and any such debts and claims of the Guarantor shall be held as trustee for Atlantic Central and shall be collected, enforced or proved subject to and for the purposes of this agreement and any moneys received by the Guarantor in respect thereof shall be paid over to Atlantic Central on account of its said debts and claims, and no such debt or claim of the Guarantor against the Member shall be released or withdrawn by the Guarantor unless Atlantic Central's written consent to such release or withdrawal is first obtained and the Guarantor shall not permit the prescription of any such debt or claim by any statute of limitations or assign any such debt or claim to any person other than Atlantic Central or ask for or obtain any security or negotiable paper for or other evidence of any such debt or claim except for the purpose of delivering the same to Atlantic Central; and Atlantic Central may at any time give notice to the Member requiring the Member to pay to Atlantic Central all or any of such debts or claims of the Guarantor against the Member and in such event such debts and claims are hereby assigned and transferred to Atlantic Central; and in the event of the liquidation, winding up or bankruptcy of the Member (whether voluntary or compulsory) or in the event that the Member shall make a bulk sale of any of the Member's assets within the bulk transfer provisions of any applicable legislation, or any composition with creditors or scheme of arrangement, any and all dividends or other moneys which may be due or payable to the Guarantor in respect of the debts or claims of the Guarantor against the Member are hereby assigned and transferred to and shall be due and be paid to Atlantic Central, and for such payment to Atlantic Central this shall be a sufficient warrant and authority to any person making the same; and the Guarantor shall at any time and from time to time at the request of and as required by Atlantic Central, make, execute and deliver all statements of claims, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of Atlantic Central under and by virtue of this instrument.
  - (b) The provisions of this clause are independent of and severable from the provisions of clauses 1 - 10 of this Guarantee and Postponement of Claim and shall remain in force whether or not the Guarantor is liable for any amount under clauses 1 - 10 provided, however, that the provisions of this clause may be terminated by the Guarantor, by written notice to Atlantic Central or the branch thereof, at any time when the Guarantor is not liable for any amount under clauses 1 - 10 by reason of the fact that the Member is not indebted or liable to Atlantic Central.

## PART III

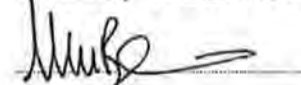
12. Atlantic Central shall not be bound to exhaust its recourse against the Member or other parties or the securities it may hold before being entitled to payment from the Guarantor under this Guarantee.
13. This Guarantee and Postponement is in addition and without prejudice to any securities of any kind (including without limitation guarantees and postponement agreements whether or not in the same form as this instrument) now or hereafter held by Atlantic Central.
14. There are no representations, collateral agreements or conditions with respect to this instrument or affecting the Guarantor's liability hereunder other than as contained herein.
15. The terms and conditions set out in this guarantee shall not merge with any judgment which may be obtained against the Guarantor or the Member.
16. This Guarantee and Postponement shall be construed in accordance with the laws of the Province of Nova Scotia, and the Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this instrument may be instituted in the courts of such province, and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said courts and acknowledges their competence and agrees to be bound by any judgement thereof, provided that nothing herein shall limit Atlantic Central's right to bring proceedings against the Guarantor elsewhere.
17. This Guarantee and Postponement shall extend to and enure to the benefit of the successors and assigns of Atlantic Central, and shall be binding upon the Guarantor and the heirs, executors, administrators and successors of the Guarantor.

The Guarantor hereby acknowledges receipt of a copy of this agreement.

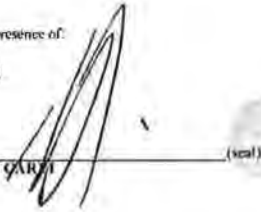
Signed and Delivered this 11<sup>th</sup> day of December, 2020 at Windsor Park in the presence of:

WITNESS by video conference

GUARANTOR



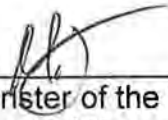
NAME: STEVEN GARDNER (seal)



For Personal  
Guarantee

NOTE: If a Guarantor is an individual the seal should be affixed opposite the signature. If incorporated company it must be signed by authorized signing officers and be corporate seal.

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



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A Barrister of the Supreme  
Court of Nova Scotia

NOTED & FILED  
JAN 20 2025  
CLERK OF THE COURT  
NOVA SCOTIA





**LEAGUE SAVINGS  
AND MORTGAGE**

*A Credit Union Company*

April 28, 2022

Mr. S. Caryi  
Annapolis Management Inc., as general partner of Ruby LLP and Annapolis Management Inc., in its  
own Capacity  
c/o Marc Beaubien  
Cox & Palmer  
Nova Centre – South Tower,  
1500-1625 Grafton Street  
Halifax NS B3J 0E8

Dear Sirs,

On behalf of League Savings & Mortgage Company, we are pleased to advise your request to the  
property at civic number 1572 Barrington Street, Halifax NS being PID number 41353202 (sometimes  
collectively referred to below as the "**Property**"), has been approved.

In addition to the terms and conditions outlined in the related security documents, this approval is  
subject to the following:

<b>Borrower:</b>	Annapolis Management Inc., as general partner of Ruby LLP and Annapolis Management Inc., in its own Capacity
<b>Lender:</b>	League Savings & Mortgage Company
<b>Guarantor(s):</b>	Steve Caryi
<b>Purpose:</b>	To payout existing debt with League Savings & Mortgage Company and provide an equity withdrawal
<b>Loan type:</b>	Demand Loan
<b>Loan Amount:</b>	A maximum loan of \$8,000,000 being 72.5% of the appraised value of the Property.
<b>Interest Rate:</b>	A fixed interest rate of 3.80% for a 3-year term

6074 Lady Hammond Road  
Halifax, NS B3K 2R7

Tel 902-453-4220  
Toll Free 1-800-668-2879  
Fax 902-454-3116  
Toll Free Fax 1-866-860-3116  
lsmhalifax@aclsma.ca

Certified






<b>Loan Term:</b>	36 months
<b>Amortization:</b>	25 Years
<b>Repayment:</b>	Blended monthly principal & interest payments of \$41,349.
<b>Interest Adjustment Date:</b>	The first day of the month immediately following the first advance of the loan
<b>First Payment Date:</b>	The first day of the month following the Interest Adjustment Date
<b>Maturity Date:</b>	The first day of the month 36 months after the Interest Adjustment Date.

**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:**

- 1st Collateral Mortgage supported by a Promissory Note, over property located at 1572 Barrington Street, Halifax NS (PID #41353202) 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 25 years providing a security interest in all personal property, book debts, and other amounts arising from the company limited to property located at 1572 Barrington Street, Halifax NS.
- A Guarantee and Postponement of Claim from Steve Caryi for the full amount of the loan.
- 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.

**EXPENSES:**

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

**APPLICATION FEE:**

Facility - Application Fee: \$14,000

Commitment Fee: N/A

This total application fee includes a N/A 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 \$14,000 may be deducted from the Facilities' 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 this letter and security documents are the responsibility of the Borrower.

**SOLICITOR - BORROWER:**

Marc Beaubien  
Cox & Palmer  
Nova Centre – South Tower  
1500-1625 Grafton Street  
Halifax NS B3J 3E8  
Phone 902 491 4108  
mbaubien@coxandpalmer.com

**SOLICITOR - LENDER:**


Jim Musgrave  
Cox & Palmer  
Nova Centre – South Tower  
1500-1625 Grafton Street  
Halifax NS B3J 3E8  
Phone 902 491 4118  
jmusgrave@coxandpalmer.com

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

**Prepayment Privileges:** (i) You are permitted to prepay, without prepayment charges, up to ten (10%) percent of the outstanding loan balance once in any twelve (12) month period. Regular monthly payments must continue without interruption. This privilege is non-cumulative, which means if you do not take advantage of the full 10% in a given year, the allowable amount will remain 10% the next year. (ii) Full repayment of the loan will not be permitted prior to the term maturity.

**Due on Sale:** There is no right to prepay the Indebtedness and this Mortgage in whole, except in the event of the Mortgagor selling, conveying, transferring or entering into an agreement for sale or transfer of title of the Property or change in the legal or beneficial ownership of the Property (including but not limited to, the sale of shares or other interest resulting in a transfer of majority ownership interest in the Mortgagor) (hereinafter referred to as a "Transfer"), such Transfer shall be subject to the prior consent of the Mortgagee, which consent shall not be unreasonably withheld, and following the Mortgagee's consent, the Mortgagor may prepay the Indebtedness only upon the payment of a prepayment fee equal to the greater of:

- (a) Three (3) months' interest at the Interest Rate on the Indebtedness, or

- 
- (b) The amount, if any, by which interest at the Interest Rate on the Indebtedness exceeds interest at the current reinvestment interest rate, calculated on the Indebtedness, for the remaining term of the Mortgage. The "current reinvestment interest rate" at the time of prepayment means the rate at which the Mortgagee would lend to on the security of a similar mortgage of the Property for a term starting on the date of prepayment and ending on the balance due date of the Mortgage".

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

- Copies of Municipal Occupancy Permit, elevator permit and Fire Marshal report.

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

- Annual Review Engagement financial statements to be provided within 120 days of year-end Ruby LLP.
- The borrower shall provide annual confirmation of the payment of property taxes.
- The company is to maintain a Debt Service Coverage of 1.15:1, where DSC is measured as EBITDA/ (Prin+Int all loans) + Capital Lease payments. EBITDA is defined as Earnings before interest, income taxes and depreciation and/or amortization.
- 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 FUNDS:**

**Drawdown Conditions.**

- Subject to completion of all security and pre-funding conditions


**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 changes in the financial conditions of the Borrower.

- 
- B. Any unacceptable change in ownership of the Borrower 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.
  - 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 May 11, 2022, 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**

<b>TO:</b>	League Savings & Mortgage Company
<b>ATTENTION:</b>	Mark Horne, Director, Commercial & Lending Services
<b>RE:</b>	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 League Savings & Mortgage Company is true and we accept the Offer of Financing dated April 28, 2022 and agree to the above terms and conditions contained herein and acknowledge receipt of a copy of the Offer of Financing and Schedule 'A'.

**BORROWERS:**

Annapolis Management Inc., as general partner of Ruby LLP	 Authorized Signature
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Annapolis Management Inc in its own capacity	 Authorized Signature
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**GUARANTOR:**

Steve Caryi	 Signature
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## TERM PROMISSORY NOTE

\$ 8,000,000.00

Account No: 21556-71-0

Date: May 10, 2022

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:

Eight Million Dollars

(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 the rate indicated below: (choose one and initial)

☐

Fixed Rate of % per annum, calculated daily not in advance.

☒

Fixed Rate of 3.800 % per annum, calculated semi-annually not in advance.

I/We agree to make payments consisting of a portion of the principal sum together with the interest due and payable as indicated below commencing on and including July 1, 2022 with succeeding consecutive instalments to be paid on the same day each period thereafter and ending on and including the final payment date of June 1, 2025, when the balance of the principal sum together with all interest shall become due and payable:

(choose one and initial)

☐

Weekly

☐

Bi-weekly

☒

Monthly

☐

Semi-annually

☐

Annually

Principal and interest payments of \$ 41,349.00 each of which will be used first to pay interest due and payable and next to reduce the principal sum.

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.

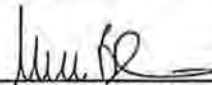
The Lender reserves the right to charge fees and penalties in the amount of \$50.00 each time there is a failure to honour the payment schedule and/or any other terms in this promissory note. The Lender may change the amount of such fees and penalties from time to time without notice.

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.

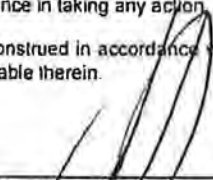
This promissory note shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein.

  
Signature of Witness

Marc Beauches  
Name of Witness (please print)

  
Signature of Witness

Marc Beauches  
Name of Witness (please print)

  
Signature of Borrower

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

Name of Borrower

  
Signature of Co-Borrower

ANNAPOLIS MANAGEMENT, INC.

Name of Co-Borrower

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



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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 22 day of July, 2020

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

(hereinafter called the "Mortgagor")

- and -

LEAGUE SAVINGS AND MORTGAGE COMPANY

(hereinafter called the "Mortgagee")

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

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

## 2. GRANT OF MORTGAGE

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

3. INTEREST

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

4. SECURITY

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

5. REPRESENTATIONS AND WARRANTIES

The Mortgagor represents and warrants to the Mortgagee that:

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

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

## 6. COVENANTS OF THE MORTGAGOR

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



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

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

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

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

## 7. ENVIRONMENT

The Mortgagor represents and agrees that:

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



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

## 8. INSURANCE

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

## 9. PERFORMANCE OF OBLIGATIONS

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

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

10. QUIET POSSESSION

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

11. SUMS OWING

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

12. FEES

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

13. SCHEDULES

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

14. APPROPRIATION OF PAYMENTS

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

15. EXTENSION OF TIME

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

16. CONDOMINIUMS

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

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

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

## 17. DEFAULT

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

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

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



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

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

## 18. ENFORCEMENT

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

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

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

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

19. SET OFF

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

20. DEFICIENCY

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

21. RIGHTS CUMULATIVE

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

22. APPOINTMENT OF ATTORNEY

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

23. LIABILITY TO ADVANCE

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

24. RENEWAL

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

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

25. SUBDIVISION RELEASE AND REPLACEMENT OF PROPERTY

The Mortgagor hereby agrees with the Mortgagee that:

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

26. WAIVER

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

27. NOTICE

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



28. EXTENSIONS

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

29. NO MERGER

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

30. ASSIGNMENT

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

31. SATISFACTION AND DISCHARGE

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

32. ENUREMENT

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

33. INTERPRETATION

In this Mortgage:

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

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

34. TIME

Time shall in all respects be of the essence.

35. JOINT AND SEVERAL

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

36. WHO IS BOUND BY YOUR MORTGAGE

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

37. SIGNING THIS MORTGAGE


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

You acknowledge receiving a copy of this mortgage.

[signature page follows]


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

  
Witnessed by videoconference

ANNAPOLIS MANAGEMENT, INC., in its  
capacity as general partner of RABBY, LLP  
Per:   
Name: Steven Cary  
Title: President

**PROVINCE OF NOVA SCOTIA**

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

  
\_\_\_\_\_  
Marc Deaubien  
A Barrister of the Supreme Court of  
Nova Scotia


**CANADA**  
**PROVINCE OF NOVA SCOTIA**

AFFIDAVIT

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

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

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

  
Marc Beaulieu  
A Barrister of the Supreme Court of  
Nova Scotia

Steven Caryi

**Schedule "A" - Property**

**PID 41353202**

Registration County: HALIFAX COUNTY

Street/Place Name: BARRINGTON STREET /HALIFAX

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

Designation of Parcel on Plan: LOT CPR-E1A

Registration Number of Plan: 105491279

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

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

**Compliance:**

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

Registration District: HALIFAX COUNTY

Registration Year: 2014

Plan or Document Number: 105491279

## SCHEDULE "C1"

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

#### 1. Prepayment Privileges

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

#### 2. Prepayment Charges

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

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

**Table 1 - Similar Term to Maturity**

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

**Table 2 - Prepayment Charge Calculation**

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

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

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

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

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

## SCHEDULE "C2" FEES

### AS AT THE EXECUTION DATE OF THIS MORTGAGE AND/OR MORTGAGE RENEWAL

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

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

## COLLATERAL MORTGAGE

This **MORTGAGE** made this 10<sup>th</sup> day of May, 2022

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

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

- and -

**LEAGUE SAVINGS AND MORTGAGE COMPANY**

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

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

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

## 2. GRANT OF MORTGAGE

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

## 3. INTEREST

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

## 4. SECURITY

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

## 5. REPRESENTATIONS AND WARRANTIES

The Mortgagor represents and warrants to the Mortgagee that:



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

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

6. COVENANTS OF THE MORTGAGOR

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

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

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

## 7. ENVIRONMENT

The Mortgagor represents and agrees that:

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

## 8. INSURANCE

- (a) The Mortgagor covenants that while this Mortgage is in effect the Mortgagor shall:
  - (i) maintain or cause to be maintained insurance on the Property with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as the Mortgagee may require, and in particular maintain insurance on the Property to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement;
  - (ii) cause the insurance policy or policies required by this Mortgage to be assigned to the Mortgagee, including a standard mortgage clause or a mortgage endorsement, as the Mortgagee may require;
  - (iii) pay all premiums respecting such insurance, and deliver all policies to the Mortgagee, if it so requires.
- (b) If proceeds of any required insurance becomes payable, the Mortgagee may, in its absolute discretion, apply these proceeds to the Obligations as the Mortgagee sees fit or release any insurance proceeds to the Mortgagor to repair, replace or rebuild, but any release of insurance proceeds to the Mortgagor shall not operate as a payment on account of the Obligations or in any way affect this Mortgage.
- (c) The Mortgagor will forthwith, on the happening of loss or damage to the Property, notify the Mortgagee and furnish to the Mortgagee at the Mortgagor's expense any necessary proof and do any necessary act to enable the Mortgagee to obtain payment of the insurance proceeds, but

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

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

9. PERFORMANCE OF OBLIGATIONS

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

10. QUIET POSSESSION

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

11. SUMS OWING

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

12. FEES

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

13. SCHEDULES

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

14. APPROPRIATION OF PAYMENTS

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

15. EXTENSION OF TIME

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

16. CONDOMINIUMS

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

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



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

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

#### 17. DEFAULT

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

- (a) the Mortgagor defaults, or threatens to default, in payment when due of any of the Obligations of the Mortgagor to the Mortgagee; or
- (b) the Mortgagor is in breach of, or threatens to breach, any term, condition or covenant of the Obligations to the Mortgagee, whether or not contained in this Mortgage; or
- (c) the Mortgagor or a guarantor of the Mortgagor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment or any order of judgment is issued by a court granting any of the foregoing; or
- (d) a receiver, receiver and manager or receiver-manager of all or any part of the Property is appointed; or
- (e) the Mortgagor or a guarantor of the Mortgagor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (f) distress or execution is levied or issued against the Property or any part thereof; or
- (g) without the prior written consent of the Mortgagee, the Mortgagor creates or permits to exist any charge, encumbrance or lien on or claim against or any security interest in the Property which ranks or could in any event rank in priority to or *pari passu* with any security interest created by this Mortgage; or



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

#### 18. ENFORCEMENT

- (a) Upon any default under this Mortgage, the Mortgagee may withhold any future advances and may declare the full amount of any or all of the Obligations, whether or not payable on demand, to become immediately due and payable. To enforce and realize on the Mortgage, the Mortgagee may take any action permitted by law or in equity, as it may deem expedient, and in particular without limiting the generality of the foregoing, the Mortgagee may do any of the following:
  - (i) appoint by instrument a receiver, a receiver and manager or a receiver-manager (the person so appointed is hereinafter called the "Receiver") of the Property, with or without bond as the Mortgagee may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
  - (ii) enter upon any premises of the Mortgagor and take possession of the Property with power to exclude the Mortgagor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;

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

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

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

#### 19. SET OFF

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

#### 20. DEFICIENCY

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

#### 21. RIGHTS CUMULATIVE

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

#### 22. APPOINTMENT OF ATTORNEY

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

#### 23. LIABILITY TO ADVANCE

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

#### 24. RENEWAL

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

25. SUBDIVISION RELEASE AND REPLACEMENT OF PROPERTY

The Mortgagor hereby agrees with the Mortgagee that:

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

26. WAIVER

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

27. NOTICE

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

28. EXTENSIONS

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

29. NO MERGER

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

30. ASSIGNMENT

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

31. SATISFACTION AND DISCHARGE

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

32. ENUREMENT

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

33. INTERPRETATION

In this Mortgage:

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

34. TIME

Time shall in all respects be of the essence.

