

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

**IN THE MATTER OF SECTION 47(1) OF THE BANKRUPTCY AND INSOLVENCY
ACT, R.S.C. 1985, C. B-3, AS AMENDED**

B E T W E E N:

ADDENDA CAPITAL INC.

Applicant

and

249 ONTARIO STREET HOLDINGS INC.,
GROSS PROPERTIES INC.
and 2413667 ONTARIO INC.

Respondents

APPLICATION RECORD

Date: February 2, 2021

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Barristers & Solicitors
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Suite 2200, Box 447
Commerce Court Postal Station
Toronto, ON M5L 1G4

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Lawyers for the Applicant

TO: **SERVICE LIST**

SERVICE LIST

TO: **249 ONTARIO STREET HOLDINGS INC.**
200 Ronson Drive, Suite #201
Toronto ON M9W 5Z9

Respondent

AND TO: **GROSS PROPERTIES INC.**
200 Ronson Drive, Suite #201
Toronto ON M9W 5Z9

Respondent

AND TO: **2413667 ONTARIO INC.**
321 Brant Street, Suite #201
Burlington ON L7R 2G5

Respondent

AND TO: **CANNECT INTERNATIONAL MORTGAGE CORPORATION**
83 Navy Wharf Court, Unit #1
Toronto ON M5V 3S3

Second Mortgagee

AND TO **GROSS CAPITAL INC.**
200 Ronson Drive, Suite #201
Toronto ON M9W 5Z9

Third Mortgagee

AND TO: **DEPARTMENT OF JUSTICE**
The Exchange Tower
130 King Street West, Suite 3400
Toronto, ON M5X 1K6

Attention: Diane Winters
(416) 973-3172 (Tel)
(416) 973-0810 (Fax)
Email: diane.winters@justice.gc.ca

AND TO: **HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF ONTARIO AS REPRESENTED BY
THE MINISTER OF FINANCE**

Insolvency Unit
33 King Street West, 6th Floor
Oshawa, ON L1H 8H5

Attention: Leslie Crawford
(416) 433-5657 (Tel - Reception)
Email: leslie.crawford@ontario.ca; unit@ontario.ca

4836-7260-6426 v1 [85587-11]

INDEX

INDEX

	<u>Tabs</u>
<u>Documents</u>	
Notice of Application	1
Affidavit of Savvas Pallaris sworn February 1, 2021	2
Exhibit A. Corporate Profile Report for 249 Ontario Street Holdings Inc.	A
Exhibit B. Corporate Profile Report for Gross Properties Inc.	B
Exhibit C. Corporate Profile Report for 2413667 Ontario Inc.	C
Exhibit D. Demand and BIA Notice	D
Exhibit E. Forbearance Agreement	E
Exhibit F. Rent Roll as of May 1, 2020	F
Exhibit G. Parcel Register, January 19, 2021	G
Exhibit H. Charge from Addenda to GT Port Hope Holding Inc., registered May 1, 2013	H
Exhibit I. Standard Charge Terms 200033	I
Exhibit J. Commitment Letter dated March 25, 2013	J
Exhibit K. General Assignment of Rents registered May 1, 2013	K
Exhibit L. Assumption Agreement registered January 21, 2016	L
Exhibit M. Beneficial Owner Direction and Acknowledgment	M
Exhibit N. Letter Agreement dated May 29, 2019	N
Exhibit O. 2020 Interim Tax Bill	O
Exhibit P. Email thread, March 12 and 27, 2020	P
Exhibit Q. Email dated June 4,2020	Q
Exhibit R. Email dated August 25, 2020	R
Exhibit S. Email dated October 8, 2020	S

	<u>Tabs</u>
Exhibit T. Email dated October 14, 2020	T
Exhibit U. Receipt of Payment from Municipality of Port Hope dated October 19, 2020	U
Exhibit V. Second Charge registered July 19, 2019	V
Exhibit W. Corporate Profile Report for Cannect International Mortgage Corporation	W
Exhibit X. Agreement Amending Charges registered August 28, 2019	X
Exhibit Y. Third Charge registered May 9, 2017	Y
Exhibit Z. Postponements registered on July 19 and August 28, 2019	Z
Exhibit AA. Shareholder Certificate of Officer of Gross Capital Inc.	AA
Consent of Deloitte Restructuring Inc.	3
Proposed Order Blacklined to Model Order	4

TAB 1



Court File No. CV-

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Electronically issued : 01-Feb-2021
Délivré par voie électronique : 01-Feb-2021
Toronto

IN THE MATTER OF SECTION 47(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED

B E T W E E N:

(Court Seal)

ADDENDA CAPITAL INC.

Applicant

- and -

249 ONTARIO STREET HOLDINGS INC.,
GROSS PROPERTIES INC.
and 2413667 ONTARIO INC.

Respondents

NOTICE OF APPLICATION

TO THE RESPONDENT(S)

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing *(choose one of the following)*

- In person
- By telephone conference
- By video conference

at the following location:

Commercial List Court, 330 University Avenue, Toronto, ON

on a date and time to be set before a judge presiding over the Commercial List *(or on a day to be set by the registrar)*.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant’s lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant’s lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date _____ Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 9th Floor
Toronto ON
M5G 1R7

TO: 249 ONTARIO STREET HOLDINGS INC.
200 Ronson Drive
Suite #201
Toronto ON M9W 5Z9

AND TO: GROSS PROPERTIES INC.
200 Ronson Drive
Suite #201
Toronto ON M9W 5Z9

AND TO: 2413667 ONTARIO INC.
421 Brant Street
Suite #201
Burlington ON L7R 2G3

APPLICATION

1. The Applicant makes an application for:
 - (a) If necessary, an Order abridging the time for service of the Notice of Application and Application Record, validating service of the Notice of Application and Application Record, and dispensing with further service thereof;
 - (b) An Order, substantially in the form of the draft order attached as Schedule “A”, appointing Deloitte Restructuring Inc. (“**Deloitte**”) as interim receiver pursuant to subsection 47(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) over a medical office building property, municipally known as 249 Ontario Street in Port Hope, Ontario (the “**Property**”);
 - (c) Its costs of this proceeding, plus all applicable taxes; and
 - (d) Such further and other relief as to this Honourable Court may seem just.
2. The grounds for the application are:

Background and the Property

- (a) The Applicant, Addenda Capital Inc. (“**Addenda**”), is a multi-asset investment firm with numerous lines of business, including commercial mortgage lending;
- (b) The Property is owned by the Respondent, 249 Ontario Street Holdings Inc. (“**Holdings**”), as nominee for the Respondents, Gross Properties Inc. (“**GPI**”), as to an 80% interest, and 2413667 Ontario Inc. (“**241**”), as to a 20% interest (Holdings, GPI and 241 are referred to, collectively, as the “**Debtors**”);