35. JOINT AND SEVERAL

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

36. WHO IS BOUND BY YOUR MORTGAGE

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

37. SIGNING THIS MORTGAGE

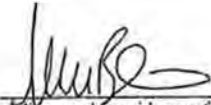
If you have read this mortgage and you agree to its terms, sign in the spaces provided for your signatures. Witnesses must sign in the space provided for the witnesses' signatures. Necessary legal seals should be added next to your signatures.

You acknowledge receiving a copy of this mortgage.

[signature page follows]



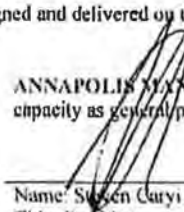
IN WITNESS WHEREOF this Mortgage has been signed and delivered on the date first written above.



Witnessed by videoconference

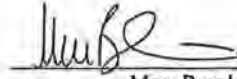
ANNAPOLIS MANAGEMENT, INC., in its  
capacity as general partner of RUBY, LLP

Per:

  
Name: Susan Cary  
Title: President

**PROVINCE OF NOVA SCOTIA**

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

  
\_\_\_\_\_  
Marc Beaubien  
A Barrister of the Supreme Court of  
Nova Scotia


CANADA  
PROVINCE OF NOVA SCOTIA

AFFIDAVIT

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

1. I am the President of ANNAPOLIS MANAGEMENT, INC. (the "Corporation"), general partner of RUBY, LLP (the "Partnership"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and the Partnership and thereby bind them.
4. I acknowledge that the foregoing instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
5. The Corporation is not a non-resident of Canada under the *Income Tax Act* (Canada). Likewise, the Partnership is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. That property described in the within 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 01<sup>st</sup> day of May 2022  
before me:

  
Marc Beaubien  
A Barrister of the Supreme Court of  
Nova Scotia

Steven Carl

**Schedule "A" - Property**

**PID 41353202**

Registration County: HALIFAX COUNTY

Street/Place Name: BARRINGTON STREET /HALIFAX

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

Designation of Parcel on Plan: LOT CPR-E1A

Registration Number of Plan: 105491279

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

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

Compliance:

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

Registration District: HALIFAX COUNTY

Registration Year: 2014

Plan or Document Number: 105491279

## SCHEDULE "C1"

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

#### 1. Prepayment Privileges

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

#### 2. Prepayment Charges

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

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

Table 1 - Similar Term to Maturity

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

Table 2 - Prepayment Charge Calculation

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

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

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

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

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

## SCHEDULE "C2" FEES

### AS AT THE EXECUTION DATE OF THIS MORTGAGE AND/OR MORTGAGE RENEWAL

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

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

## COLLATERAL MORTGAGE

This **MORTGAGE** made this 31<sup>st</sup> day of October, 2024.

BETWEEN:

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

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

- and -

**LEAGUE SAVINGS AND MORTGAGE COMPANY**

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

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

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

2. **GRANT OF MORTGAGE**

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



3. INTEREST

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

4. SECURITY

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

5. REPRESENTATIONS AND WARRANTIES

The Mortgagor represents and warrants to the Mortgagee that:

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

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

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

#### 6. COVENANTS OF THE MORTGAGOR

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

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

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

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

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

## 7. ENVIRONMENT

The Mortgagor represents and agrees that:

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



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

## 8. INSURANCE

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

## 9. PERFORMANCE OF OBLIGATIONS



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

10. QUIET POSSESSION

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

11. SUMS OWING

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

12. FEES

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

13. SCHEDULES

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

14. APPROPRIATION OF PAYMENTS

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

15. EXTENSION OF TIME

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

16. CONDOMINIUMS

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

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

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

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

## 17. DEFAULT

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

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

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

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

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

## 18. ENFORCEMENT

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



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

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

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

19. SET OFF

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

20. DEFICIENCY

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

21. RIGHTS CUMULATIVE

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

22. APPOINTMENT OF ATTORNEY

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

23. LIABILITY TO ADVANCE

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



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

24. RENEWAL

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

25. SUBDIVISION RELEASE AND REPLACEMENT OF PROPERTY

The Mortgagor hereby agrees with the Mortgagee that:

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

26. WAIVER

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

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

27. NOTICE

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

28. EXTENSIONS

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

29. NO MERGER

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

30. ASSIGNMENT

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

31. SATISFACTION AND DISCHARGE

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

32. ENUREMENT

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

33. INTERPRETATION

In this Mortgage:

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

34. TIME

Time shall in all respects be of the essence.

35. JOINT AND SEVERAL

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

36. WHO IS BOUND BY YOUR MORTGAGE

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

37. SIGNING THIS MORTGAGE

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

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

SIGNED AND DELIVERED in the presence  
of:

  
\_\_\_\_\_  
Witness by video conference

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


Per: 

\_\_\_\_\_  
Name: Laurie Caryl  
Title: President

I have authority to bind the Mortgagor.

**PROVINCE OF NOVA SCOTIA**

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

  
\_\_\_\_\_  
Marc Beaubien  
A Barrister of the Supreme Court  
of Nova Scotia

CANADA  
PROVINCE OF NOVA SCOTIA

## AFFIDAVIT

I, Laurie Caryl, make oath and say that:

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

**SWORN TO**  
From Winter Park, Florida to Halifax,  
Nova Scotia this 31<sup>st</sup> day of October, 2024  
before me:

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

**Laurie Caryl**



**SCHEDULE "A" - Property**

**PID 41353202**

Registration County: HALIFAX COUNTY

Street/Place Name: BARRINGTON STREET /HALIFAX

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

Designation of Parcel on Plan: LOT CPR-E1A

Registration Number of Plan: 105491279

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

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

Compliance:

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

Registration District: HALIFAX COUNTY

Registration Year: 2014

Plan or Document Number: 105491279

**SCHEDULE "C1"**  
**PREPAYMENT OPTIONS**  
**FOR COMMERCIAL MORTGAGES**

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

**1. Prepayment Privileges**

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

**2. Prepayment Charges**

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

\*\* For more information on posted interest rates, financial calculators or to obtain balance and payout information, please call us toll free at 1-800-666-2879 or visit our web site at [www.lsm.ca](http://www.lsm.ca)

**Table 1 - Similar Term to Maturity**

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

**Table 2 - Prepayment Charge Calculation**

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

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

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

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

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

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

- |   |  |   |   |
|---|--|---|---|
| 1 | Fire Insurance<br>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 style="list-style-type: none"> <li>• \$150.00 if refinancing with League Savings</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 amendment   |
| 7 | General Security Agreement<br>(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,<br>where applicable | - | As billed by your municipality  |

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

**EFFECTIVE DATE March 1, 2015**

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

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



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A Barrister of the Supreme  
Court of Nova Scotia

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



**LEAGUE SAVINGS  
AND MORTGAGE**

*A Credit Union Company*

**GENERAL ASSIGNMENT OF RENTS AND LEASES**

THIS AGREEMENT made this 10 day of July, 2020

**BETWEEN:**

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

(the "Assignor")

- and -

**LEAGUE SAVINGS AND MORTGAGE COMPANY**

(the "Assignee")

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

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

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

(a) "Agreement" shall mean this agreement.

(b) "Leases" shall mean:

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

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

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

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



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

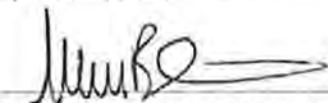
6. If the Assignee shall have exercised its rights under Section 3 and shall have received any of the Rents and if the Assignor shall cure the default under the Mortgage which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee will provide the Assignor with details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

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

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

*[signature page follows]*

SIGNED and DELIVERED in the  
presence of:

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

Witnessed by videoconference

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

Per:

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

Name: Steven Caryl

Title: President



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

**PROVINCE OF NOVA SCOTIA**

I HEREBY CERTIFY that on this 10 day of July, 2020, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties to the foregoing indenture executed and delivered the same in my presence by videoconference, and I have signed as witness to the same.

Marc Beaubien

A Barrister of the Supreme Court of  
Nova Scotia


CANADA  
PROVINCE OF NOVA SCOTIA

AFFIDAVIT

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

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

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

  
\_\_\_\_\_  
Marc Beaubien  
A Barrister of the Supreme Court of  
Nova Scotia

  
\_\_\_\_\_  
Steven Caryi

## **SCHEDULE "A"**

**PID 41353202**

**Registration County: HALIFAX COUNTY**

**Street/Place Name: BARRINGTON STREET /HALIFAX**

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

**Designation of Parcel on Plan: LOT CPR-E1A**

**Registration Number of Plan: 105491279**

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

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

### **Compliance:**

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

**Registration District: HALIFAX COUNTY**

**Registration Year: 2014**

**Plan or Document Number: 105491279**





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

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 10<sup>th</sup> day of May, 2022

BETWEEN:

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

(the "Assignor")

- and -

LEAGUE SAVINGS AND MORTGAGE COMPANY

(the "Assignee")

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

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

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

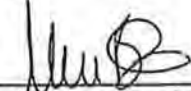
- (iv) each and every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Property (hereinafter defined).
  - (c) "Mortgage" shall mean a charge of the Property (hereinafter defined) from the Assignor to and in favour of the Assignee and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

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

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

*[signature page follows]*


SIGNED and DELIVERED in the presence  
of:



Witnessed by videoconference

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

Per:

  
Name: Steven Caryl  
Title: President



**LEAGUE SAVINGS  
AND MORTGAGE**

*A Credit Union Company*

**PROVINCE OF NOVA SCOTIA**

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

Marc Beaubien

A Barrister of the Supreme Court of  
Nova Scotia



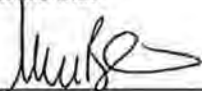
CANADA  
PROVINCE OF NOVA SCOTIA


AFFIDAVIT

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

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

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

  
\_\_\_\_\_  
Marc Beaubien  
A Barrister of the Supreme Court of  
Nova Scotia

  
\_\_\_\_\_  
Steven Caryl

SCHEDULE "A"

PID 41353202

Registration County: HALIFAX COUNTY

Street/Place Name: BARRINGTON STREET /HALIFAX

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

Designation of Parcel on Plan: LOT CPR-E1A

Registration Number of Plan: 105491279

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

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

Compliance:

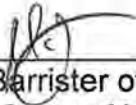
The parcel is created by a subdivision (details below) that has been filed under the Registry Act or registered under the Land Registration Act

Registration District: HALIFAX COUNTY

Registration Year: 2014

Plan or Document Number: 105491279

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



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A Barrister of the Supreme  
Court of Nova Scotia

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



**GENERAL SECURITY AGREEMENT**

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

**ANNAPOLIS MANAGEMENT, INC.**

(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:

- a) "PPSA" means the *Personal Property Security Act*, and any Act that may be substituted therefor, as from time to time amended.
- b) "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.
- c) "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.
- d) 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;
- g) 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;
- i) 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;
- j) All personal property specifically listed or otherwise described in Schedule "A" attached hereto;
- k) 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

- a) 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, transfer, pledge 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.
- e) 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:

- a) 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;
- c) 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;
- g) 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
- i) 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"):

- a) Default in the payment or performance when due or payable of any Indebtedness;
- b) Default by the Borrower of any obligation or covenant contained herein;
- c) 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, seizure or attachment thereto or the appointment of a receiver of any part thereof;
- e) 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 *Companies' 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;
- g) If the Borrower enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
- h) 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;
- i) If the Lender in good faith 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.
- b) The Lender shall then be constituted to appoint in writing any person to be a receiver (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 liens 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 comingling 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**

- a) This Agreement shall be a continuing agreement in every respect.
- b) 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.
- h) 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.

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SIGNED AND DELIVERED this 10<sup>th</sup> day of May, 2022

STATE OF FLORIDA

  
Witnessed by videoconference

ANNAPOLIS MANAGEMENT, INC.

Per:

  
Name: Steven Caryi  
Title: President

**SCHEDULE "A"**

1. **General Collateral** (other than serial numbered goods)

A security interest is taken in all of the debtor's present and after-acquired personal property, including proceeds located at or relating to the property known as 1572 Barrington Street, Halifax, Nova Scotia.

Detail below exactly what asset the Lender is taking a security interest in and record the serial number, if any.

2. **Serial Numbered Goods** (motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat)

Asset	Serial Number
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3. **Location of Collateral**

1572 Barrington Street, Halifax, Nova Scotia



**GENERAL SECURITY AGREEMENT**

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

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

(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:

- a) "PPSA" means the *Personal Property Security Act*, and any Act that may be substituted therefor, as from time to time amended.
- b) "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.
- c) "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.
- d) 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;
- g) 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;
- i) 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;
- j) All personal property specifically listed or otherwise described in Schedule "A" attached hereto;
- k) 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

- a) 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, transfer, pledge 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.
- e) 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:**

- a) 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;
- c) 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;
- g) 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
- i) 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"):

- a) Default in the payment or performance when due or payable of any Indebtedness;
- b) Default by the Borrower of any obligation or covenant contained herein;
- c) 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, seizure or attachment thereto or the appointment of a receiver of any part thereof;
- e) 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 *Companies' 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;
- g) If the Borrower enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
- h) 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;
- i) If the Lender in good faith 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.
- b) The Lender shall then be constituted to appoint in writing any person to be a receiver (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 liens 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 comingling 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**

- a) This Agreement shall be a continuing agreement in every respect.
- b) 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.
- h) 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.

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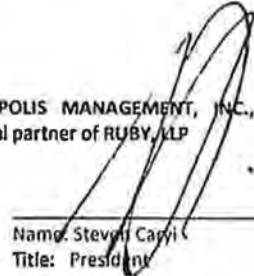
SIGNED AND DELIVERED this 10<sup>th</sup> day of May, 2022

STATE OF FLORIDA

  
Witnessed by videoconference

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

Per:

  
Name: Steven Capri  
Title: President



**SCHEDULE "A"**

1. **General Collateral** (other than serial numbered goods)

A security interest is taken in all of the debtor's present and after-acquired personal property, including proceeds located at or relating to the property known as 1572 Barrington Street, Halifax, Nova Scotia.

Detail below exactly what asset the Lender is taking a security interest in and record the serial number, if any.

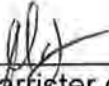
2. **Serial Numbered Goods** (motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat)

Asset	Serial Number
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3. **Location of Collateral**

1572 Barrington Street, Halifax, Nova Scotia

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



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A Barrister of the Supreme  
Court of Nova Scotia

CHARLES J. DUNNING  
A Barrister of the Supreme  
Court of Nova Scotia



**GUARANTEE AND POSTPONEMENT OF CLAIM**

**THIS GUARANTEE** is made as of the 10<sup>th</sup> day of May, 2022

**WHEREAS LEAGUE SAVINGS AND MORTGAGE COMPANY** (the "**Lender**") issued to **RUBY, LLP** and **ANNAPOLIS MANAGEMENT, INC.** (collectively, the "**Borrower**") an Offer of Finance letter dated April 28, 2022, 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 \$8,000,000.00 (the "**Loan**") to the Borrower secured, *inter alia*, by a charge and mortgage of lands and premises (the "**Mortgage**") known as civic number 1572 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;
- (iii) 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 thereof 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.

*[the remainder of the page is intentionally blank]*

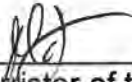
IN WITNESS WHEREOF the Guarantor has executed this Guarantee.

  
Witnessed by videoconference

  
STEVEN CARYI



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



---

A Barrister of the Supreme  
Court of Nova Scotia

MARJORIE DUNHAM  
A Barrister of the Supreme  
Court of Nova Scotia

June 13, 2022

Mr. S. Caryi  
BSL Holdings Limited  
c/o Marc Beaubien  
Cox & Palmer  
Nova Centre – South Tower,  
1500-1625 Grafton Street  
Halifax NS B3J 0E8

Dear Sirs:

**RE: OFFER OF FINANCING**

On behalf of Atlantic Central, we are pleased to advise, your request for the refinance of the property located at civic numbers 1665-1669 Granville Street, Halifax NS (sometimes collectively referred to below as the "Property"), has been approved.

In addition to the terms and conditions outlined in the related security documents, this approval is subject to the following:

<b>Borrower:</b>	BSL Holdings Limited
<b>Lender:</b>	Atlantic Central
<b>Guarantors:</b>	Steve Caryi.
<b>Purpose:</b>	To refinance existing debt secured upon the Property.
<b>Loan type:</b>	Demand Loan
	This is a demand loan and repayment may be demanded at any time.
	Until demand is made, the loan will be repaid as outlined below.
<b>Loan Amount:</b>	\$2,250,000 being a maximum of 75% of the appraised value

6074 Lady Hammond Road  
Halifax, NS  
B3K 2R7

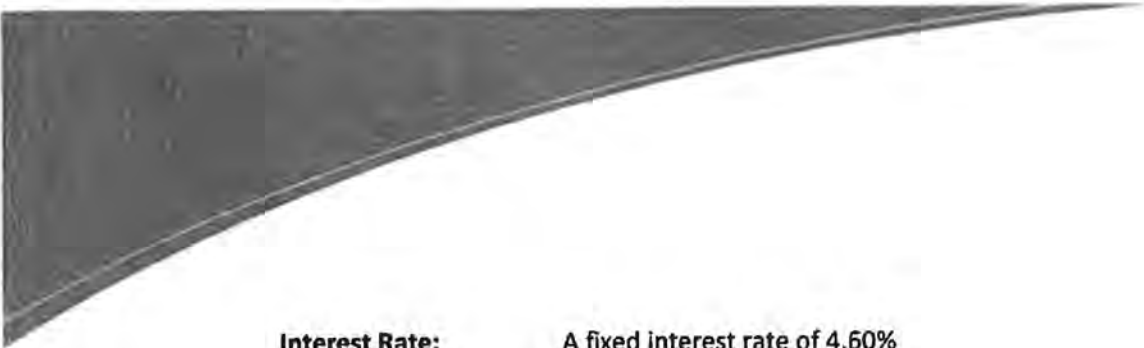
Tel: (902) 464-0050  
Fax: (902) 464-2447  
Toll Free: 1-800-668-2879

2063 Pinecroft Road  
Riverview, NB  
E1B 5K6

Tel: (506) 857-8184  
Fax: (506) 857-9033  
Toll Free: 1-800-668-2879

5-21 John Voss Drive  
Charlottetown, PE  
C1A 3J3

Tel: (802) 366-1154  
Fax: (802) 366-5844  
Toll Free: 1-800-668-2879



<b>Interest Rate:</b>	A fixed interest rate of 4.60%
<b>Loan Term:</b>	1-year
<b>Amortization:</b>	25 years
<b>Repayment:</b>	Blended monthly principal & interest amortized over 25 years, plus property taxes
<b>Interest Adjustment Date:</b>	The first day of the month immediately following the first advance of the loan
<b>First Payment Date:</b>	The first day of the month following the Interest Adjustment Date
<b>Maturity Date:</b>	The first day of the month 12 months after the Interest Adjustment Date.


**Pre-Authorized Payment System:**

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

**SECURITY:**

- 1<sup>st</sup> Collateral All Debts Mortgage over the Property including Assignment of Leases.
- Promissory notes for the full amount of the loan.
- Assignment of Insurance over buildings and contents, with 1<sup>st</sup> loss payable to Atlantic Central.
- 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 Property.
- Assignment of material contracts.
- A Guarantee and Postponement of Claim from Steve Caryi for the full amount of the loan.
- Such additional security or amendments as may be recommended by Atlantic Central's solicitors, acting reasonably.
- A Title Insurance Policy is to be supplied by First Canadian Title including FCT Extended Super Priority Lien Coverage.



- 
- All security shall be supported by such Legal Opinions, Resolutions and incumbency certificates as may be recommended by Atlantic Central'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 broker/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 Fees:**

Total Application Fee: \$11,250      Commitment Fee: \$2,500


This total application fee includes a \$2,500 non-refundable commitment fee to cover investigations and other charges incurred by Atlantic Central in processing your application. The remaining fee of \$9,250 will be deducted from the loan proceeds at closing should the loans be approved.

**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



**Expenses:** All appraisal costs and legal fees related to security preparation and registration fees are for the account of the borrower.

**STANDARD TERMS:** Per attached Schedule "A"

**SOLICITOR - BORROWER:**

Marc Beaubien  
Cox & Palmer  
Nova Centre – South Tower  
1500-1625 Grafton Street  
Halifax NS B3J 3E8  
Phone 902 491 4108  
mbeaubien@coxandpalmer.com


**SOLICITOR - LENDER:**

Jim Musgrave  
Cox & Palmer  
Nova Centre – South Tower  
1500-1625 Grafton Street  
Halifax NS B3J 3E8  
Phone 902 491 4118  
jmusgrave@coxandpalmer.com

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

**Prepayment Privileges:** (i) You are permitted to prepay, without prepayment charges, up to ten (10%) percent of the outstanding loan balance once in any twelve (12) month period. Regular monthly payments must continue without interruption. This privilege is non-cumulative, which means if you do not take advantage of the full 10% in a given year, the allowable amount will remain 10% the next year. (ii) Full repayment of the loan will not be permitted prior to the term maturity.

**Due on Sale:** There is no right to prepay the Indebtedness and this Mortgage in whole, except in the event of the Mortgagor selling, conveying, transferring or entering into an agreement for sale or transfer of title of the Property or change in the legal or beneficial ownership of the Property (including but not limited to, the sale of shares or other interest resulting in a transfer of majority ownership interest in the Mortgagor) (hereinafter referred to as a "Transfer"), such Transfer shall be subject to the prior consent of the Mortgagee, which consent shall not be unreasonably



withheld, and following the Mortgagee's consent, the Mortgagor may prepay the Indebtedness only upon the payment of a prepayment fee equal to the greater of:

- (a) Three (3) months' interest at the Interest Rate on the Indebtedness, or
- (b) The amount, if any, by which interest at the Interest Rate on the Indebtedness exceeds interest at the current reinvestment interest rate, calculated on the Indebtedness, for the remaining term of the Mortgage. The "current reinvestment interest rate" at the time of prepayment means the rate at which the Mortgagee would lend to on the security of a similar mortgage of the Property for a term starting on the date of prepayment and ending on the balance due date of the Mortgage".

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

- We require a Letter of Transmittal from CBRE confirming the Lender may rely upon its Appraisal report dated June 1, 2022, over the Property (File No. 22-APPRHAL-0261).
- We require a Letter of Transmittal from Strum Engineering confirming the Lender may rely upon its Phase 1 Environmental Site Assessment report dated May 19, 2022, over the Property (Project # 22-8607).
- We require Strum Engineering to provide an update to their Phase 1 Environmental Site Assessment dated May 19, 2022, following receipt of the Freedom of Information and Protection of Privacy request in relation to the contaminated soil inspection file pertaining to 1672 Granville Street, and the industrial complaint file pertaining to 1650 Granville Street.

**DISBURSEMENT OF FUNDS:**

The initial advance will be made subject to completion of all Security and Pre-Funding Conditions.

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

- The company is to maintain a Debt Service Coverage of 1.15:1, where DSC is measured as EBITDA/ (Prin+Int all loans) + Capital Lease payments. EBITDA is defined as Earnings before interest, income taxes and depreciation and/or amortization. To be measured against the financial statements of 3329662 Nova Scotia Limited for year ending 2020 and subsequent year ends.
- The borrower will not, without the prior written consent of the lender, pay any sums to 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.

**Reporting:**

Compilation Engagement financial statements to be provided annually within 120 days of year-end for BSL Holdings Limited.

**Late Reporting Fee:**

If the Borrower does not deliver the aforesaid items within the requisite time period, the Lender will charge a late reporting fee of \$250 for every month or part thereof that any of the items remain outstanding

**Annual review:** 120 days from fiscal year-end

**Other Conditions:**

It is understood that the Atlantic Central reserves the right to withdraw this Offer of Financing at any time should there be in Atlantic Central's opinion:

- 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 Atlantic Central's security.
- D. Any unusual delay in the finalization of the credit arrangements including the granting of security
- E. Any material adverse change in risk has occurred

This Offer of Financing is open for written acceptance until June 27, 2022, 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 Letter shall become null and void.

Sincerely,



Mark Horne  
Director, Commercial & Lending Services

**TO:** ATLANTIC CENTRAL

**ATTENTION:** Mark Horne, Director, Commercial & Lending Services

**RE:** BSL Holdings Limited

We certify that all the information provided to The Lender is true and we accept the Offer of Financing dated June 13, 2022, and agree to the above terms and conditions contained herein and receipt of a copy of the Offer of Financing and Schedule "A".

**Borrower:** BSL Holdings Limited

Authorized Signature

- - President

**Guarantor(s):**

Steve Caryi

Signed this 14<sup>th</sup> day of June, 2022

## 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 handling 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 handling. These fees may change from time to time without notice.

5. 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 deemed 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 funds 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 fees, 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 payee 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 any 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.

14. 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; or
- Bankruptcy, insolvency, proposal or other relief under the Bankruptcy and Insolvency Act; appointment of a receiver or receiver-manager, 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 part 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.

20. 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 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

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 title to the pledged collateral and its property and assets free and clear of all liens and encumbrances except those in favour of the Atlantic Central and save except as disclosed, approved and permitted by the Atlantic Central.

ATLANTIC CENTRAL

**DEMAND PROMISSORY NOTE**

\$2,250,000.00

Account No.: 06128-70-0

Date: June 21, 2022

FOR VALUE RECEIVED I (WE JOINTLY AND SEVERALLY) PROMISE TO PAY TO ATLANTIC CENTRAL (the "Credit Union") on demand the principal sum of: **TWO MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$2,250,000.00)** (the "loan") together with interest a rate of 4.60% 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 Fifty Dollars (\$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.

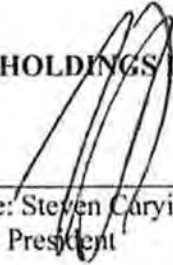
*Each party to this note severally waives demand and presentation for payment, notice for non-payment, protest and notice of protest of this note.*

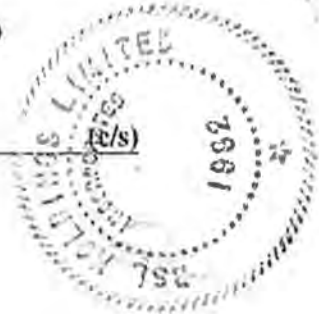
*[SIGNATURE PAGE FOLLOWS]*

ATLANTIC CENTRAL

  
\_\_\_\_\_  
Marc Beaubien

BSL HOLDINGS LIMITED

Per:   
\_\_\_\_\_  
Name: Steven Caryi  
Title: President



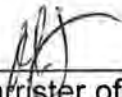
Promissory Note Signature Page

Atlantic Central - Mortgage Lender License # 30000000  
6074 Lady Hammond Road Halifax NS B3K 2R7  
Tel 902-453-0680/Fax 902-455-2437/Toll free 1-800-668-2879

\*10033971/00068/4484334/v1



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



---

A Barrister of the Supreme  
Court of Nova Scotia

SPENCER DUNN  
Barrister of the Supreme  
Court of Nova Scotia



ATLANTIC CENTRAL

**COLLATERAL MORTGAGE**

This MORTGAGE made this 21<sup>st</sup> day of June, 2022.

BETWEEN:

**BSL HOLDINGS LIMITED**

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

- and -

**ATLANTIC CENTRAL - Mortgage Lender License #3000300**

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

I. **DEFINITIONS**

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

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



and any ultimate balance thereof, including all future advances and re-advances and for all obligations of the Mortgagor to the Mortgagee whether or not contained in this Mortgage; and

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

2. GRANT OF MORTGAGE

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

3. INTEREST

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

4. SECURITY

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

5. REPRESENTATIONS AND WARRANTIES

The Mortgagor represents and warrants to the Mortgagee that:

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

name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Mortgagor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership have been delivered to the Mortgagee;

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

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

6. COVENANTS OF THE MORTGAGOR

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

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

- B. negotiating, preparing, perfecting and registering this Mortgage and other documents, whether or not relating to this Mortgage;
  - C. maintaining the intended priority of the Mortgage;
  - D. investigating title to the Property;
  - E. taking, recovering, keeping possession of and insuring the Property;
  - F. maintaining the Property in good repair and preparing the Property for disposition; any inspection, appraisal, investigation or environmental audit of the Property and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Property including any fine or penalty the Mortgagee becomes obligated to pay by reason of any statute, order or direction of competent authority;
  - G. any sums the Mortgagee pays as fines, or as clean up costs because of contamination of or from the Property; and
  - H. all other actions and proceedings taken in connection with the preservation of the Property and the Mortgage and the enforcement of this Mortgage and of any other security interest held by the Mortgagee as security for the Obligations;
- (viii) at the Mortgagee's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Mortgagee in its absolute discretion requires in order to better and more perfectly and absolutely convey and assure the Property with the appurtenances, unto the Mortgagee as the Mortgagee or his counsel may reasonably require;
- (ix) notify the Mortgagee promptly of:
- A. any change in the information contained herein relating to the Mortgagor, its address, its business or the Property;
  - B. any material loss or damage to the Property;
  - C. any claims against the Mortgagor relating to the Property or any part thereof;
- (x) deliver to the Mortgagee from time to time promptly upon request:
- A. any documents of title or instruments relating to the Property;
  - B. all financial statements prepared by or for the Mortgagor regarding the Mortgagor's business;

- C. all policies and certificates of insurance relating to the Property; and
- D. such information concerning the Property, the Mortgagor and the Mortgagor's business and affairs as the Mortgagee may require;
- (xi) observe and conform to all valid requirements of any governmental authority relative to any of the Property and all covenants, terms and conditions upon or under which the Property is held;
- (xii) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Property and the earnings, income, rents, issues and profits of the Property, including maintenance of proper and accurate books of account and records;
- (xiii) observe and perform all its obligations under:
  - A. leases, licenses, undertakings, and any other agreements to which it is a party;
  - B. any statute or regulation, federal, provincial, territorial or municipal to which the Mortgagor is subject;
- (xiv) without the consent of the Mortgagee, not create or permit to exist any mortgage, charge, assignment or security interest in, charge, encumbrance or lien over, or claim against the Property or any part thereof which ranks or could rank in priority to or pari passu with this Mortgage;
- (xv) if the Mortgagor is an individual, advise the Mortgagee of any change in marital status;
- (xvi) not at any time, directly or indirectly, sell, transfer, convey or dispose of the Property or parts thereof or interest therein or enter into any agreement to do so or change or permit a change in the legal or beneficial ownership of the Property without the prior written consent of the Mortgagee;
- (xvii) not apply for or attempt to amend or change the zoning by-law applicable to the Property without prior written approval of the Mortgagee and satisfaction of any conditions imposed by the Mortgagee;
- (xviii) not allow the Property to be used for a use other than the uses disclosed to the Mortgagee; and
- (xix) not lease or rent the Property without the consent of the Mortgagee.
- (b) The Mortgagor, if a corporation, covenants that at all times while this Mortgage remains in effect, without the prior written consent of the Mortgagee:
  - (i) it will not declare or pay any dividends;



- (ii) it will not purchase or redeem any of its shares or otherwise reduce its share capital;
- (iii) it will not become guarantor of any obligation;
- (iv) it will not become an endorser in respect of any obligation or otherwise become liable upon any note or other obligation other than bills of exchange deposited to the bank account of the Mortgagor;
- (v) it will maintain its corporate existence; and
- (vi) it will not change its name, merge or amalgamate with any other entity.

7. ENVIRONMENT

The Mortgagor represents and agrees that:

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

8. INSURANCE

- (a) The Mortgagor covenants that while this Mortgage is in effect the Mortgagor shall:



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

9. PERFORMANCE OF OBLIGATIONS

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

10. QUIET POSSESSION

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

11. SUMS OWING

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

12. APPROPRIATION OF PAYMENTS

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

13. EXTENSION OF TIME

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

14. CONDOMINIUMS

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

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

matters relating to the affairs of the Condominium Corporation provided that:

- (i) the Mortgagee may at any time or from time to time give notice in writing to the Mortgagor and the said Condominium Corporation that the Mortgagee does not intend to exercise the said right to vote or consent and in that event until the Mortgagee revokes the said notice the Mortgagor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter;
- (ii) the Mortgagee shall not by virtue of the assignment to the Mortgagee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Mortgagor; and
- (iii) the exercise of the right to vote or consent shall not constitute the Mortgagee a mortgagee in possession.

15. DEFAULT

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

- (a) the Mortgagor defaults, or threatens to default, in payment when due of any of the Obligations of the Mortgagor to the Mortgagee; or
- (b) the Mortgagor is in breach of, or threatens to breach, any term, condition or covenant of the Obligations to the Mortgagee, whether or not contained in this Mortgage; or
- (c) the Mortgagor or a guarantor of the Mortgagor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act (Canada)*, the *Companies Creditors' Arrangement Act (Canada)* or similar legislation in any jurisdiction, or makes an authorized assignment or any order of judgment is issued by a court granting any of the foregoing; or
- (d) a receiver, receiver and manager or receiver-manager of all or any part of the Property is appointed; or
- (e) the Mortgagor or a guarantor of the Mortgagor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (f) distress or execution is levied or issued against the Property or any part thereof; or
- (g) without the prior written consent of the Mortgagee, the Mortgagor creates or permits to exist any charge, encumbrance or lien on or claim against or any security interest in the Property which ranks or could in any event rank in priority to or *pari passu* with any security interest created by this Mortgage; or

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



16. ENFORCEMENT

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

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



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

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

17. SET OFF

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

18. DEFICIENCY

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

19. RIGHTS CUMULATIVE

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

20. APPOINTMENT OF ATTORNEY

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

21. LIABILITY TO ADVANCE

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

22. RENEWAL

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

23. SUBDIVISION RELEASE AND REPLACEMENT OF PROPERTY

The Mortgagor hereby agrees with the Mortgagee that:

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

this Mortgage to be payable remains unpaid, and no security or surety shall be deemed to be released or discharged save by a formal release or discharge executed by the Mortgagee.