- (c) Addenda holds a first-ranking charge (the “**First Charge**”) of \$6 million over the Property;
- (d) The building on the Property has approximately 26,100 leasable square feet on two storeys and is demised into 23 units, including a 2,395 square foot Shoppers Drug Mart pharmacy on the ground floor;
- (e) As of May 1, 2020, the building was 45.93% vacant. The Applicants are concerned that vacancies have risen since that time;
- (f) The pharmacy lease is due to expire on December 31, 2021. If the building is not stabilized and re-tenanted quickly, the pharmacy lease may not be renewed;

Property Taxes and Water Arrears Have Accrued on the Property

- (g) As of October 7, 2020, there were property taxes of \$248,565.48 and water arrears of \$8,618.85 owing on the Property;
- (h) Despite Addenda’s repeated demands on Holdings between March and October of 2020 to pay the property taxes arrears, it failed to do so;
- (i) Addenda was advised by the Municipality of Port Hope that if the taxes remained unpaid, the Municipality would initiate steps to sell the Property in January of 2021;
- (j) In order to avoid property taxes and interest on property taxes from continuing to accrue in priority to the First Charge and to avoid a tax sale, Addenda issued payment to the Municipality of Port Hope of \$257,184.33;

Subsequent Encumbrances Registered Against the Property

- (k) On October 13, 2020, after reviewing the parcel register, Addenda first learned that contrary to the prohibition against subsequent encumbrances in the First Charge, the Debtors had permitted a second and third charge to be registered against the Property without Addenda's consent;
- (l) The second charge was registered on July 19, 2019 (the "**Second Charge**"), in favour of 1592106 Ontario Inc. ("**159**"), in the principal amount of \$6.25 million. Pursuant to an Agreement Amending Charges between 159 and Holdings, among others, dated as of August 30, 2019, the principal amount of the Second Charge was increased to \$8.75 million;
- (m) The third charge was registered on May 9, 2017 (the "**Third Charge**"), in the principal face amount of \$1.3 million, in favour of Gross Capital Inc. ("**GCI**");
- (n) GCI is the sole shareholder of Holdings and GPI;

Demand and Notice of Intention Pursuant to Section 244 of the BIA

- (o) On October 16, 2020, Addenda issued a Notice of Intention to Enforce Security pursuant to section 244 of the *BIA*, together with a demand on the Debtors to cure the defaults arising from their failure to pay property taxes and water arrears and for permitting the Second Charge and the Third Charge to be registered against the Property without Addenda's consent (collectively, the "**Defaults**");

- (p) As a result of the Debtors' continuing failure to cure the Defaults, Addenda and the Debtors negotiated the terms of a forbearance agreement, which contemplated that Addenda would forbear from enforcing its rights until February 16, 2021;
- (q) Although the Debtors signed the forbearance agreement on December 10, 2020, they failed to pay the forbearance fee of \$5,000 and Addenda's legal costs of \$12,500 as required under the forbearance agreement. As result, the forbearance agreement was never signed by Addenda and did not come into effect;

Need for an Interim Receiver

- (r) Although Addenda's demand and *BIA* notice were issued on October 16, 2020, none of the Defaults have been cured;
- (s) Given the likely alarmingly high vacancies in the building and the impending expiry of the pharmacy lease, it is critical that Deloitte be appointed as interim receiver to actively re-let the vacant space in the building, fund such repairs or leasehold improvements as may be reasonably necessary to re-let the vacant space, and collect and account for rents;
- (t) The appointment of Deloitte as interim receiver is just, convenient and necessary to stabilize the operation of the Property as quickly as possible;
- (u) Addenda's security provides for the appointment of a receiver upon default;
- (v) Section 47(1) of the *BIA*;

(w) Rules 3.02, 14.05(3) (g) and (h), 16.04 and 16.08 of the *Rules of Civil Procedure*; and,

(x) Such further and other grounds as counsel may advise and this Honourable Court may permit.

3. The following documentary evidence will be used at the hearing of the application:

(a) The Affidavit of Savvas Pallaris sworn February 1, 2021;

(b) The Consent of Deloitte to act as interim receiver of the Property; and

(c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

February 1, 2021

DICKINSON WRIGHT LLP

Barristers & Solicitors

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Lawyers for the Applicant

TO: **SERVICE LIST**

**SCHEDULE A
Draft Order**

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF SECTION 47(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

THE HONOURABLE) ●, THE ●
)
JUSTICE) DAY OF ●, 2021

B E T W E E N:

ADDENDA CAPITAL INC.

Applicant

- and -

**249 ONTARIO STREET HOLDINGS INC.,
GROSS PROPERTIES INC.
and 2413667 ONTARIO INC.**

Respondents

**APPOINTMENT ORDER
(Interim Receiver)**

THIS APPLICATION made by Addenda Capital Inc. (the “**Applicant**”) for an Order pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the “**BIA**”) appointing Deloitte Restructuring Inc. (“**Deloitte**”) as interim receiver of certain property held by the Respondent 249 Ontario Street Holdings Inc., as registered owner and

nominee for the Respondent Gross Properties Inc., as to an 80% interest, and the Respondent 2413677 Ontario Inc., as to a 20% interest, municipally known as 249 Ontario Street, in Port Hope, Ontario and legally described in Schedule “A” hereto (the “**Property**”), was heard this day by Zoom videoconference due to the Covid-19 pandemic.

ON READING the Affidavit Savvas Pallasaris sworn February 1, 2021 and the Exhibits thereto, and on reading the Consent of Deloitte to act as the interim receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 471) of the *BIA*, Deloitte is hereby appointed interim receiver (in such capacity, the “**Receiver**”) of the Property.

RECEIVER’S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to engage to engage contractors, tradespersons, quantity surveyors, consultants, appraisers, agents, experts, auditors, accountants, managers, including a property manager, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (d) to undertake any renovations and make any repairs to the Property necessary to ensure the Property is well maintained and rentable and is in compliance with the applicable laws and building codes;
- (e) to market available rental units, enter into new rental agreements or renew expiring rental agreements where applicable;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Respondents in respect of the Property and to exercise all remedies of the Respondents in collecting such monies, including, without limitation, to enforce any security held by the Respondents in respect of the Property;
- (g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Respondents, for any purpose pursuant to this Order;
- (h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Property and to settle or compromise any such proceedings, and the authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (i) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the

receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (j) to register a copy of this Order against title to the Property;
- (k) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority in respect of the Property and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondents;
- (l) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Respondents, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Respondents, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any aspect(s) or portion(s) of the Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the

Respondents in respect of the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “Records”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Respondents in relation to the Property or against the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Respondents in relation to the Property or against the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the *BIA*, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence

or permit in favour of or held by the Respondents in respect of the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Respondents in respect of the Property are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names in respect of the Property, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Respondents or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part in respect of the Property, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any

disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. **THIS COURT ORDERS** that all employees of the Respondents shall remain the employees of the Respondents until such time as the Receiver, on the Respondents' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in, section 14.06(1.2) of the *BIA*, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the *BIA* or under the *Wage Earner Protection Program Act*.

LIMITATION ON ENVIRONMENTAL LIABILITIES

14. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the Canadian *Environmental Protection Act*, the Ontario *Environmental Protection Act*, the Ontario *Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers

under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

15. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the *BIA* or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the *BIA* or by any other applicable legislation.