24. WAIVER

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

25. NOTICE

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

26. EXTENSIONS

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

27. NO MERGER

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

28. ASSIGNMENT

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

29. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Mortgagor to be indebted to the Mortgagee from time to time, shall be deemed not to be a redemption or discharge

of this Mortgage. The Mortgagee may in its sole discretion grant partial discharges or releases in respect of any of the Property on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the Mortgage on the remainder of the Property or alter the Obligations of the Mortgagor, The Mortgagor shall be entitled to a release and discharge of this Mortgage upon full payment and satisfaction of all Obligations and upon written request by the Mortgagor and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Mortgagee in connection with the Obligations and such release and discharge.

30. ENUREMENT

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

31. INTERPRETATION

In this Mortgage:

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

32. TIME

Time shall in all respects be of the essence.

33. JOINT AND SEVERAL

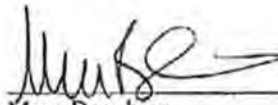
If more than one Mortgagor executes this Mortgage, the obligations of such Mortgagors shall be joint and several.

34. SPOUSAL CONSENT

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

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

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



Marc Beaubien  
Witnessed by videoconference

BSL HOLDINGS LIMITED

Per: 

Name: Steven Caryi

Title: President

I have authority to bind the Mortgagor.

**PROVINCE OF NOVA SCOTIA**

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



Marc Beaubien

A Barrister of the Supreme Court of  
Nova Scotia





**Schedule "A"**  
**Legal Description of Property**

**PID 40042087**

All that certain lot in the City of Halifax which was conveyed to one William M.D. Pearman in his lifetime by deed dated the 23rd day of October, 1903 and registered among the records of the Deeds at Halifax in Book 383 at pages 754-760 and therein described as follows:

All that certain lot piece and parcel of land situate, lying and being on the east side of Granville Street in said City of Halifax, being part of lot number five (5), Letter B in Ewer's Division of the Town of Halifax;

Beginning at the northwest angle of the lot lately owned by James W. Hutt and sold by said Hutt to John D. Nash;

Thence easterly by the northern line of said east mentioned lot sixty-two feet (62 feet) more or less to the northeast corner of said lot;

Thence northerly on a line parallel with said Granville Street nine feet five inches (9 feet 5 inches) more or less;

Thence westerly and parallel with the line first described sixty-two feet (62 feet) more or less to Granville Street aforesaid;

Thence southerly by said Street nine feet five inches (9 feet 5 inches) more or less to the place of beginning.

The description for this parcel originates with a deed dated September 28th, 1922, registered in the registration district of Halifax in book 565 at page 53 and the subdivision is validated by Section 291 of the Municipal Government Act.

**PID 3251**

All that certain lot piece and parcel of land situate, lying and being in said Halifax City part of said lot number Five (5) in Ewer's Division more particularly described as follows:

Bounded westerly by Granville Street and there measuring twenty-six feet (26 feet) more or less;

Northerly by premises formerly of George Smithers now owned by the Halifax Club and there measuring sixty feet (60 feet) more or less;

Easterly by premises formerly of George Johnstone now owned by Hunter and there measuring twenty-six feet (26 feet) more or less;

Southerly by premises of William J. Almon and there measuring sixty feet (60 feet) more or less;

Being the lands conveyed to said James W. Hutt by James J. Morse, and others, by deed dated June 1, 1872.

The description for this parcel originates with a deed dated September 28th, 1922, registered in the registration district of Halifax in book 565 at page 53 and the subdivision is validated by Section 291 of the Municipal Government Act.

**SCHEDULE "C1"**  
**PREPAYMENT OPTIONS**  
**FOR COMMERCIAL MORTGAGES**

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

**1. Prepayment Privileges**

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

**2. Prepayment Charges**

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

**Table 1 - Similar Term to Maturity**

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

**Table 2 - Prepayment Charge Calculation**

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

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

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

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

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

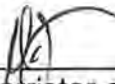
**SCHEDULE "C2"**  
**FEES**  
**AS AT THE EXECUTION DATE OF THIS MORTGAGE**  
**AND/OR MORTGAGE RENEWAL**

- |   |  |   |   |
|---|--|---|---|
| 1 | Fire Insurance<br>Administration Fee                 | - | \$100.00 plus cost of insurance premium   |
| 2 | Maximum Renewal Fee                                  | - | The greater of \$200.00 or 1/10 of 1% of the balance at the time of renewal   |
| 3 | Release Fees   | - | - \$150.00 if refinancing with Atlantic Central<br>- \$300.00 if loan paid out prior to being fully amortized<br>- \$150.00 if loan fully amortized       |
| 4 | NSF Cheque Fees                                      | - | \$50.00 per occurrence  |
| 5 | Audit Confirmation Fee                               | - | \$25.00 per statement   |
| 6 | Max Mortgage Amendment Fee                           | - | The greater of \$200.00 or 1/10 of 1% of the balance at the time of amendment   |
| 7 | General Security Agreement<br>(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,<br>where applicable | - | As billed by your municipality  |

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



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



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A Barrister of the Supreme  
Court of Nova Scotia

ANDREW J. COOMBS  
405-557-1111  
www.coombs.ca





ATLANTIC CENTRAL

**GENERAL ASSIGNMENT OF RENTS AND LEASES**

**THIS AGREEMENT** made this 21<sup>st</sup> day of June, 2022.

**BETWEEN:**

**BSL HOLDINGS LIMITED**

(the "Assignor")

- and -

**ATLANTIC CENTRAL - Mortgage Lender License #3000300**

(the "Assignee")

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

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

1. In this Agreement, unless there is something in the subject matter or context inconsistent therewith:
  - (a) "Agreement" shall mean this agreement;
  - (b) "Leases" shall mean:
    - (i) each and every existing and future lease of, and agreement to lease of, the whole or any portion of the Property (hereinafter defined);
    - (ii) each and every existing and future tenancy agreement as to use or occupation and licence in respect of the whole or any portion of the

Property (hereinafter defined), whether or not pursuant to any written lease, agreement or licence, and including any such lease, agreement or licence granting or permitting occupancy to any of the members of the Assignor;

- (iii) each and every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Property (hereinafter defined); and
  - (iv) each and every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Property (as hereinafter defined);
- (c) **"Mortgage"** shall mean a charge of the Property (hereinafter defined) from the Assignor to and in favour of the Assignee on or about the date hereof, and registered against the Property (hereinafter defined) at the Land Registration Office;
- (d) **"Property"** shall mean the lands and premises described in Schedule "A" attached hereto, together with any buildings or structures now or hereafter erected thereon; and
- (e) **"Rents"** shall mean all rents, charges and other moneys (including, without limitation, any subsidies payable by any governmental bodies or agencies) now due and payable or hereafter to become due and payable and the benefit of all covenants of tenants, users, occupiers, licensees and guarantors under or in respect of the Leases.
2. The Assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns (as security for payment of the principal, interest and other moneys secured by the Mortgage and for performance of the obligations of the Assignor thereunder and until the moneys due under and by virtue of the Mortgage having been fully paid and satisfied) all of the Assignor's right, title and interest in the Leases and the Rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Property, and their respective heirs, executors, administrators, successors or assigns.
3. The Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each of the Leases, unless and until the Assignor is in default under any of the provisions of the Mortgage and, thereafter, the Assignee gives notice to the tenant, user, occupier, licensee or guarantor thereunder requiring the same to pay the Rents to the Assignee, which notice shall be binding upon the Assignor and may not be contested by it. It is further agreed that a statement of default purporting to be made by or on behalf of the Assignee shall be deemed to be, for all

purposes, sufficient evidence of default having been made in the payment of principal moneys and interest or some part thereof secured by the Mortgage or in the observance, performance or keeping of any of the terms, covenants or agreements therein contained on the part of the Assignor to be observed, performed or kept and the continuance of such default, and notice of such default shall be deemed to be well and sufficiently given to the lessees named in the Leases if such notice is sent by mail addressed to the lessees.

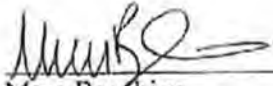
4. Provided further, and it is hereby expressly agreed, that nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of any of the covenants, obligations, provisions or conditions under or in respect of the Leases or any of them to be observed or performed by the Assignor, and the Assignee shall not, by virtue of this Agreement or its receipt of the Rents or any of them become or be deemed a charge in possession of the Property or the charged premises and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them, and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less all costs and expenses, collection charges and other proper deductions and that such moneys may be applied on account of any indebtedness of the Assignor to the Assignee.
5. In the event, however, that the Assignor shall reinstate the Mortgage completely in good standing, having complied with all the terms, covenants and conditions of the Mortgage, then the Assignee shall within one month after demand re-deliver possession of the Property to the Assignor and the Assignor shall remain in possession unless and until another default occurs, at which time the Assignee may, at the Assignee's sole option, again take possession of the Property under authority of this Agreement.
6. If the Assignee shall have exercised its rights under Section 3 and shall have received any of the Rents and if the Assignor shall cure the default under the Mortgage which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee will provide the Assignor with details of all Rents received by it prior to such resumption.
7. The Assignee shall not be responsible or accountable for any failure to collect, realize, sell or obtain payment of the Rents or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of same or for the purpose of preserving any rights of the Assignee, the Assignor or any other person, firm or corporation in respect of the Rents or any part thereof.
8. The Assignee may grant extensions, take and give up securities, accept compositions, grant releases and discharges and, generally, deal with the Rents in its absolute discretion without the consent of or notice to the Assignor, but otherwise in accordance with the provisions hereof.

9. In furtherance of the foregoing assignment, the Assignor hereby authorizes the Assignee, by its employees or agents, at its option, after the occurrence of a default hereunder or under the Mortgage, to enter upon the Property and to collect in the name of the Assignor or in its own name as Assignee the Rents accrued but unpaid and in arrears at the date of such default, as well as the Rents thereafter accruing and becoming payable during the period of the continuance of the said default or any other default and, to this end, the Assignor further agrees that it will facilitate in all reasonable ways the Assignee's collection of said Rents and will, upon request by the Assignee, execute a written notice to each tenant under any of the Leases directing the tenant to pay rent to the said Assignee.
10. The Assignor also hereby authorizes the Assignee upon such entry, at its option, to take over and assume the management, operation and maintenance of the Property and, for such purpose, to retain such agents or employees as it may deem advisable and to perform all acts necessary and proper and to expend such sums out of the income of the Property, the Leases and the Rents as may be needful in connection therewith in the same manner and to the same extent as the Assignor theretofore might do, including the right to effect new Leases, to cancel or surrender existing Leases, to alter or amend the terms of existing Leases, to renew existing Leases or to make concessions to tenants. The Assignor hereby releases all claims against the Assignee arising out of such management, operation and maintenance.
11. The Assignee shall, after payment of all proper charges and expenses, including reasonable compensation to any agent or employee as it shall select and employ and after the accumulation of a reserve, to meet taxes, assessments, water rates and other public utility charges and fire and liability insurance in the requisite amounts, credit the net amount of income received by it from the Property by virtue of this Agreement and to any amounts due and owing to it by the Assignor under the terms of the Mortgage, but the manner of the application of such net income and what items shall be credited shall be determined in the sole discretion of the Assignee.
12. It is understood and agreed that this Agreement is being taken as collateral security for the due payment of any sum due under the Mortgage and that none of the rights or remedies of the Assignee under the Mortgage shall be delayed or in any way prejudiced by these presents and that following registration of a cessation of the whole of the Mortgage, this Agreement shall be of no further force or effect and, if requested by the Assignor, the Assignee will execute and deliver a separate reconveyance of this Agreement and the land registrar is hereby authorized to delete reference to this Agreement from the title to the Property. Following registration of a cessation of the Mortgage, this Agreement shall be of no further force or effect only in respect of that part or parts of the Property in respect of which the Mortgage has been discharged.
13. The provisions of this Agreement shall be construed according to the laws of the province in which the Property is situated.

14. This Agreement and everything herein contained shall bind and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

*[SIGNATURE PAGE FOLLOWS]*

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



Marc Beaubien

Witnessed by videoconference

BSL HOLDINGS LIMITED

Per: 

Name: Steven Cary

Title: President

I have authority to bind the Assignor.



**PROVINCE OF NOVA SCOTIA**

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



Marc Beaubien

A Barrister of the Supreme Court of  
Nova Scotia

CANADA  
PROVINCE OF NOVA SCOTIA

AFFIDAVIT STATUS

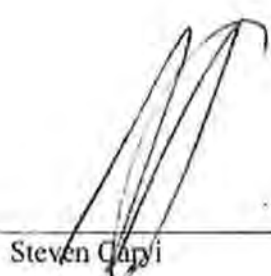
I, Steven Caryi of Winter Park, State of Florida, make oath and swear that:

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

SWORN TO by videoconference from  
Winter Park, Florida to Halifax, Nova  
Scotia, this 21 day of June, 2022,  
before me:



Marc Beaubien  
A Barrister of the Supreme Court  
of Nova Scotia

  
Steven Caryi

**Schedule "A"**  
**Legal Description of Property**

**PID 40042087**

All that certain lot in the City of Halifax which was conveyed to one William M.D. Pearman in his lifetime by deed dated the 23rd day of October, 1903 and registered among the records of the Deeds at Halifax in Book 383 at pages 754-760 and therein described as follows:

All that certain lot piece and parcel of land situate, lying and being on the east side of Granville Street in said City of Halifax, being part of lot number five (5), Letter B in Ewer's Division of the Town of Halifax;

Beginning at the northwest angle of the lot lately owned by James W. Hutt and sold by said Hutt to John D. Nash;

Thence easterly by the northern line of said east mentioned lot sixty-two feet (62 feet) more or less to the northeast corner of said lot;

Thence northerly on a line parallel with said Granville Street nine feet five inches (9 feet 5 inches) more or less;

Thence westerly and parallel with the line first described sixty-two feet (62 feet) more or less to Granville Street aforesaid;

Thence southerly by said Street nine feet five inches (9 feet 5 inches) more or less to the place of beginning.

The description for this parcel originates with a deed dated September 28th, 1922, registered in the registration district of Halifax in book 565 at page 53 and the subdivision is validated by Section 291 of the Municipal Government Act.

**PID 3251**

All that certain lot piece and parcel of land situate, lying and being in said Halifax City part of said lot number Five (5) in Ewer's Division more particularly described as follows:

Bounded westerly by Granville Street and there measuring twenty-six feet (26 feet) more or less;

Northerly by premises formerly of George Smithers now owned by the Halifax Club and there measuring sixty feet (60 feet) more or less;

Easterly by premises formerly of George Johnstone now owned by Hunter and there measuring

twenty-six feet (26 feet) more or less;

Southerly by premises of William J. Almon and there measuring sixty feet (60 feet) more or less;

Being the lands conveyed to said James W. Hutt by James J. Morse, and others, by deed dated June 1, 1872.

The description for this parcel originates with a deed dated September 28th, 1922, registered in the registration district of Halifax in book 565 at page 53 and the subdivision is validated by Section 291 of the Municipal Government Act.

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



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A Barrister of the Supreme  
Court of Nova Scotia

TESTED & SUBMITTED  
BY: [illegible]  
DATE: [illegible]  
[illegible]



ATLANTIC CENTRAL

**GENERAL SECURITY AGREEMENT**

TO: ATLANTIC CENTRAL - Mortgage Lender License #3000300 (the "Company")

I/WE **BSL HOLDINGS LIMITED** (the "**Borrower**") for valuable consideration hereby grant, assign, transfer, set over, mortgage and charge to the Company, as general and continuing security for payment of all Indebtedness, a security interest in all of the Collateral (as defined herein) of which the Borrower is now or may hereafter become the owner.

**1. Definitions**

In this Agreement.

- a) "**PPSA**" means the Personal Property Security Act (Nova Scotia), and any Act that may be substituted therefor, as from time to time amended;
- b) "**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;
- c) "**Indebtedness**" means all obligations of the Borrower to the Company, 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 Company, whether arising from dealings between the Company and the Borrower or from other dealings or proceedings by which the Company 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, including 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; and
- d) 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 Company a continuing security interest in the business undertaking 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;
- g) 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, Company, 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;
- i) 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;
- j) All personal property specifically listed or otherwise described in Schedule "A" attached hereto; and
- k) 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. Warranties and Covenants

- a) 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 business, the Borrower will not sell, offer to sell, transfer, pledge or mortgage the Collateral, nor will the Borrower allow any other security interest in the Collateral in favour of any person other than the Company, without the prior written consent of the Company. All proceeds of sales shall be received "In Trust" for the Company and shall be forthwith paid over to the Company.
- 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 Company may reasonably require, and will, at the request of the Company, pay such further premium as is necessary to obtain an endorsement that the security interest of the Company 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 Company and any proceeds of such insurance shall, at the option of the Company, 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 Company. Should the Borrower neglect to maintain such insurance the Company may insure, and any premiums paid by the Company together with interest thereon shall be payable by the Borrower to the Company upon demand. The Borrower will deposit a certified copy of such insurance with the Company on request or obtain an insurance endorsement in favour of the Company.
- d) The Borrower shall provide from time to time upon request from the Company, written information relating to the Collateral or any part thereof, and the Company 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 Company shall have access to all places where the Collateral or any part thereof is located, and to all premises occupied by the Borrower.
- e) This Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Borrower in accordance with its terms.