RECEIVER'S ACCOUNTS

16. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the *BIA*.

17. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of Ontario Superior Court of Justice.

18. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its

fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

19. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the *BIA*.

20. **THIS COURT ORDERS** that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

21. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “B” hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.

22. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates

evidencing the same or any part thereof shall rank on a pari passu basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

23. **THIS COURT ORDERS** that the service of documents shall be made by way of an HTML link to the documents as posted by the serving party on either the Case Website (set out below) or if time does not permit, on the serving party's own website, or as a PDF attachment where the party serving the documents is unable to create an HTML link, with HTML Links to the website for cross-referenced documents already posted there (the "**Protocol**"), and such service shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure*, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<www.insolvencies.deloitte.ca/en-ca/>'.⁴

24. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

25. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

26. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondents.

27. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal; regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

28. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

29. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Respondents' estates, with such priority and at such time as this Court may determine.

30. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

31. **THIS COURT ORDERS** that notwithstanding the commencement of the within Application and the appointment of the Receiver, the Applicant shall be deemed to be protecting its security, shall not be deemed to have resorted to realizing upon its security over the Property, and the equitable right of redemption in respect of the Applicant's mortgage over the Property shall not be triggered.

SCHEDULE "A"

THE PROPERTY

PIN 51078-0317 LT

Description LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE.

Address 249 ONTARIO ST
PORT HOPE

SCHEDULE "B"**RECEIVER CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the interim receiver (the "**Receiver**") of certain property held by 249 Ontario Street Holdings Inc., as registered owner and nominee for Gross Properties Inc., as to an 80% interest, and 2413677 Ontario Inc., as to a 20% interest, municipally known as 249 Ontario Street, in Port Hope, Ontario (the "**Property**"), pursuant to the the Appointment Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ● day of ●, 2021 (the "**Order**") made in an application having Court file number _____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of two per cent above the prime commercial lending rate of Royal Bank of Canada from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ___ day of _____, 2021.

DELOITTE RESTRUCTURING INC., solely in its capacity as Receiver of the Property, and not in its personal or corporate capacity

Per: _____

Name:

Title:

Per: _____

Name:

Title:

ADDENDA CAPITAL INC.
Applicant

-and-

249 ONTARIO STREET HOLDINGS INC., et al
Respondents

Court File No. CV-

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

**PROCEEDING COMMENCED AT
TORONTO**

NOTICE OF APPLICATION

DICKINSON WRIGHT LLP

Barristers & Solicitors
199 Bay Street
Suite 2200, Box 447
Commerce Court Postal Station
Toronto, ON M5L 1G4

David P. Preger (36870L)

Tel: (416) 646-4606

Email: dpreger@dickinsonwright.com

Dylan E. Augruso (72125G)

Tel: 416-777-2406

Email: daugruso@dickinsonwright.com

Lawyers for the Applicant

4831-4110-8954 v4 [85587-11]

TAB 2

Court File No.CV-21-00656098-00CL

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

**IN THE MATTER OF SECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY
ACT*, R.S.C. 1985, C. B-3, AS AMENDED**

B E T W E E N:

ADDENDA CAPITAL INC.

Applicant

- and -

**249 ONTARIO STREET HOLDINGS INC.,
GROSS PROPERTIES INC.
and 2413667 ONTARIO INC.**

Respondents

AFFIDAVIT OF SAVVAS PALLARIS
(Sworn February 1, 2021)

**I, SAVVAS PALLARIS, of the City of Regina, in the Province of Saskatchewan,
MAKE OATH AND SAY:**

1. I am the Executive Vice President, Commercial Mortgages, of the Applicant Addenda Capital Inc. (“**Addenda**”) and have knowledge of the matters to which I hereinafter depose.

2. Where information in this Affidavit is based upon information and belief, I have indicated the source of my information and belief and believe it to be true. To the extent that any information is based on my review of documents, I believe the information in those documents to be true.

Background

3. Addenda is a multi-asset investment firm with numerous lines of business, including commercial mortgage lending.

4. I am swearing this Affidavit in support of an application to appoint Deloitte Restructuring Inc. (“**Deloitte**”) as interim receiver pursuant to subsection 47(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) over a medical office building property, municipally known as 249 Ontario Street, in Port Hope, Ontario (the “**Property**”). Addenda holds a first-ranking charge (the “**First Charge**”) of \$6 million over the Property.

5. The Respondent 249 Ontario Street Holdings Inc. (“**Holdings**”) is the registered owner of the Property and is a nominee for the Respondent Gross Properties Inc. (“**GPI**”), as to an 80% interest, and for the Respondent 2413667 Ontario Inc. (“**241**”), as to a 20% interest. Holdings, GPI and 241 are hereinafter referred to, collectively, as the “**Debtors**”.

6. Copies of Corporation Profile Reports with respect to Holdings, GPI and 241 are attached, respectively, as **Exhibit A**, **Exhibit B** and **Exhibit C**.

7. On October 16, 2020, Addenda caused a Notice of Intention to Enforce Security to be issued pursuant to section 244 of the *BIA*, together with a demand on the Debtors to cure certain defaults. The defaults arose from their failure to pay property tax arrears of \$248,565.28 and

water arrears of \$8,618.85 and for permitting a second charge in the principal face amount of \$8.75 million (the “**Second Charge**”) and a third charge in the principal face amount of \$1.3 million (the “**Third Charge**”) to be registered against the Property, without Addenda’s consent, contrary the prohibition against subsequent encumbrances contained in the First Charge. The aforesaid defaults are hereinafter referred to, collectively as, the “**Defaults**”. Copies of the demand and *BIA* notice are attached as **Exhibit D**.

8. As a result of the Debtors’ continuing failure to cure the Defaults, Addenda and the Debtors, through our respective lawyers, negotiated the terms of a forbearance agreement, which contemplated that Addenda would forbear from enforcing its rights until February 16, 2021. Although the Debtors signed the forbearance agreement on December 10, 2020, a copy of which is attached as **Exhibit E**, they failed to pay the forbearance fee of \$5,000 and Addenda’s legal costs of \$12,500 as required under the forbearance agreement. As result, the forbearance agreement was never signed by Addenda and did not come into effect.

9. According to the last rent roll Addenda received from the Debtors, a copy of which is attached as **Exhibit F**, as of May 1, 2020, the Property was 45.93% vacant. The persisting Defaults suggest that vacancies in the building continue unabated. Given the Debtors’ total lack of responsiveness to our efforts to engage with them between March and October of 2020 and their failure to pay the modest amounts provided for under the forbearance agreement after it was negotiated between their lawyer and our lawyer, I am very concerned that the level of vacancy is getting worse.

10. In the circumstances, I believe that the appointment of Deloitte as interim receiver is necessary to stabilize the operation of the Property as quickly as possible.