**3.1 The Borrower agrees that:**

- a) the Borrower shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business 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 Company, when required, the receipts and vouchers establishing such payment;
- c) 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 Company such financial information and statements and such information and statements relating to the Collateral as the Company may from time to time require, and the Borrower shall permit the Company 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 Company such information with respect to the Collateral and the insurance thereon as the Company may from time to time require and shall give written notice to the Company 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 Company in writing prior to the execution of this Agreement or hereafter approved in writing by the Company prior to their creation or assumption;
- g) the Borrower shall, upon request by the Company, 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 Company 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 Company 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 Company may consider it to be necessary or desirable;

- h) the Borrower shall promptly notify the Company 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 Company with full particulars of such Collateral; and
- i) the Borrower will not change its name or the location of its chief executive office or place of business.

#### **4. Events of Default**

Any and all Indebtedness shall, at the option of the Company 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**"):

- a) Default in the payment or performance when due or payable of any Indebtedness;
- b) Default by the Borrower of any obligation or covenant contained herein;
- c) Any warranty, representation or statement made by the Borrower or furnished to the Company 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, seizure or attachment thereto or the appointment of a receiver of any part thereof;
- e) If the Borrower does not perform any provisions of this Agreement or of any other agreement to which the Borrower and the Company are parties;
- f) If the Borrower ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent, makes an assignment or proposal under the Bankruptcy Act, takes advantage of provisions for relief under the Companies Creditors Arrangement Act 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;

- g) If the Borrower enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
- h) 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;
- i) If the Company in good faith 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 of Default and at any time thereafter the Company, at its option, may declare that all Indebtedness secured by this Agreement shall immediately become due and payable, and:

- a) The Company shall then have all rights and remedies of a secured party under the PPSA;
- b) The Company shall then be constituted to appoint in writing any person to be a receiver (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 Company 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 liens 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 Company as to the Company seems best, and any residue of such monies so received shall be paid to the Borrower. The Company in appointing or refraining from appointing such receiver shall not incur any liability to the receiver, the Borrower or otherwise; and
- c) The Company 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 Company 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 Company, 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 Company and shall be forthwith paid over to the Company. All monies collected or received by the Company 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 Company seems best or, in the discretion of the Company, may be released to the Borrower, all without prejudice to the liability of the Borrower or the Company's right to hold and realize this security.

#### **6. Charges and Expenses**

The Company 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 Company 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 Company's sole discretion, it may consider requisite to secure possession of the Collateral with or without litigation or compromise. The Company 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 Company shall constitute Indebtedness of the Borrower secured hereunder which the Borrower shall repay on demand.

#### **7. Possession of Collateral**

Upon 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 Company may at any time request that debtors on the Receivables be notified of the Company'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 Company without commingling the same with other funds, and shall turn the same over to the Company 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 Company.



## 9. General

- a) This Agreement shall be a continuing agreement in every respect.
- b) 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 Company at any time when there is no Indebtedness. No remedy for the enforcement of the rights of the Company 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 Company. For greater certainty it is declared that any and all future loans, advances or other value which the Company 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 Company 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 Company may see fit and without prejudice to the liability of the Borrower or the Company's right to hold and realize this security.
- f) Nothing in this Agreement shall obligate the Company 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 Company 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.
- h) All rights of the Company 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.


- i) 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.

*[SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF the Borrower has executed this Agreement by the hand(s) of its proper officer(s) in that behalf, on this 21 day of June, 2022.

  
\_\_\_\_\_  
**Marc Beaubien**  
Witnessed by videoconference

**BSL HOLDINGS LIMITED**

Per:   
\_\_\_\_\_  
Name: Steven Caryi  
Title: President

I have authority to bind the Borrower.

## SCHEDULE "A"

1. **General Collateral** (other than serial numbered goods):

*All present and after-acquired personal property of the debtor and all proceeds that are present or after-acquired personal property.*

2. **Serial Numbered Goods** (motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat):

N/A

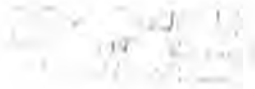
3. **Location of Collateral**

1665 Granville Street, Halifax, Nova Scotia, and designated as PID No. 40042087; and  
1669 Granville Street, Halifax, Nova Scotia, and designated as PID No. 3251.

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

A handwritten signature in black ink, appearing to be "J. L. Smith", is written over a horizontal line.

A Barrister of the Supreme  
Court of Nova Scotia

A faint, circular official stamp or seal is visible below the signature line, but its details are illegible.

ATLANTIC CENTRAL

**GUARANTEE AND POSTPONEMENT OF CLAIM (UNLIMITED)**

TO: ATLANTIC CENTRAL- Mortgage Lender License #3000300

I/WE STEVEN CARYI (hereinafter called the "Guarantor")

To be initialed by  
the witness and the  
person who signs  
the form:

Witness: UB

Guarantor: SC

For Valuable Consideration, the receipt and sufficiency of which are hereby acknowledged, the guarantor hereby guarantees payment to Atlantic Central (forthwith after demand therefore as hereinafter provided) of the liabilities which BSL HOLDINGS LIMITED (herein referred to as the "Member") has incurred or is under or may in the future incur or be under to Atlantic Central, whether arising from dealings between Atlantic Central and the Member or from any other dealings by which the Member may become in any manner whatever liable to Atlantic Central.

**PART I**

**THE GUARANTOR AGREES TO THE FOLLOWING TERMS AND CONDITIONS**

1. 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 everyone of them severally and this guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.
2. Atlantic Central may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Member and with other parties and securities as Atlantic Central may see fit, and may apply all moneys received from the Member or others, or from securities, upon such part of the Member's liability as it may think best, without prejudice to or in any way limiting or lessening the liability of the Guarantor under this Guarantee.
3. The failure of Atlantic Central to take any security that the parties hereto contemplated it would take or the failure of Atlantic Central to perfect any security by registration of the security in the appropriate registry shall not prejudice or in any way limit or lessen the liability of the Guarantor under this Guarantee.
4. Any loss of or in respect of securities received by Atlantic Central from the Member or any other person, whether occasioned through the fault of Atlantic Central or otherwise, shall not discharge pro tanto or limit or lessen the liability of the Guarantor under this Guarantee.
5. This shall be a continuing guarantee and shall cover present liabilities (if any) of the Member to Atlantic Central and all liabilities incurred after the date hereof and shall apply to and secure any ultimate balance due or remaining due to Atlantic Central and shall be binding as a continuing security on the Guarantor. The Guarantor shall pay to Atlantic Central all costs, charges and expenses (including legal fees on a solicitor and client basis) incurred by Atlantic Central or its agents in the perfection and enforcement of this Guarantee.
6. Any change or changes in the name of the Member, or (if the Member be a partnership) any change or changes in the Membership of the Member's firm by death or by the retirement of one or more of the partners or by the introduction of one or more other partners shall not affect or in any way limit or lessen the liability of the Guarantor hereunder and this guarantee shall extend to the person, firm or corporation acquiring or from time to time carrying on the business of the Member.
7. All moneys, advances, renewals and credits in fact borrowed or obtained from Atlantic Central shall be deemed to form part of the liabilities hereby guaranteed notwithstanding any incapacity, disability or lack of limitation of status or of power of the Member or of the directors, partners or agents thereof, or that the Member may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits; and any amount which may not be recoverable from the Guarantor on the footing of a guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to Atlantic Central after demand therefore as hereinafter provided.
8. Any account settled or stated by or between Atlantic Central and the Member shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Member to Atlantic Central is so due.
9. Should Atlantic Central receive from the Guarantor a payment or payments in full or on account of the liability under this guarantee, the Guarantor shall not be entitled to claim repayment against the Member or the Member's estate until Atlantic Central's claims against the Member have been paid in full, and in case of liquidation, winding up or bankruptcy of the





To be initialed by the witness and the person who signs the form:

Witness:

Guarantor:

Member (whether voluntary or compulsory) or in the event that the Member shall make a bulk sale of any of the Member's assets within the bulk transfer provisions of any applicable legislation or any composition with creditors or scheme of arrangement, Atlantic Central shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue liable up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing to Atlantic Central by the Member, and in the event of the valuation by Atlantic Central of any of its securities and/or the retention thereof by Atlantic Central, such valuation and/or retention shall not, as between Atlantic Central and the Guarantor, be considered as a purchase of such securities, or as payment or satisfaction or reduction of the Member's liabilities to Atlantic Central, or any part thereof.

10.

The Guarantor shall make payment to Atlantic Central of the amount of the liability of the Guarantor forthwith after demand therefore is made in writing and such demand shall be deemed to have been effectually made when an envelope containing it addressed to the Guarantor at the last address of the Guarantor known to Atlantic Central is deposited, postage prepaid and registered, in the Post Office and the liability of the Guarantor shall bear interest from the date of such demand at the rate or rates then applicable to the liabilities of the Member to Atlantic Central.

#### PART II

11. And for the further security of Atlantic Central the Guarantor agrees:

(a) That any debts or claims against the Member now or at any time hereafter held by the Guarantor are and shall be held by the Guarantor for the further security of Atlantic Central, and as between the Guarantor and Atlantic Central are hereby postponed to the debts and claims against the Member now or at any time hereafter held by Atlantic Central, and any such debts and claims of the Guarantor shall be held as trustee for Atlantic Central and shall be collected, enforced or proved subject to and for the purposes of this agreement and any moneys received by the Guarantor in respect thereof shall be paid over to Atlantic Central on account of its said debts and claims; and no such debt or claim of the Guarantor against the Member shall be released or withdrawn by the Guarantor unless Atlantic Central's written consent to such release or withdrawal is first obtained and the Guarantor shall not permit the prescription of any such debt or claim by any statute of limitations or assign any such debt or claim to any person other than Atlantic Central or ask for or obtain any security or negotiable paper for or other evidence of any such debt or claim except for the purpose of delivering the same to Atlantic Central; and Atlantic Central may at any time give notice to the Member requiring the Member to pay to Atlantic Central all or any of such debts or claims of the Guarantor against the Member and in such event such debts and claims are hereby assigned and transferred to Atlantic Central, and in the event of the liquidation, winding up or bankruptcy of the Member (whether voluntary or compulsory) or in the event that the Member shall make a bulk sale of any of the Member's assets within the bulk transfer provisions of any applicable legislation, or any composition with creditors or scheme of arrangement, any and all dividends or other moneys which may be due or payable to the Guarantor in respect of the debts or claims of the Guarantor against the Member are hereby assigned and transferred to and shall be due and be paid to Atlantic Central, and for such payment to Atlantic Central this shall be a sufficient warrant and authority to any person making the same; and the Guarantor shall at any time and from time to time at the request of and as required by Atlantic Central, make, execute and deliver all statements of claims, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of Atlantic Central under and by virtue of this instrument.

(b) The provisions of this clause are independent of and severable from the provisions of clauses 1 - 10 of this Guarantee and Postponement of Claim and shall remain in force whether or not the Guarantor is liable for any amount under clauses 1 - 10 provided, however, that the provisions of this clause may be terminated by the Guarantor, by written notice to Atlantic Central or the branch thereof, at any time when the Guarantor is not liable for any amount under clauses 1 - 10 by reason of the fact that the Member is not indebted or liable to Atlantic Central.

#### PART III

12. Atlantic Central shall not be bound to exhaust its recourse against the Member or other parties or the securities it may hold before being entitled to payment from the Guarantor under this Guarantee.

13. This Guarantee and Postponement is in addition and without prejudice to any securities of any kind (including without limitation guarantees and postponement agreements whether or not in the same form as this instrument) now or hereafter held by Atlantic Central.

14. There are no representations, collateral agreements, or conditions with respect to this instrument or affecting the Guarantor's liability hereunder other than as contained herein.

15. The terms and conditions set out in this guarantee shall not merge with any judgment which may be obtained against the Guarantor or the Member.


16. This Guarantee and Postponement shall be construed in accordance with the laws of the Province of Nova Scotia, and the Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this instrument may be instituted in the courts of such province, and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said courts and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit Atlantic Central's right to bring proceedings against the Guarantor elsewhere.



17. This Guarantee and Postponement shall extend to and ensure to the benefit of the successors and assigns of Atlantic Central, and shall be binding upon the Guarantor and the heirs, executors, administrators and successors of the Guarantor.

The Guarantor hereby acknowledges receipt of a copy of this agreement.

Signed and delivered this 2 day of June, 2022.

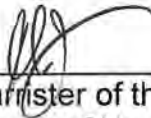


Marc Beaubien

Witnessed by videoconference

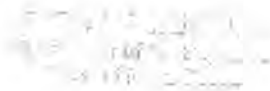
  
STEVEN CARON

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



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A Barrister of the Supreme  
Court of Nova Scotia



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This **FORBEARANCE AGREEMENT** dated as of the 11<sup>th</sup> day of April, 2024 with effect as of the 29<sup>th</sup> day of February, 2024 (the "**Effective Date**").

**BETWEEN:**

**LEAGUE SAVINGS AND MORTGAGE COMPANY ("League")**

- and -

**ATLANTIC CENTRAL ("Atlantic Central", and together with League, the "Lenders" and individually a "Lender")**

- and -

**ANNAPOLIS MANAGEMENT, INC. ("Annapolis"), in its own capacity and as general partner of RUBY, LLP (collectively, "Ruby")**

- and -

**BSL HOLDINGS LIMITED ("BSL")**

- and -

**3337151 NOVA SCOTIA LIMITED ("3337151", and together with Ruby and BSL, the "Borrowers")**

- and -

**STEVEN CARYI (ESTATE OF) ("Caryi")**

- and -

**4551650 NOVA SCOTIA LIMITED ("4551650", and together with the Borrowers and Caryi, the "Borrower Entities")**

**WHEREAS:**

- A. 3337151 is indebted to League in connection with a loan issued pursuant to an offer of financing dated as of May 26, 2020, as amended, supplemented or restated from time to time, the principal balance of which loan is \$5,780,434.80 as of the date hereof and which loan has matured as of February 1, 2024 (the "**3337151 Loan**");
- B. BSL is indebted to Atlantic Central in connection with a loan issued pursuant to an offer of financing dated as of June 13, 2022, as amended, supplemented or restated

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from time to time, the principal balance of which loan is \$2,184,622.08 as of the Effective Date (the "**BSL Loan**");

- C. Ruby is indebted to League in connection with a loan issued pursuant to an offer of financing dated as of April 28, 2022, as amended, supplemented or restated from time to time, the principal balance of which loan is \$7,682,270.31 as of the Effective Date (the "**Ruby NFB Loan**");
- D. Ruby is indebted to Atlantic Central in connection with a loan issued pursuant to an offer of financing dated as of December 2, 2020, as amended, supplemented or restated from time to time, the principal balance of which loan is \$12,901,933.35 as of the Effective Date (the "**Ruby Freemasons Loan**", and together with the 3337151 Loan, the BSL Loan and the Ruby NFB Loan, the "**Loans**");
- E. As security for the Loans, the Borrowers and Caryi granted to the Lenders the various security and other agreements listed in Schedule "A" attached hereto (together with all other security granted in connection with the Loans, the "**Lenders' Security**");
- F. The Lenders have good and valid cause in law to require payment of the Loans as and when due;
- G. Certain of the Borrower Entities and/or their affiliates are actively marketing and intending to sell, at arm's length, certain real property described as the "Halifax Club Suites" and bearing PID numbers 00003251 and 40042087 (collectively owned by BSL), PID number 4551650 (owned by 4551650) and PID number 00003228 (owned by Ruby) (collectively, the "**Halifax Club Suites Property**");
- H. The Borrowers and Caryi have requested the Lenders to forbear from exercising their rights and remedies under the Loans and the Lenders' Security; and
- I. The Lenders are willing to forbear from exercising such rights and remedies for a limited period of time, provided that the Borrower Entities comply with the terms and conditions of this Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 1. **Recitals and Acknowledgment.** The Borrower Entities acknowledge and agree that:
  - (a) the foregoing recitals are true and correct;
  - (b) the Lenders' Security and all other agreements, instruments and other documents executed in connection with or relating to the Loans (collectively, the "**Loan**

- 3 -

Documents") are legal, valid, binding and enforceable against the Borrowers and Caryl in accordance with their terms. The terms of Loan Documents remain unchanged;

- (c) the Lenders have acted commercially reasonably and in good faith; and
- (d) they have no claims of any kind whatsoever at law or in equity against the Lenders.

**2. Forbearance.**

- (a) Subject to the Borrower Entities performing all the terms and conditions of this Agreement, the Lenders agree to forbear from the exercise of their respective right to enforce the Lenders' Security or any of the Loan Documents to which each of Lender is a party until the earlier of **May 31, 2024** or the date upon which an Event of Default occurs hereunder, as set out below (the "Termination Date").
- (b) Upon the Termination Date, the agreement of the Lenders to forbear shall automatically and without further action terminate and be of no further force and effect, it being expressly agreed that the effect of such termination will be to permit each of the Lenders to exercise their respective rights and remedies immediately, including, without limitation, the private appointment of a receiver under the Lenders' Security to which each Lender is a party and the right to apply to court to enforce any private or other remedies available to each of the Lenders or to seek the appointment of any permanent or interim receiver or receiver and manager or any trustee in bankruptcy of the Borrowers.
- (c) As of the date hereof and continuing until the Termination Date (as same may be extended by the Lenders in their sole discretion) and thereafter until the termination of the tolling arrangements hereof in the manner provided for herein, and whether or not demand for payment or a notice of intention to enforce security has previously been delivered by the Lenders, the Lenders, and the Borrowers hereby agree to toll and suspend the running of the applicable statutes of limitations, laches or other doctrines related to the passage of time in relation to the Loan Documents, any indebtedness, and any entitlements arising from the Loan Documents, any indebtedness and any other related matters, and each of the parties confirms that that this Agreement is intended to be an agreement to suspend or extend the applicable limitation periods provided by any statute and any claims or defences based upon such applicable statute of limitations, contractual limitations, or any time related doctrine including waiver, estoppel or laches. For greater certainty, the time during which the limitation period is suspended pursuant to the tolling provisions of this Agreement shall not be included in the computation of any limitation period.

- 3. Continued Operation.** During the term of this Agreement, the Borrowers agree to continue to operate and conduct their business in the ordinary course and shall in no way cause its assets to be depleted except in the ordinary course of business or as



may be approved by the Lenders in advance.

4. **Repayment Of Indebtedness.** Notwithstanding any forbearance or any other term of this Agreement, the Borrower Entities, as applicable, agree as follows:
  - (a) The Borrowers will provide evidence that all property taxes of any property secured by the Lenders' Security are paid in full or the Borrower has entered into a payment plan with the Halifax Regional Municipality to repay all outstanding property taxes;
  - (b) Ruby shall make all payments of principal and interest required to be paid in connection with the Ruby NFB Loan from and after the date hereof, as and when due;
  - (c) BSL shall make all payments of principal and interest required to be paid in connection with the BSL Loan from and after May 15, 2024; and
  - (d) In the event of the completion of the sale of the Halifax Club Suites Property, or any portion thereof, the balance of the BSL Loan, together with any regular payments of principal and interest then due or in arrears in respect of the 3337151 Loan, Ruby NFB Loan and the Ruby Freemasons Loan (excluding, for greater certainty, the principal balances of any of the 3337151 Loan, Ruby NFB Loan and the Ruby Freemasons Loan which have matured prior to such sale), shall immediately become due and payable in full, and shall be paid to the Lenders, as applicable, from the proceeds of such sale contemporaneously with the closing thereof.
5. **Reports.** The Borrower Entities, as applicable, agree to provide to the Lenders during the term of this Agreement such reports and certificates as are provided for under the Loan Documents or as the Lenders shall otherwise require, including but not limited to bi-weekly updates as to the marketing or sale of the Halifax Club Suites Property or any property otherwise subject to the Lenders' Security.
6. **Monitoring.**
  - (a) The Borrower Entities hereby authorize the Lenders or their agents or professional advisors to monitor all aspects of the Borrower Entities' business operations and agree to co-operate fully and immediately with the Lenders or their agents or professional advisors in such monitoring and shall immediately upon request provide full access to the Borrower Entities' books and records for review.
  - (b) The Borrower Entities also hereby authorizes the Lenders and/or their agents and/or professional advisors to attend upon the Borrower Entities' business premises (or any other location relating to the Lenders' Security and the collateral therefor) to assess the Borrower Entities' assets and the Lenders' collateral.
7. **Confidentiality.** During the term of this Agreement, the Borrower Entities and their respective directors, officers, employees, agents or advisors (collectively,

"Representatives") shall:

- (a) keep confidential the terms of this Agreement and all communication between the Borrower Entities and Lenders; and
  - (b) refrain from any public statements, refrain from commenting in social media and decline comment to any media with respect to the Borrowers' relationship with the Lenders, this Agreement, the Loan Documents, the Lenders' Security, any actions taken by the Lenders in respect of the Lenders' Security or the Lenders generally.
8. **Covenants.** The Borrowers and Caryi agree that for so long as this Agreement remains in effect or any debt remains outstanding to the Lenders, the Borrowers and Caryi shall (subject to this Agreement):
- (a) properly maintain and provide evidence of insurance for any buildings or property subject to the Lenders' Security;
  - (b) provide evidence forthwith upon execution of this Agreement that all property taxes payable on the real property mortgaged to the Lenders are paid as contemplated by this Agreement;
  - (c) continue to make principal and interest payments as contemplated by this Agreement and, without limitation, at all times following the Termination Date;
  - (d) not commit or permit any breach of the Loan Documents or any other agreements which the Borrowers or Caryi have with the Lenders;
  - (e) not create or permit to exist any lien, charge or encumbrance or other security interest, or allow to any statutory lien or trust against the assets of the Borrowers or any part thereof;
  - (f) not make a proposal, or apply for, or seek relief from its creditors, under the *Bankruptcy and Insolvency Act*, *Companies' Creditors Arrangement Act*, or any other legislation granting relief from creditors, without first delivering to the Lenders ten (10) days' prior written notice of any such proposed action, unless the prior written consent of the Lenders is obtained;
  - (g) remit, as and when required, all amounts to be deducted or withheld under the *Income Tax Act*, *Excise Tax Act* and all other federal and provincial statutes giving rise to liens, charges or and deemed trusts of any kind which have priority over the Lenders' Security and provide evidence of such remittances to the Lenders or its agents regularly and also provide them upon request;
  - (h) perform the provisions of this Agreement without breach; and

- (i) forthwith notify the Lenders in writing of any breach of this Agreement or any further breach of the Loan Documents or any other agreement with the Lenders.

9. **Events of Default.** The occurrence of any one or more of the following events (herein an "Event of Default") shall constitute a default under this Agreement:

- (a) the breach of any covenant or other provision of this Agreement or any other agreement between the Borrower Entities and the Lenders;
- (b) the breach of any provisions set forth in the Events of Default section of the Loan Documents or the Lenders' Security;
- (c) failure to co-operate with the Lenders, their agents or professional advisors with respect to the matters set out in this Agreement;
- (d) an execution, writ of seizure and sale, or distress, sequestration or any other like process becomes enforceable against the Borrowers or Caryl;
- (e) any statement, certification, representation or warranty made by the Borrowers to the Lenders is false, misleading or incorrect as at the time at which it is made;
- (f) the Borrowers cease to carry on their business in the ordinary course;
- (g) any action or proceeding is threatened or commenced which brings into issue the validity or enforceability of the Lenders' Security;
- (h) any seizure or attempted seizure by any creditor, secured, unsecured or preferred, or any governmental body or agent thereof of any property of the Borrowers; and
- (i) in the opinion of the Lenders, there has been any deterioration in the value of the property of the Borrowers or in its realizable value.

Upon the occurrence of an Event of Default, the Lenders may in its sole discretion elect to exercise its remedies under the Loan Documents and the Lenders' Security.

10. **Representations and Warranties.** The Borrower Entities each represent and warrant in favour of the Lenders:

- (a) The execution, delivery and performance of this Agreement are within their respective corporate power and authority and have been duly authorized by all necessary corporate action.
- (b) This Agreement constitutes a valid and legally binding Agreement enforceable against

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the Borrower Entities in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally and to general principles of equity.

- (c) The execution, delivery and performance of this Agreement do not and will not (i) violate any law, regulation or court order to which the Borrower Entities are subject; (ii) conflict with the Borrower Entities' constating documents, as applicable; or (iii) result in the creation or imposition of any lien, security interest or encumbrance on any property of the Borrowers or Caryi or any of their subsidiaries, whether now owned or hereafter acquired, other than security interests in favour of the Lenders.
11. **Reaffirmation of Guarantee.** The Borrower Entities, as applicable, hereby ratify and reaffirm (i) the validity, legality and enforceability of any guarantees granted by any of the Borrower Entities to the Lenders; (ii) that their reaffirmation of such guarantees is a material inducement to the Lenders to enter into this Agreement; and (iii) that their obligations under any guarantees granted by to the Lenders shall remain in full force and effect until the Loans have been paid in full.

#### 12. Termination.

- (a) The Lenders' agreement to forbear in the enforcement of the Loan Documents shall terminate as of the Termination Date. The Borrowers and Caryi acknowledge and agree that upon the Termination Date the Lenders shall be at liberty to require payment and enforce the Loan Documents, as applicable, without further demand or notice of any kind whatsoever.
- (b) The parties hereto further agree that the Lenders shall be at liberty to enforce the Loan Documents in any manner which it sees fit and to partially enforce its security and shall not be liable to account to the Borrowers or Caryi for any steps taken or omitted and no step taken or omitted shall provide a defence to the Borrowers or Caryi on any proceeding taken.
- (c) The Borrowers waive notice of any default or presentment of any document.

#### 13. Consent to Enforcement and Receivership

- (a) Upon the Termination Date, unless all indebtedness then due is sooner paid in full, the Borrowers and Caryi shall cooperate fully and hereby consent to any enforcement proceeding pursuant to the Lenders' Security, including consent to judgment in any proceeding pursuant to the real property mortgages described herein and judgment upon the guarantee of Caryi.
- (b) During the term hereof the Lenders shall be at liberty to commence any and all legal proceedings against the Borrowers and Caryi for the enforcement of the Lenders' Security, including over real property, and the guarantor's obligations pursuant to their



respective guarantees. The Borrowers shall upon request execute and deliver to the Lenders such consents to judgment, foreclosure or other remedy as the Lenders may require. Such consents shall be held until the Termination Date. If upon the Termination Date the Borrowers have not satisfied all obligations to the Lenders then due, then the Lenders shall be at liberty to file such consents and enforce such judgments or other remedy held.

- (c) During the term hereof, unless all indebtedness then due is sooner paid in full, the Borrowers shall co-operate fully with the Lenders and hereby consent to the Lenders issuing a private appointment of a receiver of the assets, collateral and undertaking of the Borrowers.
14. **Release.** The Borrower Entities hereby forever release and discharge the Lenders, their affiliates and their respective directors, officers, employees and agents (including their legal counsel and consultants) (collectively the "Indemnities") of and from all actions, causes of action, claims and demands of whatever nature, which they had, now have or may hereafter have against it by reason of any cause or matter whatsoever existing up to the present time, but excluding actions, causes of action, claims and demands arising from the gross negligence or willful misconduct of the Indemnities.
15. **Reservation of Rights.** Save and except as expressly provided for herein, the Lenders hereby reserve all their rights and remedies as provided for in the Loan Documents, the Lenders' Security, or which the Lenders may have at law or in equity and nothing herein is to be constructed as a waiver of any such rights and remedies.
16. **Professional Fees.** All legal, accounting and other professional fees and disbursements incurred, or to be incurred including, without limitation, in connection with the preparation, operation and enforcement of this Agreement by the Lenders, are for the account of the Borrowers and shall be paid forthwith upon demand. The Lenders may and are hereby authorized to debit any account(s) of the Borrowers with the Lenders for the payment of such legal, accounting and professional fees and disbursements.
17. **Other Agreements.** This Agreement is in supplement of and not in substitution for, any and all of the obligations of the Borrowers and Caryi under the Loan Documents and all other agreements between the Borrowers, Caryi and the Lenders. Save as provided for herein, the Loan Documents and the Lenders' Security continue in full force and effect.
18. **Notices.** The Borrower Entities agree that any notice sent in respect of the Loan Documents, the Lenders' Security or this Agreement or in fulfillment of any statutory notice requirement, shall be properly sent or delivered where it is addressed to the applicable Borrower Entities at the following address:

Cox & Palmer  
1500-1625 Grafton Street

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Halifax, NS B3J 0E8

Attention: Marc Beaubien

Email: mbeaubien@coxandpalmer.com

19. **Non-Waiver.** No delay or omission on the part of the Lenders in exercising any right or remedy shall operate as a waiver thereof, and any waiver of the rights given to the Lenders hereunder or under the Loan Documents or the Lenders' Security shall only be effective and binding upon the Lenders if specifically given in writing by the Lenders to the Borrowers.
20. **Time of Essence.** Time is of the essence in this Agreement.
21. **Entire Agreement.** This Agreement constitutes the entire agreement between the Borrower Entities as to the matters dealt with herein. There are not and shall not be any oral statements, representations, warranties, undertaking or agreements between the Lenders and the Borrower Entities.
22. **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.
23. **Severability.** In the event that one or more of the provisions of this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality or enforceability of the remaining provisions hereof shall not be affected or impaired thereby. Each of the provisions of this Agreement is hereby declared to be separate and distinct.
24. **Governing Law.** This Agreement is made in the Province of Nova Scotia and shall be constructed, interpreted and enforced in accordance with the laws of the Province of Nova Scotia and the applicable laws of Canada.
25. **Independent Legal Advice.** The Borrower Entities acknowledge that they have received or have been provided with the opportunity to obtain independent legal advice, that they have read this Agreement in full, that they understand their rights, duties and obligations, and that they have entered this Agreement and all other agreements referred to herein without any undue influence, duress or coercion whatsoever.
26. **Acceptance.** This Agreement will be null and void if not accepted and executed by the Borrower Entities and returned to the Lenders by **March 6, 2024**.

*[The remainder is intentionally left blank.]*



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IN WITNESS WHEREOF the parties hereto have executed this agreement on the date first written, above.

ATLANTIC CENTRAL

DocuSigned by:  
Per: Mark Horne  
Name: CT12CA09335F4CE  
Title:

LEAGUE SAVINGS AND MORTGAGE  
COMPANY

DocuSigned by:  
Per: Mark Horne  
Name: 04120A69335F4CE  
Title:

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

DocuSigned by:  
Per: Laurie Caryi  
Name: 1F70D19C28E9443  
Title: President

I/we have authority to bind the company

ANNAPOLIS MANAGEMENT, INC.

DocuSigned by:  
Per: Laurie Caryi  
Name: 1F70D19C28E9443  
Title: President

I/we have authority to bind the company

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BSL HOLDINGS LIMITED

DocuSigned by:  
Per: Laurie Caryi  
Name: Laurie Caryi  
Title: Personal Representative of the Estate  
of Steven Michael Caryi

DocuSigned by:  
Per: Joanne Caryi  
Name: Joanne Caryi  
Title: Personal Representative of the Estate  
of Steven Michael Caryi

I/we have authority to bind the company

3337151 NOVA SCOTIA LIMITED

DocuSigned by:  
Per: Laurie Caryi  
Name: Laurie Caryi  
Title: Personal Representative of the Estate  
of Steven Michael Caryi

DocuSigned by:  
Per: Joanne Caryi  
Name: Joanne Caryi  
Title: Personal Representative of the Estate  
of Steven Michael Caryi

I/we have authority to bind the company

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4551650 NOVA SCOTIA LIMITED

DocuSigned by:  
Per: Laurie Caryi  
Name: Laurie Caryi  
Title: Personal Representative of the Estate  
of Steven Michael Caryi

DocuSigned by:  
Per: Joanne Caryi  
Name: Joanne Caryi  
Title: Personal Representative of the Estate  
of Steven Michael Caryi

I/we have authority to bind the company

THE ESTATE OF STEVEN CARYI

DocuSigned by:  
Per: Laurie Caryi  
Name: Laurie Caryi  
Title: Personal Representative of the Estate  
of Steven Michael Caryi

DocuSigned by:  
Per: Joanne Caryi  
Name: Joanne Caryi  
Title: Personal Representative of the Estate  
of Steven Michael Caryi

I/we have authority to bind the company

**Schedule "A" – Lenders' Security**

**3337151 Loan**

Each dated May 28, 2020 unless otherwise stated herein:

1. A first collateral mortgage from with respect to real property located at civic number 1598 Barrington Street, Halifax, in the Province and bearing PID 76455;
2. A promissory note;
3. A guarantee from Caryi;
4. A guarantee from Annapolis
5. A guarantee from Ruby;
6. A cost overrun and completion guarantee;
7. A general assignment of rents and leases;
8. An assignment of material agreements;
9. A general security agreement; and
10. An assignment of insurance.

**BSL Loan**

Each dated June 21, 2022 unless otherwise stated herein:

1. A first collateral mortgage from with respect to real property located at civic number 1669 Granville Street, Halifax, Nova Scotia, and designated as PID Numbers 3251 and 40042087;
2. A promissory note;
3. A guarantee from Caryi;
4. A general assignment of rents and leases;
5. An assignment of material agreements;
6. A general security agreement; and

7. An assignment of insurance.

Ruby NFB Loan

Each dated May 10, 2022 unless otherwise stated herein:

1. A first collateral mortgage from with respect to real property located at civic number 1572 Barrington Street, Halifax, Nova Scotia, and bearing PID 41353202;
2. A promissory note;
3. A guarantee from Caryi;
4. A general assignment of rents and leases;
5. An assignment of material agreements;
6. A general security agreement from Ruby;
7. A general security agreement from Annapolis; and
8. An assignment of insurance.

Ruby Freemasons Loan

Each dated May 28, 2020 unless otherwise stated herein:

1. A first collateral mortgage from with respect to real property located at civic number 1533 Barrington Street, Halifax, Nova Scotia, and bearing PID 444141;
2. A promissory note;
3. A guarantee from Caryi;
4. A cost overrun and completion guarantee;
5. A general assignment of rents and leases;
6. An assignment of material agreements;
7. A general security agreement from Ruby;
8. A general security agreement from Annapolis; and
9. An assignment of insurance.

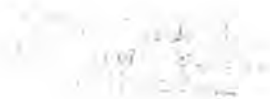


This is Exhibit "W" referred to in the  
Affidavit of Mark Horne  
sworn before me on January 17, 2025



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A Barrister of the Supreme  
Court of Nova Scotia





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

6074 Lady Hammond Rd., Suite 2001  
Halifax NS B3K 2R7  
(902) 453-4220 fax (902) 453-4006

**Date** January 13, 2025  
**Branch** 5  
**RE:** 21555-70-2

**Official Payout Statement**

ATTN: 3337151 Nova Scotia Limited

**Security Address** 1598-1600 Barrington Street, Halifax NS  
**Guarantor :** Steve Caryi And Annapolis Management Inc and Annapolis Management Inc. on behalf of Ruby LLP  
**Mortgagor(s)** 3337151 Nova Scotia Limited  
**Address** 2766 Meeting Place  
Orlando, FL 32814

Principal Balance As Of	December 15, 2023		\$5,780,434.38
Accrued Interest From	December 15, 2023	To	January 13, 2025
			\$523,525.24
<b>Subtotal</b>			\$6,303,959.62
Less	Property Tax Credit		-\$748.75
Total Required to Pay Mortgage on January 13, 2025			<u>\$6,303,210.87</u>

**All payments up to and including the payout date will be processed. After January 13, 2024 a daily interest charge of \$1,259.03 is required until payment reaches our office.**

\*\*\* Payments received after 2:00 PM must include additional interest to the next working day \*\*\*

For more information on how we calculated your penalty, see the reverse side of this statement.