The Property

11. The building on the Property was built in 1975 and refurbished in 1991. It has approximately 26,100 leasable square feet on two storeys and is demised into 23 units, including

a 2,395 square foot Shoppers Drug Mart pharmacy on the ground floor. The pharmacy lease is due to expire on December 31, 2021 and I am very concerned that if the building is not stabilized and re-tenanted quickly, the pharmacy lease may not be renewed.

Addenda's Real Estate Security

12. A copy of the parcel register in respect of the Property, current as of January 19, 2021, is attached as **Exhibit G**.

13. The First Charge, a copy of which is attached as **Exhibit H**, was originally given by Addenda to GT Port Hope Holding Inc. ("GT"), and registered on May 1, 2013. A copy of the Standard Charge Terms 200033, incorporated by reference into the First Charge, is attached as **Exhibit I**.

14. A copy of the commitment letter dated March 25, 2013, pursuant to which the First Charge was given, is attached as **Exhibit J**.

15. In connection with the First Charge, Addenda also obtained a general assignment of rents, notice of which was registered against the Property on May 1, 2013. A copy of the notice is attached as **Exhibit K**.

16. The Property was transferred from GT to Holdings on January 26, 2016. In connection with the transfer, Holdings, Addenda, GT, and Northwest Healthcare Properties Real Estate Investment Trust, the covenantor of the obligations of GT under the First Charge, executed an Agreement to Assume Mortgage (the "**Assumption Agreement**"), pursuant to which Holdings agreed to assume GT's obligations under the First Charge. A copy of the Assumption Agreement is attached as **Exhibit L**.

17. In connection with the transfer from GT to Holdings, GPI and 241, as beneficial owners, and Holdings, as nominee, further executed a Beneficial Owner Direction and Acknowledgment

in favour of Addenda authorizing and directing Holdings to execute and deliver the Assumption Agreement to Addenda. A copy of the Beneficial Owner Direction and Acknowledgment is attached as **Exhibit M**.

18. Pursuant to a letter agreement dated May 29, 2019, the term of the First Charge was extended until June 1, 2024. A copy of the letter agreement is attached as **Exhibit N**.

DEFAULTS

19. On March 9, 2020, our office emailed Anna Galatseva of Prime Real Estate Group, the property manager of the Property (the “**Property Manager**”), with a routine enquiry requesting evidence that the 2019 property taxes had been paid. On March 10, 2020, we received a copy of the 2020 interim tax bill from the Property Manager, a copy of which is attached as **Exhibit O**, which revealed that \$50,307.16 was past due for 2019.

20. On March 12 and 27, 2020, our office sent follow-up emails to the Property Manager requesting proof that property taxes past due had been paid. A copy of the thread containing the emails is attached as **Exhibit P**. We did not receive a response.

21. On June 4, 2020, our office emailed both the Property Manager and Sheldon Gross, who is a director and officer of both Holdings and GPI, demanding proof that the 2019 property taxes had been paid. A copy the email is attached as **Exhibit Q**. We did not receive a response.

22. Due to the radio silence, on August 25, 2020, our office followed up by email with Sheldon Gross and Mark Gross, who is also a director and officer of Holdings and GPI, requesting proof of payment of all property taxes then due and inquiring whether there had been a change in property management. A copy the email is attached as **Exhibit R**. Again, we did not receive a response.

23. Finally, on October 8, 2020, our office emailed Sheldon Gross and Mark Gross, to advise them that as of October 7, 2020, there were property tax arrears owing of \$248,565.48 and that unless the arrears were cleared and we received proof of payment by October 14, 2020, we would pay the taxes and add them to the indebtedness owing under the First Charge. A copy of the email is attached as **Exhibit S**. No response was forthcoming.

24. I am advised by Patti Lipp, Administrator, Commercial Mortgages, at Addenda that on October 14, 2020, she had a telephone discussion with Sandra Brown, the Tax and Revenue Manager of the Municipality of Port Hope, who advised her that in addition to property tax arrears, there were water arrears of \$8,618.85 that were being added to the property tax arrears. Ms. Brown further advised that if the taxes remained unpaid, the Municipality would initiate steps to sell the Property in January of 2021. A copy of Ms. Lipp's email to Ardi Pradana, Assistant Manager, at Addenda, summarizing her telephone discussion with Ms. Brown is attached as **Exhibit T**.

25. In order to avoid property taxes and interest on property taxes from continuing to accrue in priority to the First Charge and to avoid a tax sale, Addenda issued payment to the Municipality of Port Hope of \$257,184.33. A copy of the receipt of payment dated October 19, 2020 is attached as **Exhibit U**.

26. On October 13, 2020, after having reviewed the parcel register, Addenda first learned that contrary to the prohibition against subsequent encumbrances in the First Charge, the Debtors had permitted the Second Charge and the Third Charge to be registered against the Property without Addenda's consent.

27. A copy of the Second Charge, registered on July 19, 2019, in the principal face amount of \$6.25 million, in favour of 1592106 Ontario Inc. ("**159**"), is attached as **Exhibit V**.

28. According to a Corporation Profile Report dated October 10, 2020, 159's name was changed to Connect International Mortgage Corporation on May 27, 2019, notably prior to the

registration of the Second Charge on July 19, 2019. A copy of Corporation Profile Report is attached as **Exhibit W**.

29. The principal amount of the Second Charge was increased to \$8.75 million pursuant to an Agreement Amending Charges between 159 and Holdings, among others, dated as of August 30, 2019, notice of which was registered against the Property on August 28, 2019. A copy of the notice is attached as **Exhibit X**.

30. The Third Charge was registered on May 9, 2017, in the principal face amount of \$1.3 million, in favour of Gross Capital Inc. (“GCI”). A copy of the Third Charge is attached as **Exhibit Y**. The Third Charge was postponed to the Second Charge pursuant to Postponements registered on July 19, 2019 and on August 28, 2019, copies of which are attached, collectively, as **Exhibit Z**.

31. GCI is related to Holdings and GPI. According to a certificate that Addenda obtained in connection with the Assumption Agreement, a copy of which is attached **Exhibit AA**, GCI is the sole shareholder of GPI and Holdings.

Need for an Interim Receiver

32. Although Addenda’s demand and *BIA* notice were issued on October 16, 2020, none of the Defaults have been cured. Given the Debtors’ total lack of responsiveness to our efforts to engage with them between March and October of 2020, their seeming inability to pay the modest amounts provided for under the forbearance agreement, the likely alarmingly high vacancies in the building and the impending expiry of the pharmacy lease, it is critical that Deloitte be appointed as interim receiver to actively re-let the vacant space in the building, fund such repairs or leasehold improvements as may be reasonably necessary to re-let the vacant space, and collect and account for rents.

33. I would emphasize that Addenda has not accelerated the First Charge as its objective is not to force a sale of the Property. It is rather to stabilize the operation of the Property for the long-term benefit of all of the Debtors' stakeholders.

SWORN before me by videoconference)
at the City of Toronto, in the Province of)
Ontario, this 1st day of February, 2021)
)
A Commissioner for Taking Affidavits)


SAVVAS PALLARIS

This is Exhibit "A" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Request ID: 025619279
 Transaction ID: 78011882
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2021/01/29
 Time Report Produced: 12:49:47
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2497201	249 ONTARIO STREET HOLDINGS INC.	2015/12/21
		Jurisdiction
		ONTARIO
		Former Jurisdiction
		NOT APPLICABLE
Corporation Type	Corporation Status	
ONTARIO BUSINESS CORP.	ACTIVE	
Registered Office Address		Date Amalgamated
200 RONSON DRIVE		NOT APPLICABLE
Suite # 201 TORONTO ONTARIO CANADA M9W 5Z9		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
200 RONSON DRIVE		NOT APPLICABLE
Suite # 201 TORONTO ONTARIO CANADA M9W 5Z9		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
		Number of Directors
		Minimum
		Maximum
		00001
		00010
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 025619279
Transaction ID: 78011882
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/29
Time Report Produced: 12:49:47
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2497201

Corporation Name

249 ONTARIO STREET HOLDINGS INC.

Corporate Name History

249 ONTARIO STREET HOLDINGS INC.

Effective Date

2015/12/21

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:**Name (Individual / Corporation)**FAUSTO
CARNICELLI**Address**421 BRANT STREET
Suite # 201
BURLINGTON
ONTARIO
CANADA L7R 2G3**Date Began**

2015/12/21

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Request ID: 025619279
 Transaction ID: 78011882
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2021/01/29
 Time Report Produced: 12:49:47
 Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2497201

Corporation Name

249 ONTARIO STREET HOLDINGS INC.

Administrator:

Name (Individual / Corporation)

FAUSTO
 CARNICELLI

Address

421 BRANT STREET
 Suite # 201
 BURLINGTON
 ONTARIO
 CANADA L7R 2G3

Date Began

2015/12/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

MARK
 C.
 GROSS

Address

200 RONSON DRIVE
 Suite # 201
 TORONTO
 ONTARIO
 CANADA M9W 5Z9

Date Began

2015/12/21

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 025619279
Transaction ID: 78011882
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/29
Time Report Produced: 12:49:47
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2497201

Corporation Name

249 ONTARIO STREET HOLDINGS INC.

Administrator:**Name (Individual / Corporation)**MARK
C.
GROSS**Address**

200 RONSON DRIVE

Suite # 201
TORONTO
ONTARIO
CANADA M9W 5Z9**Date Began**

2015/12/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Request ID: 025619279
Transaction ID: 78011882
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/29
Time Report Produced: 12:49:47
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

2497201

Corporation Name

249 ONTARIO STREET HOLDINGS INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2019	1C	2020/05/24 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "B" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Request ID: 025619284
 Transaction ID: 78011890
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2021/01/29
 Time Report Produced: 12:50:06
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1578738	GROSS PROPERTIES INC.	2003/06/24
		Jurisdiction
		ONTARIO
		Former Jurisdiction
		NOT APPLICABLE
Corporation Type	Corporation Status	
ONTARIO BUSINESS CORP.	ACTIVE	
Registered Office Address		Date Amalgamated
200 RONSON DRIVE		NOT APPLICABLE
Suite # 201 ETOBICOKE ONTARIO CANADA M9W 5Z9		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
200 RONSON DRIVE		2013/08/19
Suite # 101 TORONTO ONTARIO CANADA M9W 5Z9		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
		Number of Directors
		Minimum
		Maximum
		00001 00010
Activity Classification		
NOT AVAILABLE		

Request ID: 025619284
Transaction ID: 78011890
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/29
Time Report Produced: 12:50:06
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1578738

Corporation Name

GROSS PROPERTIES INC.

Corporate Name History

GROSS PROPERTIES INC.

Effective Date

2003/06/24

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:**Name (Individual / Corporation)**SHELDON
GROSS**Address**

200 RONSON DRIVE

Suite # 101
TORONTO
ONTARIO
CANADA M9W 5Z9**Date Began**

2003/06/24

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Request ID: 025619284
Transaction ID: 78011890
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/29
Time Report Produced: 12:50:06
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

1578738

Corporation Name

GROSS PROPERTIES INC.

Administrator:**Name (Individual / Corporation)**SHELDON
GROSS**Address**

200 RONSON DRIVE

Suite # 101
TORONTO
ONTARIO
CANADA M9W 5Z9**Date Began**

2003/06/24

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:**Name (Individual / Corporation)**MARK
GROSS**Address**

200 RONSON DRIVE

Suite # 101
TORONTO
ONTARIO
CANADA M9W 5Z9**Date Began**

2003/06/24

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Request ID: 025619284
Transaction ID: 78011890
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/29
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Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

1578738

Corporation Name

GROSS PROPERTIES INC.

Administrator:**Name (Individual / Corporation)**

MARK

GROSS

Address

200 RONSON DRIVE

Suite # 101
TORONTO
ONTARIO
CANADA M9W 5Z9

Date Began

2003/06/24

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Request ID: 025619284
Transaction ID: 78011890
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/29
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Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

1578738

Corporation Name

GROSS PROPERTIES INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2017	1C	2018/04/29 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "C" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'S' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

Request ID: 025618879
 Transaction ID: 78010942
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2021/01/29
 Time Report Produced: 12:10:54
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2413667	2413667 ONTARIO INC.	2014/04/04
		Jurisdiction
		ONTARIO
		Former Jurisdiction
		NOT APPLICABLE
Corporation Type	Corporation Status	
ONTARIO BUSINESS CORP.	ACTIVE	
Registered Office Address		Date Amalgamated
FAUSTO CARNICELLI 421 BRANT STREET		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
FAUSTO CARNICELLI 421 BRANT STREET		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
		Number of Directors
		Minimum
		Maximum
		00001
		00010
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 025618879
Transaction ID: 78010942
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/29
Time Report Produced: 12:10:54
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2413667

Corporation Name

2413667 ONTARIO INC.

Corporate Name History

2413667 ONTARIO INC.

Effective Date

2014/04/04

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:**Name (Individual / Corporation)**

ALLEN

GREENSPOON

Address

414 VICTORIA AVENUE NORTH

Suite # M1
HAMILTON
ONTARIO
CANADA L8L 5G8

Date Began

2014/04/04

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Request ID: 025618879
Transaction ID: 78010942
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/29
Time Report Produced: 12:10:54
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2413667

Corporation Name

2413667 ONTARIO INC.

Administrator:**Name (Individual / Corporation)**

ALLEN

GREENSPOON

Address

414 VICTORIA AVENUE NORTH

Suite # M1
HAMILTON
ONTARIO
CANADA L8L 5G8

Date Began

2014/04/04

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:**Name (Individual / Corporation)**

ALLEN

GREENSPOON

Address

414 VICTORIA AVENUE NORTH

Suite # M1
HAMILTON
ONTARIO
CANADA L8L 5G8

Date Began

2014/04/04

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Request ID: 025618879
Transaction ID: 78010942
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/29
Time Report Produced: 12:10:54
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2413667

Corporation Name

2413667 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2016/03/01 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "D" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'S' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