Please contact: Andria Baugild if you have any questions regarding this statement, or you require a new statement. BMV

**\*\*\*THIS PAYOUT STATEMENT IS VALID FOR 10 DAYS FOLLOWING THE REQUESTED PAYOUT DATE\*\*\***

After that time, a new payout statement must be requested, which could result in a change to all statement totals, including your prepayment penalty. If your payout is cancelled, the regular payment schedule will continue.

**\*IF YOU HAVE CUMIS INSURANCE\*** and this mortgage is being paid out by your credit union, contact the branch to discuss your additional insurance needs.

**IMPORTANT :** This Statement has been checked carefully with our records and is believed to be correct; However, it is subject to changes due to subsequent payments and/or charges.

Please see the information below (Schedule C1) on how we calculated your penalty. Should you wish to calculate your own, the information required to do so is included immediately below for your reference.

Your current interest rate	7.950%
Similar term to maturity interest rate	0.000%
Your current maturity date	February 1, 2024
Months to maturity	-11.41

## FOR COMMERCIAL MORTGAGES

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

#### 1. Prepayment Privileges

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

#### 2. Prepayment Charges

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

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

**Table 1 - Similar Term to Maturity**

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

**Table 2 - Prepayment Charge Calculation**

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

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

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

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

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



ATLANTIC CENTRAL

6074 Lady Hammond Road  
Halifax NS B3K 2R7

(902) 454-3147 fax (902) 453-4006

Date January 13, 2025  
RE: 06104-70-1

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

Security Address 1533 Barrington Street, Halifax NS (PID #00444141)

Guarantor: Estate of Steve Caryl

Mortgagor(s) Annapolis Management Inc., as general partner of Ruby LLP and Annapolis Management Inc., in its own  
Address Capacity  
2766 Meeting Place  
Orlando, FL 32814

Principal Balance As Of	December 15, 2023		\$12,901,933.35
Accrued Interest From	December 15, 2023	To January 13, 2025	\$1,148,537.17
Subtotal			\$14,050,470.52

Total Required to Pay Mortgage on January 13, 2025 \$14,050,470.52

Please note:

→ After January 13, 2025 a daily interest charge of \$2,456.67 is required until payment reaches our office.

→ \*\*\* Payments received after 2:00 PM must include additional interest to the next working day \*\*\*

FUNDS CAN BE WIRED INTO OUR ACCOUNT, AS FOLLOW:

Transit: 0839/88393  
Account: 04009-104  
→ Name: Atlantic Central  
Address: 6074 Lady Hammond Rd., Halifax NS B3K 2R7

Please notify us by emailing [commercialadmin@acsm.ca](mailto:commercialadmin@acsm.ca) when the wire has been sent.

"Solicitor is to prepare and forward the required release documents for execution, pertaining to the following security; mortgage document, assignment of leases & rents and the PPSA .

→ Upon receipt of the mortgage proceeds, Atlantic Central will execute the release documents and forward back to your office for registration. "

Please contact: Barb MacVicar if you have any questions regarding this statement, or you require a new statement.

Checked by AB

\*\*\*THIS PAYOUT STATEMENT IS VALID FOR 10 DAYS FOLLOWING THE REQUESTED PAYOUT DATE\*\*\*

After that time, a new payout statement must be prepared, which could result in a change to all statement totals, including your prepayment penalty

IMPORTANT : This Statement has been checked carefully with our records and is believed to be correct; however, it is subject to changes due to subsequent payments and/or charges.

Please see the information below (Schedule C1) on how we calculated your penalty. Should you wish to calculate your own, the information required to do so is included immediately below for your reference.

<b>Your current interest rate</b>	<b>6.950%</b>
<b>Similar term to maturity interest rate</b>	<b>0.000%</b>
<b>Your current maturity date</b>	<b>April 15, 2024</b>
<b>Months to maturity</b>	<b>0.00</b>

**SCHEDULE "C1"**  
**PREPAYMENT OPTIONS**  
**FOR COMMERCIAL MORTGAGES**

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

**1. Prepayment Privileges**

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

**2. Prepayment Charges**

If the terms of your mortgage permit you to payout all or a portion of your mortgage balance before the end of your mortgage term subject to the payment of a prepayment penalty, as set out in the Mortgage Commitment, the penalty will be the greater of: three (3) months interest at your contracted interest rate OR an interest rate differential on the amount of prepayment. The interest rate differential is calculated on the date the payout statement is prepared by multiplying the following: a) the difference between your contracted interest rate and the current posted interest rate\*\* of a mortgage with a similar term to maturity (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.ism.ca](http://www.ism.ca)

**Table 1 - Similar Term to Maturity**

<b>Time Remaining on Your Mortgage</b>	<b>Mortgage with Similar Term to Maturity</b>
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.

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

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



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

6074 Lady Hammond Rd., Suite 2001  
Halifax NS B3K 2R7  
(902) 453-4220 fax (902) 453-4006

Date January 13, 2025  
Branch 5  
RE: 21556-71-0

**Official Payout Statement**

ATTN: Annapolis Management Inc.

**Security Address** 1572 Barrington Street, Halifax NS

**Guarantor :** Estate of Steve Caryi

**Mortgagor(s)** Annapolis Management Inc. as general partner of Ruby LLP and Annapolis Management Inc.,  
in its own capacity  
**Address** 2766 Meeting Place  
Orlando Florida, 32814

Principal Balance As Of December 18, 2024 \$7,528,536.46

Interest Accrued At Last Transaction \$25,865.00

Accrued Interest From December 18, 2024 To January 13, 2025 \$20,378.61

**Subtotal** \$7,574,780.07

Total Required to Pay Mortgage on January 13, 2025 **\$7,574,780.07**

**All payments up to and including the payout date will be processed. After January 13, 2025 a daily interest charge of \$783.79 is required until payment reaches our office.**

\*\*\* Payments received after 2:00 PM must include additional interest to the next working day \*\*\*

For more information on how we calculated your penalty, see the reverse side of this statement.

Please contact: Andria Baugild if you have any questions regarding this statement, or you require a new statement. BMV

**\*\*\*THIS PAYOUT STATEMENT IS VALID FOR 10 DAYS FOLLOWING THE REQUESTED PAYOUT DATE\*\*\***

After that time, a new payout statement must be requested, which could result in a change to all statement totals, including your prepayment penalty. If your payout is cancelled, the regular payment schedule will continue.

\*IF YOU HAVE CUMIS INSURANCE\* and this mortgage is being paid out by your credit union, contact the branch to discuss your additional insurance needs.

**IMPORTANT :** This Statement has been checked carefully with our records and is believed to be correct; However, it is subject to changes due to subsequent payments and/or charges.



Please see the information below (Schedule C1) on how we calculated your penalty. Should you wish to calculate your own, the information required to do so is included immediately below for your reference.

Your current interest rate	3.800%
Similar term to maturity interest rate	0.000%
Your current maturity date	June 1, 2025
Months to maturity	4.57

## FOR COMMERCIAL MORTGAGES

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

#### 1. Prepayment Privileges

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

#### 2. Prepayment Charges

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

\*\* For more information on posted interest rates, financial calculators or to obtain balance and payout information, please call us toll free at 1-800-668-2879 or visit our web site at [www.lsm.ca](http://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
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**Table 2 - Prepayment Charge Calculation**

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

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

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

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

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



6074 Lady Hammond Road  
Halifax NS B3K 2R7

(902) 454-3147 fax (902) 453-4006

Date January 13, 2025  
RE: 06128-70-0

BSL Holdings Limited  
2766 Meeting Place  
Orlando, FL 32814

Security Address 1665-1669 Granville Street, Halifax NS PID 40042087 and PID 3251

Guarantor : Estate of Steve Caryl

Mortgagor(s) BSL Holdings Limited  
Address 2766 Meeting Place  
Orlando, FL 32814

Principal Balance As Of	November 15, 2024		\$2,184,622.08
Accrued Interest From	November 15, 2024	To	January 13, 2025
Subtotal			\$36,143.97
Less Property Tax Credit			\$2,220,766.05
			-\$13,411.68
Total Required to Pay Mortgage on	January 13, 2025		\$2,207,354.37

**Please note:**

→ After January 13, 2025 a daily interest charge of \$365.10 is required until payment reaches our office.

→ \*\*\* Payments received after 2:00 PM must include additional interest to the next working day \*\*\*

**FUNDS CAN BE WIRED INTO OUR ACCOUNT, AS FOLLOW:**

Transit: 0839/88393  
Account: 04009-104  
→ Name: Atlantic Central  
Address: 6074 Lady Hammond Rd., Halifax NS B3K 2R7

Please notify us by emailing [commercialadmin@acsm.ca](mailto:commercialadmin@acsm.ca) when the wire has been sent.

→ "Solicitor is to prepare and forward the required release documents for execution, pertaining to the following security; mortgage document, assignment of leases & rents and the PPSA .

→ Upon receipt of the mortgage proceeds, Atlantic Central will execute the release documents and forward back to your office for registration. "

Please contact: Barb MacVicar if you have any questions regarding this statement, or you require a new statement.

Checked by AB

**\*\*\*THIS PAYOUT STATEMENT IS VALID FOR 10 DAYS FOLLOWING THE REQUESTED PAYOUT DATE\*\*\***

After that time, a new payout statement must be prepared, which could result in a change to all statement totals, including your prepayment penalty

**IMPORTANT :** This Statement has been checked carefully with our records and is believed to be correct; however, it is subject to changes due to subsequent payments and/or charges.

Please see the information below (Schedule C1) on how we calculated your penalty. Should you wish to calculate your own, the information required to do so is included immediately below for your reference.

Your current interest rate	6.100%
Similar term to maturity interest rate	0.000%
Your current maturity date	July 15, 2024
Months to maturity	0.00

**SCHEDULE "C1"**  
**PREPAYMENT OPTIONS**  
**FOR COMMERCIAL MORTGAGES**

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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%.

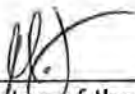
- The 3 month interest penalty would be calculated using the member's contracted annual interest rate of 6%.
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Examples of the calculations for the 3 month interest penalty and the interest rate differential penalty are shown below.

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

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

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

A handwritten signature in black ink, consisting of stylized initials and a surname, positioned above a horizontal line.

---

A Barrister of the Supreme  
Court of Nova Scotia

**From:** Joshua Santimaw <[JSantimaw@boyneclarke.ca](mailto:JSantimaw@boyneclarke.ca)>

**Sent:** January 13, 2025 4:29 PM

**To:** 'Sharon Kour' <[skour@reconllp.com](mailto:skour@reconllp.com)>; Melissa De Caria <[mdecaria@okeefesullivan.com](mailto:mdecaria@okeefesullivan.com)>; Sara L. Scott <[sscott@stewartmckelvey.com](mailto:sscott@stewartmckelvey.com)>; Darren O'Keefe <[dokeefe@okeefesullivan.com](mailto:dokeefe@okeefesullivan.com)>; 'Foran, James' <[jforan@deloitte.ca](mailto:jforan@deloitte.ca)>; 'tambachtsheer@deloitte.ca' <[tambachtsheer@deloitte.ca](mailto:tambachtsheer@deloitte.ca)>; 'Stephen Kingston - McInnes Cooper' <[stephen.kingston@mcinnescooper.com](mailto:stephen.kingston@mcinnescooper.com)>; 'Mark Horne' <[mhorne@aclsm.ca](mailto:mhorne@aclsm.ca)>; 'andre.belanger@assomption.ca' <[andre.belanger@assomption.ca](mailto:andre.belanger@assomption.ca)>; 'alain@graysbrookcapital.ca' <[alain@graysbrookcapital.ca](mailto:alain@graysbrookcapital.ca)>; 'bkofman@ksvadvisory.com' <[bkofman@ksvadvisory.com](mailto:bkofman@ksvadvisory.com)>; 'Langlois, Martine' <[Martine.Langlois@bmo.com](mailto:Martine.Langlois@bmo.com)>; 'mike.maclean@cra-arc.gc.ca' <[mike.maclean@cra-arc.gc.ca](mailto:mike.maclean@cra-arc.gc.ca)>; 'Tim Gillis' <[tcgillis@yahoo.ca](mailto:tcgillis@yahoo.ca)>; 'louis@sonicentertainmentgroup.com' <[louis@sonicentertainmentgroup.com](mailto:louis@sonicentertainmentgroup.com)>; Ian A. Sutherland <[isutherland@stewartmckelvey.com](mailto:isutherland@stewartmckelvey.com)>; 'frontdesk@parkerplumbing.ca' <[frontdesk@parkerplumbing.ca](mailto:frontdesk@parkerplumbing.ca)>; 'Peladeau, Stephane' <[Stephane.Peladeau@cibc.com](mailto:Stephane.Peladeau@cibc.com)>; 'David Boyd' <[davidboyd.resolve@gmail.com](mailto:davidboyd.resolve@gmail.com)>; Phil Clarke - BDO Canada Ltd. (Phil.Clarke@ca.gt.com) <[Phil.Clarke@ca.gt.com](mailto:Phil.Clarke@ca.gt.com)>; Murphy, Liam <[Liam.Murphy@doane.gt.ca](mailto:Liam.Murphy@doane.gt.ca)>  
**Cc:** Stephanie P. Miller <[smiller@boyneclarke.ca](mailto:smiller@boyneclarke.ca)>; Jessica Wuthmann <[jwuthmann@reconllp.com](mailto:jwuthmann@reconllp.com)>  
**Subject:** RE: CCAA - Caryi Group of Companies - Douro Capital Limited

To the Service List

We understand the lenders are seeking to appoint Grant Thornton Limited as Receiver. As such, are withdrawing the CCAA application.

We will provide you with the keys, cancel all insurance and cease operations. Please advise where to drop the keys.

Please direct all communication for Joanne to Laurie or the Applicants to me as my retainer continues.

**Joshua J. Santimaw**

Partner

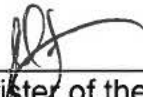
T 902.460.3451 F 902.463.7500



99 Wyse Road, Suite 600  
P.O. Box 876, Dartmouth Main  
Dartmouth, NS B2Y 3Z5  
[www.boyneclarke.ca](http://www.boyneclarke.ca)

Admitted to Practice in Nova Scotia  
New Brunswick, Newfoundland and Labrador

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

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

---

A Barrister of the Supreme  
Court of Nova Scotia

A faint, illegible stamp or text is visible below the signature line, possibly a notary seal or administrative marking.



**BURCHELL WICKWIRE BRYSON <sup>LLP</sup>**  
**lawyers | avocats**

1801 Hollis Street, Suite 1900  
Halifax, Nova Scotia  
Canada B3J 3N4

t. 902.423.6361  
f. 902.420.9326

[www.bwbllp.ca](http://www.bwbllp.ca)

**Marc L. Dunning**  
(902) 482-7017  
[mdunning@bwbllp.ca](mailto:mdunning@bwbllp.ca)

File: 24017-1094760

January 15, 2025

**VIA E-MAIL:** [jsantimaw@boyneclarke.ca](mailto:jsantimaw@boyneclarke.ca)

3337151 Nova Scotia Limited  
c/o Josh Santimaw  
Boyne Clarke LLP  
600 - 99 Wyse Road  
Dartmouth NS B2Y 3Z5

**Re: Indebtedness to League Savings and Mortgage Company Limited – Loan 21555-70-2 pertaining to 1598-1600 Barrington Street, Halifax, NS**

We are solicitors for League Savings and Mortgage Company Limited. 3337151 Nova Scotia Limited is indebted to League Savings and Mortgage Company Limited under the above loan and is in breach of the terms and conditions of that loan for, among other things, failing to pay amounts when due.

As at January 13, 2025, the amount outstanding on the above loan was \$6,303,210.87. We hereby make demand on 3337151 Nova Scotia Limited for payment of \$6,303,210.87 plus accruing interest at \$1,259.03 per day after January 13, 2025, plus fees and legal expenses.

We also enclose a Notice of Intention to Enforce Security.

Yours very truly,

**BURCHELL WICKWIRE BRYSON <sup>LLP</sup>**



**Marc L. Dunning**  
Partner

MLD/cmd  
Enclosure

**Form 86**  
**Notice of Intention to Enforce Security**

**To: 3337151 Nova Scotia Limited, an insolvent person**  
c/o Josh Santimaw  
Boyne Clarke LLP  
99 Wyse Road, Suite 600  
Dartmouth, NS B2Y 3Z5  
Email: jsantimaw@boyneclarke.ca

Take notice that League Savings and Mortgage Company, a secured creditor, intends to enforce its security on the insolvent person's property described below:

- a) Real property at 1598-1600 Barrington Street, Halifax, Nova Scotia, PID 76455 (the "Property"); and
- b) All of the debtor's present and after acquired personal property situate at or pertaining to the Property.