October 16, 2020

PRIVILEGED AND CONFIDENTIAL

249 Ontario Street Holdings Inc.
c/o Gross Capital Inc.
200 Ronson Drive, Suite 101
TORONTO, ON M9W 5Z9

Gross Properties Inc.
c/o Gross Capital Inc.
200 Ronson Drive, Suite 101
TORONTO, ON M9W 5Z9

2413667 Ontario Inc.
c/o Gross Capital Inc.
200 Ronson Drive, Suite 101
TORONTO, ON M9W 5Z9

Dear Sirs:

Re: Addenda Capital Inc. (the “Lender”) mortgage loan (the “Loan”) to 249 Ontario Street Holdings Inc., Gross Properties Inc. and 2413667 Ontario Inc. (collectively, the “Debtor”) on the security of the property municipally known as Port Hope Medical Building, 249 Ontario Street, Port Hope, ON (the “Property”)

We are solicitors for the Lender, and confirm that the Loan is in default for:

- a) non payment of property tax in the amount of \$248,565.48 outstanding as of October 7, 2020;
- b) non payment of water account in the amount of \$8,618.85
- c) registration of the 2nd mortgage in favour of 1592106 Ontario Inc. (the “2nd Mortgage”) without the Lender’s consent; and
- d) registration of the 3rd mortgage in favour of Gross Capital Inc. (the “3rd Mortgage”) without the Lender’s consent.

Pursuant to the Loan, the Debtor is indebted to the Lender for the principal balance of the Loan in the sum of \$4,747,843.17, accrued interest in the sum of \$7,594.77 (from October 1, 2020 to October 16, 2020), \$594,334.90 for prepayment interest, unpaid realty taxes in the sum of \$248,565.48, unpaid water arrears in the sum of \$8,618.85, administration fee in the sum of \$550.00 and legal costs in the sum of \$4,500.00 for a total indebtedness as of October 16, 2020 of \$5,612,007.17.

Accordingly, on behalf of our client we hereby make formal demand on you for the following:

- a) payment to the Lender of the sums of \$248,565.48 for outstanding realty taxes, interest and penalties, \$550.00 for administration fee and \$4,500 for legal costs;
- b) payment to the Lender for the water arrears in the sum of \$8,618.85;
- c) the discharge of the 2nd Mortgage; and
- d) the discharge of the 3rd Mortgage.

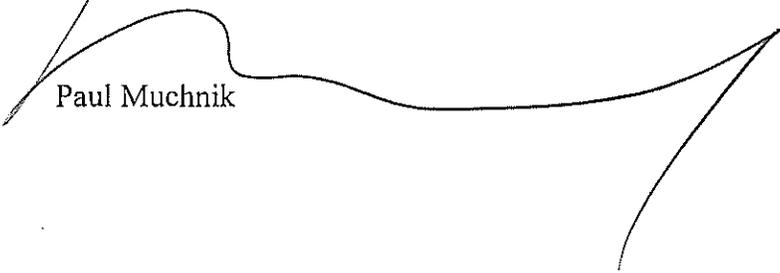
We enclose the Notice of Intention to Enforce Security which is delivered pursuant to s. 244 of the *Bankruptcy and Insolvency Act* and the applicable rules and regulations.

In the event that the above four (4) noted defaults have not been cured as required before November 2, 2020, the Lender reserves the right to take whatever measures it hereafter may consider necessary or appropriate to preserve and protect its interests and to pursue its remedies under its security, without further notice to the Debtor. Please govern yourself accordingly.

Yours truly,

DICKINSON WRIGHT LLP

Paul Muchnik



PAM/hh
Enclosures

NOTICE OF INTENTION TO ENFORCE A SECURITY

**Subsection 244(1) of the
Bankruptcy and Insolvency Act (Canada)**

TO: 249 Ontario Street Holdings Inc., Gross Properties Inc. and 2413667 Ontario Inc.
(collectively, the “**Debtor**”)

TAKE NOTICE THAT:

1. Addenda Capital Inc. (the “**Lender**”), a secured creditor, intends to enforce its security on the insolvent person’s property described below:

Real property municipally known as Port Hope Medical Building, 249 Ontario Street, Port Hope, ON (the “**Property**”); and

All present and future property, assets and undertaking of the Debtor including without limitation, accounts, books and records, chattel paper, documents of title, equipment, goods, instruments, intangibles (including intellectual property rights, contracts and permits), inventory, money, investment property, securities, contracts, licenses, agreements and real property located at the Property and as more fully described in the security agreements set out below.

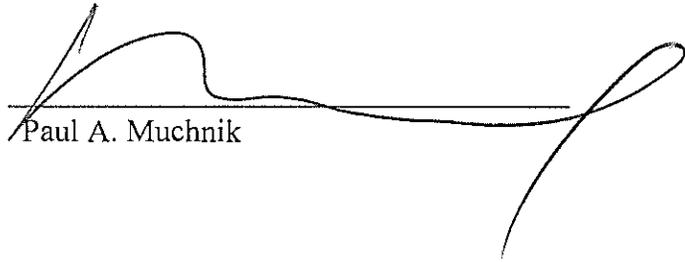
2. The security that is to be enforced is the following (hereinafter referred to collectively as the “**Security**”):
 - a) Charge/Mortgage registered as Instrument No. ND89145 in the Land Registration District of Northumberland on May 1, 2013, granted by GT PORT HOPE HOLDING INC. in favour of the Lender, in the full amount of \$6,000,000.00;
 - b) Notice of Assignment of Rents-General registered as Instrument No. ND89146 in the Land Registration District of Northumberland on May 1, 2013, granted by GT PORT HOPE HOLDING INC. in favour of the Lender;
 - c) General Security Agreement granted by GT PORT HOPE HOLDING INC. in favour of the Lender;
 - d) Agreement to Assume Mortgage granted by the Debtor in favour of the Lender; and
 - e) All ancillary security documents granted by GT PORT HOPE HOLDING INC. in favour of the Lender and assumed by the Debtor.
3. Pursuant the commitment letter dated April 24, 2013, the agreement to assume mortgage dated January 21, 2016 and the renewal agreement dated May 29, 2019, the Debtor is in default under the Security as follows:

- a) non payment of property tax in the amount of \$248,565.48 outstanding as of October 7, 2020;
 - b) non payment of water arrears in the amount of \$8,618.85;
 - c) registration of the 2nd mortgage in favour of 1592106 Ontario Inc. without the Lender's consent; and
 - d) registration of the 3rd mortgage in favour of Gross Capital Inc. without the Lender's consent.
4. The total amount of indebtedness secured by the security is \$4,747,843.17 for principle and \$7,594.77 (from October 1, 2020 to October 16, 2020) for accrued interest and charges, \$594,334.90 for prepayment interest, \$248,565.48 for outstanding realty taxes, interest and penalties, \$8,618.85 for water arrears, \$550.00 for administration fee and \$4,500.00 for legal costs incurred, for a total indebtedness owing to the Lender in the sum of \$5,612,007.17 all as of October 16, 2020.
 5. 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 an earlier enforcement.

Dated at Toronto, Ontario, this 16th day of October, 2020.

ADDENDA CAPITAL INC., by its solicitors,
Dickinson Wright LLP, as authorized.

Per:


Paul A. Muchnik

This is Exhibit "E" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'S' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

FORBEARANCE AGREEMENT

THIS AGREEMENT is dated as of December __, 2020

AMONG:

ADDENDA CAPITAL INC.

(the “**Lender**”)

AND:

249 ONTARIO STREET HOLDINGS INC.

(the “**Obligor**”)

WHEREAS:

A. Pursuant to a certain mortgage loan commitment letter in respect to loan number 0101091 and/or amendments thereto between the Lender and GT Port Hope Holding Inc. (collectively, the “**Commitment**”), the Obligor granted the Lender certain security, including a mortgage (the “**Original Mortgage**”) over the property municipally known as 249 Ontario Street, Port Hope, Ontario, legally described as LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE, being PIN 51078-0317 (the “**Property**”).

B. The Obligor agreed to assume all obligations of GT Port Hope Holding Inc. under the Original Mortgage by an agreement to assume mortgage dated January 21, 2016 (the “**Agreement to Assume Mortgage**”). The Obligor is the nominee for Gross Properties Inc. and 2413677 Ontario Inc. (collectively, the “**Beneficial Owners**”)

C. As further security for the loan under the Commitment and the Agreement to Assume Mortgage (the “**Loan**”), the Obligor granted to the Lender a security interest over all of its present and future undertaking and personal property pursuant to general security agreements, general assignments of rents in respect of the Property, an assignment of all insurance policies with respect to the Property (collectively, the “**Security**”).

D. The Original Mortgage was renewed and amended between the Lender and the Obligor on May 29, 2019 (together with the Original Mortgage, the “**Mortgage**”).

E. The Mortgage and the Security secure the principal sum of \$4,720,321.65 as of December 1, 2020 together with interest at the current interest rate of 4.00% per annum.

F. Pursuant to the terms of the Mortgage, the Obligor was required to pay the monthly payment in the amount of \$30,036.97 to the Lender on 1st day of each month until June 1, 2024 (the “**Expiry Date**”), as well as pay all realty taxes and utility accounts.

G. The Beneficial Owners executed a beneficial owner direction and acknowledgement dated January 21, 2016 (the “**BODA**”) wherein amongst other things the Beneficial Owners irrevocably directed and authorized the Obligor to execute the Security and agreed to be bound by the Security.

H. The Obligor and the Beneficial Owners are in default of in payment of realty taxes in the amount of \$248,565.48 plus interest from October 7, 202, and water account in the amount of \$8,618.85 plus interest from October 7, 2020, plus contrary to the Security, the Obligor and the Beneficial Owners allowed a 2nd and 3rd mortgage to be registered on title to the Property (the “**Existing Default**”).

I. The Loan, tax arrears and the Forbearance Fee (as defined in paragraph 3 below) and any other current or future amounts owing under the Loan, the Mortgage and the Security including but not limited to interest, additional property tax arrears, and additional fees and costs in accordance with this Agreement, the Commitment, the Agreement to Assume Mortgage, the Mortgage, and the Security (including but not limited to professional fees and costs) constitute the “**Indebtedness**”.

J. The Lender issued a demand letter dated October 16, 2020 (the “**Demand Letter**”) and a notice of intention to enforce a security also dated October 16, 2020 (the “**BIA Notice**”). Both of which have expired and the Existing Default is continuing.

K. The Lender has agreed, solely on the basis that the Obligor and the Beneficial Owners strictly comply with the terms of this Agreement, the Commitment, the Agreement to Assume Mortgage, the Loan, the Mortgage and the Security (to the extent not modified by this Agreement), to forbear from realizing on or enforcing its rights with respect to the Existing Default.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the provisions, covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

1. Acknowledgement of Indebtedness and Security

1.1 The Obligor and the Beneficial Owners acknowledge the existence of the Existing Default, and if the Existing Default is not cured by the Expiry Date then at the option of the Lender, all of the Indebtedness will be due and payable to the Lender on Expiry Date in accordance with this Agreement, the Commitment, the Agreement to Assume Mortgage, the Mortgage and the Security.

1.2 The Obligor and the Beneficial Owners acknowledge and agree that it is liable to the Lender under this Agreement, the Commitment, the Agreement to Assume Mortgage, the Loan, the Mortgage and the Security for the full amount of the Indebtedness, without

the need for further demand therefor by the Lender, which is hereby expressly waived by the Obligor and the Beneficial Owners. The Obligor and the Beneficial Owners confirm that the amounts owing for the Indebtedness are correct, true and accurate, were properly incurred by the Lender, and are recoverable by the Lender under this Agreement, the Commitment, the Agreement to Assume Mortgage, the Loan, the Mortgage and the Security. The Obligor and the Beneficial Owners acknowledge and agree that it does not dispute its liability for the Indebtedness on any grounds whatsoever. The Obligor and the Beneficial Owners specifically waive any rights they may have to dispute, question, assess or reduce the Indebtedness. The Obligor and the Beneficial Owners agree that there are no amounts owing by the Lender to any Obligor and the Beneficial Owners, and the Obligor and the Beneficial Owners have no rights of set-off against the Lender in relation to the Indebtedness or to any other matter.

1.3 Notwithstanding anything to the contrary contained herein, it is acknowledged that recourse against the Beneficial Owners shall be limited to their interest in the Property.

1.4 The Obligor and the Beneficial Owners acknowledge that the Lender shall not be and is not obligated to make any more advances under this Agreement, the Commitment, the Agreement to Assume Mortgage, the Security or the Mortgage.

1.5 The Obligor and the Beneficial Owners have requested the Lender's forbearance set out herein and represent to the Lender that the Obligor and the Beneficial Owners have any defences, set-offs or counterclaims which would entitle the Obligor and the Beneficial Owners to dispute the Indebtedness as being fully due and payable, and agree that the Mortgage and Security are fully enforceable forthwith without further notice.

1.6 The Obligor and the Beneficial Owners hereby confirm that the Mortgage and the Security are valid and enforceable, that the Mortgage and the Security constitute security for all of the Indebtedness, and that the Mortgage and the Security shall remain in full force and effect for the benefit of the Lender following the execution of this Agreement.

1.7 The Obligor and the Beneficial Owners represent, warrant and covenant to the Lender that:

- a) all of the warranties and representations in this Agreement, the Commitment, the Agreement to Assume Mortgage, the Mortgage and the Security are true as of the date hereof, except as otherwise provided in this Agreement or to the extent the facts outlined in the recitals to this Agreement make such representations and warranties untrue;
- b) it will refinance other properties in its portfolio as soon as possible after the date hereof in a manner which will provide the Obligor with the funds necessary to cure the Existing Default;
- c) The Obligor is to continue to make its monthly mortgage payments to the Lender.