The security that is to be enforced is as follows:

- Mortgage dated May 28, 2020 with respect to the Property, registered in the Halifax County Land Registry on June 3, 2020 as Document No. 116420143;
- General Assignment of Rents and Leases dated May 28, 2020 with respect to the Property, registered in the Halifax County Land Registry on June 3, 2020 as Document No. 116420150;
- General Security Agreement dated May 28, 2020, granting security over all present and after acquired personal property located at or related to the Property;
- Assignment of Material Agreements dated May 28, 2020, assigning all construction and other contracts, plans, specifications, working drawings, budgets and schedules for the provision of materials, equipment and services at the Property;
- Assignment of insurance dated May 28, 2020;
- Promissory Notes dated May 28, 2020;

and such other collateral security held by the secured creditor.

The total amount of indebtedness secured by the security as at January 13, 2025 is as \$6,303,210.87, plus accruing interest, fees and legal expenses.

The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to earlier enforcement.

Dated at Halifax, Province of Nova Scotia, this 15<sup>th</sup> day of January, 2025.

**League Savings and Mortgage Company**



Per: \_\_\_\_\_

**Marc Dunning, solicitor duly authorized**

**Waiver and Consent**

The undersigned, **3337151 Nova Scotia Limited**, hereby consents to the earlier enforcement of the security of League Savings and Mortgage Limited, a secured creditor, and hereby waives the ten-day period to enforce security.

**3337151 Nova Scotia Limited**

Per: \_\_\_\_\_

**BURCHELL WICKWIRE BRYSON <sup>LLP</sup>**  
**lawyers | avocats**

1801 Hollis Street, Suite 1900  
Halifax, Nova Scotia  
Canada B3J 3N4

t. 902.423.6361  
f. 902.420.9326

www.bwbllp.ca

**Marc L. Dunning**  
(902) 482-7017  
mdunning@bwbllp.ca

File: 24017-1094760

January 15, 2025

**VIA E-MAIL:** [jsantimaw@boyneclarke.ca](mailto:jsantimaw@boyneclarke.ca)

Annapolis Management Inc., in its own capacity  
Annapolis Management Inc., in its capacity as general partner of Ruby, LLP  
c/o Josh Santimaw  
Boyne Clarke LLP  
600 - 99 Wyse Road  
Dartmouth NS B2Y 3Z5

**Re: Indebtedness to Atlantic Central – Loan 06104-70-1 pertaining to 1533 Barrington Street,  
Halifax, NS**

We are solicitors for Atlantic Central. Annapolis Management Inc., in its own capacity and in its capacity as general partner of Ruby, LLP, is indebted to Atlantic Central under the above loan and is in breach of the terms and conditions of that loan for, among other things, failing to pay amounts when due.

As at January 13, 2025, the amount outstanding on the above loan was \$14,050,470.52. We hereby make demand on Annapolis Management Inc., in its own capacity and in its capacity as general partner of Ruby, LLP, for payment of \$14,050,470.52 plus accruing interest at \$2,456.67 per day after January 13, 2025, plus fees and legal expenses. We also enclose a Notice of Intention to Enforce Security.

Annapolis Management Inc., in its own capacity and in its capacity as general partner of Ruby, LLP are also guarantors of the debts owing from 3337151 Nova Scotia Limited owing to League Savings and Mortgage Company on loan 21555-70-2 pertaining to 1598-1600 Barrington Street, Halifax, NS pursuant to guarantees dated May 28, 2020. Enclosed is a copy of the demand letter issued to that company. This letter will serve as a demand on Annapolis Management Inc., in its own capacity and in its capacity as general partner of Ruby, LLP, under those guarantees. As at January 13, 2025, the amount owing under the guarantees was \$6,303,210.87, plus accruing interest at \$1,259.03 per day after January 13, 2025, plus fees and legal expenses.

Yours very truly,

**BURCHELL WICKWIRE BRYSON <sup>LLP</sup>**



**Marc L. Dunning**  
Partner

MLD/cmd  
Enclosure

**Form 86**  
**Notice of Intention to Enforce Security**

**To: Annapolis Management Inc., in its own capacity, an insolvent person**

**Annapolis Management Inc., in its capacity as general partner of Ruby, LLP, an insolvent person**

c/o Josh Santimaw  
Boyne Clarke LLP  
99 Wyse Road, Suite 600  
Dartmouth, NS B2Y 3Z5  
Email: jsantimaw@boyneclarke.ca

Take notice that Atlantic Central, a secured creditor, intends to enforce its security on the insolvent person's property described below:

- a) Real property at 1533 Barrington Street, Halifax, Nova Scotia, PID 444141 (the "Property"); and
- b) All of the debtor's present and after acquired personal property situate at or pertaining to the Property.

The security that is to be enforced is as follows:

- Mortgage dated December 11, 2020 pertaining to the Property, registered in the Halifax County Land Registry on December 17, 2020 as Document No. 117677816;
- General Assignment of Rents and Leases dated December 11, 2020 pertaining to the Property, registered in the Halifax County Land Registry on December 17, 2020 as Document No. 117677824;
- Subordination Agreement dated October 18, 2023 pertaining to the Property, between Atlantic Central and Graysbrook Capital Limited, registered in the Halifax County Land Registry on October 19, 2023 as Document No. 123226673;
- General Security Agreements dated December 11, 2020, granting security over all present and after acquired personal property located at or related to the Property;
- Assignment of Material Agreements dated December 11, 2020 assigning all construction and other contracts, plans, specifications, working drawings, budgets and schedules for the provision of materials, equipment and services at the Property;
- Assignment of insurance dated December 11, 2020;
- Promissory Note dated December 11, 2020;


and such other collateral security held by the secured creditor.

The total amount of indebtedness secured by the security as at January 13, 2025 is as \$14,050,470.52, plus accruing interest, fees and legal expenses.

The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to earlier enforcement.

Dated at Halifax, Province of Nova Scotia, this 15<sup>th</sup> day of January, 2025.

**Atlantic Central**

Per:  \_\_\_\_\_

**Marc Dunning, solicitor duly authorized**

**Waiver and Consent**

The undersigned, **Annapolis Management Inc. in its own capacity**, hereby consents to the earlier enforcement of the security of Atlantic Central, a secured creditor, and hereby waives the ten-day period to enforce security.

**Annapolis Management Inc. in its own capacity**

Per: \_\_\_\_\_

The undersigned, **Annapolis Management Inc. in its capacity as general partner of Ruby, LLP**, hereby consents to the earlier enforcement of the security of Atlantic Central, a secured creditor, and hereby waives the ten-day period to enforce security.

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

Per: \_\_\_\_\_



**BURCHELL WICKWIRE BRYSON** LLP  
lawyers | avocats

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Marc L. Dunning  
(902) 482-7017  
mdunning@bwbllp.ca

File: 24017-1094760

January 15, 2025

VIA E-MAIL: [jsantimaw@boyneclarke.ca](mailto:jsantimaw@boyneclarke.ca)

3337151 Nova Scotia Limited  
c/o Josh Santimaw  
Boyne Clarke LLP  
600 - 99 Wyse Road  
Dartmouth NS B2Y 3Z5

**Re: Indebtedness to League Savings and Mortgage Company Limited – Loan 21555-70-2 pertaining to 1598-1600 Barrington Street, Halifax, NS**

We are solicitors for League Savings and Mortgage Company Limited. 3337151 Nova Scotia Limited is indebted to League Savings and Mortgage Company Limited under the above loan and is in breach of the terms and conditions of that loan for, among other things, failing to pay amounts when due.

As at January 13, 2025, the amount outstanding on the above loan was \$6,303,210.87. We hereby make demand on 3337151 Nova Scotia Limited for payment of \$6,303,210.87 plus accruing interest at \$1,259.03 per day after January 13, 2025, plus fees and legal expenses.

We also enclose a Notice of Intention to Enforce Security.

Yours very truly,

**BURCHELL WICKWIRE BRYSON** LLP



**Marc L. Dunning**  
Partner

MLD/cmd  
Enclosure

**Form 86**  
**Notice of Intention to Enforce Security**

**To: 3337151 Nova Scotia Limited, an insolvent person**  
c/o Josh Santimaw  
Boyne Clarke LLP  
99 Wyse Road, Suite 600  
Dartmouth, NS B2Y 3Z5  
Email: jsantimaw@boyneclarke.ca

Take notice that League Savings and Mortgage Company, a secured creditor, intends to enforce its security on the insolvent person's property described below:

- a) Real property at 1598-1600 Barrington Street, Halifax, Nova Scotia, PID 76455 (the "Property"); and
- b) All of the debtor's present and after acquired personal property situate at or pertaining to the Property.

The security that is to be enforced is as follows:

- Mortgage dated May 28, 2020 with respect to the Property, registered in the Halifax County Land Registry on June 3, 2020 as Document No. 116420143;
- General Assignment of Rents and Leases dated May 28, 2020 with respect to the Property, registered in the Halifax County Land Registry on June 3, 2020 as Document No. 116420150;
- General Security Agreement dated May 28, 2020, granting security over all present and after acquired personal property located at or related to the Property;
- Assignment of Material Agreements dated May 28, 2020, assigning all construction and other contracts, plans, specifications, working drawings, budgets and schedules for the provision of materials, equipment and services at the Property;
- Assignment of insurance dated May 28, 2020;
- Promissory Notes dated May 28, 2020;

and such other collateral security held by the secured creditor.

The total amount of indebtedness secured by the security as at January 13, 2025 is as \$6,303,210.87, plus accruing interest, fees and legal expenses.

The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to earlier enforcement.

Dated at Halifax, Province of Nova Scotia, this 15<sup>th</sup> day of January, 2025.

**League Savings and Mortgage Company**



Per: \_\_\_\_\_

**Marc Dunning**, solicitor duly authorized

**Waiver and Consent**

The undersigned, **3337151 Nova Scotia Limited**, hereby consents to the earlier enforcement of the security of League Savings and Mortgage Limited, a secured creditor, and hereby waives the ten-day period to enforce security.

**3337151 Nova Scotia Limited**

Per: \_\_\_\_\_

**BURCHELL WICKWIRE BRYSON** LLP  
lawyers | avocats

1801 Hollis Street, Suite 1900  
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Canada B3J 3N4

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**Marc L. Dunning**  
(902) 482-7017  
[mdunning@bwblp.ca](mailto:mdunning@bwblp.ca)

File: 24017-1094760

January 15, 2025

**VIA E-MAIL:** [jsantimaw@boyneclarke.ca](mailto:jsantimaw@boyneclarke.ca)

Annapolis Management Inc., in its own capacity  
Annapolis Management Inc., in its capacity as general partner of Ruby, LLP  
c/o Josh Santimaw  
Boyne Clarke LLP  
600 - 99 Wyse Road  
Dartmouth NS B2Y 3Z5

**Re: Indebtedness to League Savings and Mortgage Company Limited – Loan 21556-71-0 pertaining to 1572 Barrington Street, Halifax, NS**

We are solicitors for League Savings and Mortgage Company Limited. Annapolis Management Inc., in its own capacity and in its capacity as general partner of Ruby, LLP, is indebted to League Savings and Mortgage Company Limited under the above loan and is in breach of the terms and conditions of that loan for, among other things, failing to pay amounts when due.

As at January 13, 2025, the amount outstanding on the above loan was \$7,574,780.07. We hereby make demand on Annapolis Management Inc., in its own capacity and in its capacity as general partner of Ruby, LLP, for payment of \$7,574,780.07 plus accruing interest at \$783.79 per day, after January 13, 2025, plus fees and legal expenses.

We also enclose a Notice of Intention to Enforce Security.

Yours very truly,

**BURCHELL WICKWIRE BRYSON** LLP



**Marc L. Dunning**  
Partner

MLD/cmd  
Enclosure

**Form 86**  
**Notice of Intention to Enforce Security**

**To: Annapolis Management Inc., in its own capacity, an insolvent person**

**Annapolis Management Inc. in its capacity as general partner of Ruby, LLP, an insolvent person**

c/o Josh Santimaw  
Boyne Clarke LLP  
99 Wyse Road, Suite 600  
Dartmouth, NS B2Y 3Z5  
Email: jsantimaw@boyneclarke.ca

Take notice that League Savings and Mortgage Company, a secured creditor, intends to enforce its security on the insolvent persons' property described below:

- a) Real property at 1572 Barrington Street, Halifax, Nova Scotia, PID 41353202 (the "Property"); and
- b) All of the debtors' present and after acquired personal property situate at or pertaining to the Property.

The security that is to be enforced is as follows:

- Mortgage dated July 20, 2020 pertaining to the Property, registered in the Halifax County Land Registry on August 6, 2020 as Document No. 116763740,
- General Assignment of Rents and Leases dated July 20, 2020 pertaining to the Property, registered in the Halifax County Land Registry on August 6, 2020 as Document No. 116763765,
- Mortgage dated May 10, 2022 pertaining to the Property, registered in the Halifax County Land Registry on May 18, 2022 as Document No. 120600516,
- General Assignment of Rents and Leases dated May 10, 2022 pertaining to the Property, registered in the Halifax County Land Registry on May 18, 2022 as Document No. 120600524,
- Mortgage dated October 31, 2024 pertaining to the Property, registered in the Halifax County Land Registry on November 6, 2024 as Document No. 120600516,
- General Security Agreements dated May 10, 2022 granting security over all present and after acquired personal property located at or related to the Property,
- Assignment of Material Agreements dated May 10, 2022, assigning all construction and other contracts, plans, specifications, working drawings, budgets and schedules for the provision of materials, equipment and services at the Property;

- Assignment of Insurance dated May 10, 2022;
- Promissory Note dated May 10, 2022;

and such other collateral security held by the secured creditor.

The total amount of indebtedness secured by the security as at January 13, 2025 is as \$7,574,780.07, plus accruing interest, fees and legal expenses.

The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to earlier enforcement.

Dated at Halifax, Province of Nova Scotia, this 15<sup>th</sup> day of January, 2025.

**League Savings and Mortgage Company**



Per: \_\_\_\_\_

**Marc Dunning, solicitor duly authorized**

**Waiver and Consent**

The undersigned, **Annapolis Management Inc. in its own capacity**, hereby consents to the earlier enforcement of the security of League Savings and Mortgage Company, a secured creditor, and hereby waives the ten-day period to enforce security.

**Annapolis Management Inc. in its own capacity**

Per: \_\_\_\_\_

The undersigned, **Annapolis Management Inc. in its capacity as general partner of Ruby, LLP**, hereby consents to the earlier enforcement of the security of League Savings and Mortgage Company, a secured creditor, and hereby waives the ten-day period to enforce security.

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

Per: \_\_\_\_\_



**BURCHELL WICKWIRE BRYSON** <sup>LLP</sup>  
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**Marc L. Dunning**  
(902) 482-7017  
[mdunning@bwbllp.ca](mailto:mdunning@bwbllp.ca)

File: 24017-1094760

January 15, 2025

VIA E-MAIL: [jsantimaw@boyneclarke.ca](mailto:jsantimaw@boyneclarke.ca)

BSL Holdings Limited  
c/o Josh Santimaw  
Boyne Clarke LLP  
600 - 99 Wyse Road  
Dartmouth NS B2Y 3Z5

**Re: Indebtedness to Atlantic Central – Loan 06128-70-0 pertaining to 1665-1669  
Granville Street, Halifax, NS**

We are solicitors for Atlantic Central. BSL Holdings Limited is indebted to Atlantic Central under the above loan and is in breach of the terms and conditions of the loan for, among other things, failing to pay amounts when due.

As at January 13, 2025, the amount outstanding on the above loan was \$2,207,354.37. We hereby make demand on BSL Holdings Limited for payment of \$2,207,354.37 plus accruing interest at \$365.10 per day after January 13, 2025, plus fees and legal expenses.

We also enclose a Notice of Intention to Enforce Security.

Yours very truly,

**BURCHELL WICKWIRE BRYSON** <sup>LLP</sup>



**Marc L. Dunning**  
Partner

MLD/cmd  
Enclosure

**Form 86**  
**Notice of Intention to Enforce Security**

**To: BSL Holdings Limited, an insolvent person**  
c/o Josh Santimaw  
Boyne Clarke LLP  
99 Wyse Road, Suite 600  
Dartmouth, NS B2Y 3Z5  
Email: jsantimaw@boyneclarke.ca

Take notice that Atlantic Central, a secured creditor, intends to enforce its security on the insolvent person's property described below:

- a) Real property at 1665 and 1669 Granville Street, Halifax, Nova Scotia, PIDs 40042087 and 3251, respectively (collectively the "Property"); and
- b) All of the debtor's present and after acquired personal property situate at or pertaining to the Property.

The security that is to be enforced is as follows:

- Mortgage dated June 21, 2022 pertaining to the Property, registered in the Halifax County Land Registry on June 27, 2022 as Document No. 120834305;
- General Assignment of Rents and Leases dated June 21, 2022 pertaining to the Property, registered in the Halifax County Land Registry on June 27, 2022 as Document No. 120834917;
- General Security Agreement dated June 21, 2022, granting security over all present and after acquired personal property located at or related to the Property;
- Assignment of Material Agreements dated June 21, 2022, assigning all construction and other contracts, plans, specifications, working drawings, budgets and schedules for the provision of materials, equipment and services at the Property;
- Assignment of insurance dated June 21, 2022;
- Promissory Note dated June 21, 2022;


and such other collateral security held by the secured creditor.

The total amount of indebtedness secured by the security as at January 13, 2025 is as \$2,207,354.37, plus accruing interest, fees and legal expenses.

The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to earlier enforcement.

Dated at Halifax, Province of Nova Scotia, this 15<sup>th</sup> day of January, 2025.

**Atlantic Central**

Per:  \_\_\_\_\_

**Marc Dunning**, solicitor duly authorized

**Waiver and Consent**

The undersigned, **BSL Holdings Limited**, hereby consents to the earlier enforcement of the security of Atlantic Central, a secured creditor, and hereby waives the ten-day period to enforce security.

**BSL Holdings Limited**

Per: \_\_\_\_\_