1.7 The Obligor and the Beneficial Owners acknowledge receipt of the Demand Letter and the BIA Notice.

1.8 The Obligor and the Beneficial Owners covenant and agree that the tax waiver letter of the Lender is now null and void and the Obligor and the Beneficial Owners shall now pay to the Lender a realty tax component in addition to the monthly principal and interest payment, commencing with the December 1, 2020 monthly principal and interest payment. The tax component to be paid by the Obligor and the Beneficial Owners shall be \$21,645.00 on December 1, 2020, and shall be \$25,250.00 commencing on January 1, 2021, and each month thereafter.

2. Forbearance Expiry Date

This Agreement and all accommodations granted by the Lender to the Obligor shall expire on February 16, 2021, unless there is an Event of Default (as defined below), including but not limited to a default or breach under this Agreement (in either case, the “**Expiry Date**”).

3. Forbearance Fees

In consideration of the Lender agreeing to forbear from realizing on or enforcing its rights with respect to the Existing Default, the Obligor shall pay to the Lender immediately upon the signing of this Agreement the forbearance fee of \$5,000.00 and the Lender’s Solicitors legal costs of \$12,500.00 (collectively, the “**Forbearance Fee**”).

4. Conditions Precedent

4.1 This Agreement shall not be effective or binding upon the Lender and, in particular, the Lender shall be under no obligation to forbear from exercising any of its rights and remedies against the Obligor unless and until:

- a) the Lender has received a duly authorized, executed and delivered original of this Agreement bearing the signatures of the Obligor; and acknowledged by the Beneficial Owners; and
- b) the Forbearance Fee is paid in full.

4.2 All conditions to forbearance set out herein (the “**Conditions Precedent**”) are for the sole benefit of the Lender and may be waived only by the Lender in writing. If any of the Conditions Precedent are not met to the satisfaction of the Lender within the time required, or such later time as the Lender may agree in writing, and if the Lender will not waive the satisfaction thereof, then the forbearance and other accommodations granted by the Lender hereunder shall immediately terminate.

5. Obligor’s Covenants

5.1 The Obligor covenants and agrees as follows:

- a) that all of the Recitals to this Agreement are true and correct and are incorporated by reference herein;
- b) to comply with all of the terms of this Agreement;
- c) to comply with all of the terms of the Commitment, the Agreement to Assume Mortgage, the Mortgage and the Security, except as those terms are expressly amended by this Agreement;
- d) not to borrow monies from any person or persons on the security of any assets charged by the Mortgage or the Security or any portion thereof, which could rank in priority to the Mortgage or the Security, except as contemplated herein;
- e) to take all reasonable steps, without causing a default under this Agreement, to prevent any creditor of the Obligor from obtaining a judgment or from commencing any execution proceedings against them or the Obligor's real and personal property or any portion thereof;
- f) that, except as set out herein, the Lender continues to reserve all of its rights with regard to the Commitment, the Agreement to Assume Mortgage, the Mortgage and the Security and that all terms and conditions thereto remain in full force and effect;
- g) that the Obligor has no, and shall not in the future claim, any Claims (as hereinafter defined), defences, counterclaims, or set-offs with respect to:
 - i) the right of the Lender to the repayment of the Indebtedness;
 - ii) the right of the Lender to enforce the Mortgage and the Security or any portion thereof;
 - iii) the enforcement of its obligations under this Agreement and under the Commitment, the Agreement to Assume Mortgage, the Mortgage and the Security;
- h) that no consents, waivers, or releases have been given by the Lender in connection to the Commitment, the Agreement to Assume Mortgage, the Mortgage, the Security, or the Indebtedness;
- i) that the Lender has entered into this Agreement based upon the promises and representations contained herein and the release of the Lender, and at the request of the Obligor;
- j) that the Obligor has no claims or causes of action of any kind against the Lender either with respect to the Indebtedness, the Commitment, the Agreement to Assume Mortgage, the Mortgage or the Security, and the Obligor:

- i) hereby release, remise and forever discharge the Lender and each of its affiliates, associates, holdings bodies corporate and subsidiaries and all of its officers, directors, employees, agents, beneficiaries, successors and assigns and anyone claiming under or through them (the “**Lender Parties**”) of and from all manner of actions, causes of action, suits, liabilities, debts, dues, sums of money, general damages, special damages, costs, claims and demands, of every nature and kind at law or in equity or under any statute (collectively, “**Claims**”), which the Obligor has or ever had in respect of or in any way arising out of or related to the Loan, the repayment of the Indebtedness and the enforcement of the Commitment, the Agreement to Assume Mortgage, the Mortgage and the Security by the Lender for any matters as of the date hereof; and
- ii) if any Claims exist or arise for any matters as of the date hereof, hereby release, remise and forever discharge the Lender and the Lender Parties from any and all such Claims and from any and all Claims arising directly or indirectly from acts or omissions of the Lender; and
- k) to indemnify and immediately reimburse the Lender for all legal and professional fees and expenses suffered or incurred by the Lender (on a full indemnity basis) for the realization upon all or any part of the Commitment, the Agreement to Assume Mortgage, the Mortgage, the Security, and/or enforcement of this Agreement.

5.2 The Obligor agrees, acknowledges and covenants as follows:

- a) to carry on its business in the normal course, but subject to the restrictions required or advised by public health authorities as a result of the current global COVID-19 pandemic, and in compliance with all applicable laws;
- b) to fund, from its own resources, all costs in respect of the Property;
- c) to pay all priority claims during the term of this Agreement (“priority claims” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise which may rank in priority to the Mortgage or the Security or otherwise in priority to any claim by the Lender for repayment of the Indebtedness), and without limiting the generality of the foregoing, to pay all:
 - i) source deductions required to be paid;
 - ii) WSIB assessments required to be paid;

- iii) Canada Revenue Agency, G.S.T., and income tax remittances required to be paid by or before the extended deadline for payment during the global pandemic;
 - iv) property taxes, water and sewer, and other charges with respect to the Property (except as otherwise agreed by the Lender in accordance with this Agreement); and
 - v) due or required amounts on any Mortgage registered in priority to the Mortgage;
- d) to fully cooperate with the Lender, and provide full disclosure and full access to records and information to the Lender with respect to the Commitment, the Agreement to Assume Mortgage, the Mortgage and the Security; and
 - e) to provide the Lender with any other information the Lender may from time to time require to assess its security position with respect to the Indebtedness, the Commitment, the Agreement to Assume Mortgage, the Mortgage, the Security and all Obligor's assets, as the Lender may direct.

6. Lender's Covenants

6.1 Until the Expiry Date, and provided the Obligor is not in default hereunder and no Event of Default (as defined below) has occurred, the Lender shall forbear from realizing on or enforcing its rights with respect to the Existing Default until the Expiry Date;

7. Events of Default and Termination

7.1 It shall be an event of default (an "**Event of Default**") under this Agreement, and the Lender shall have the right, at its option, to immediately terminate this Agreement, if, at any time after its execution:

- a) the Obligor fail to duly perform or observe any term, covenant or obligation contained in the Commitment, the Agreement to Assume Mortgage, the Mortgage, the Security, or this Agreement;
- b) any representation, warranty, statement or report is knowingly false, misleading or contains any material omission, in the opinion of the Lender acting reasonably, at the time it is made or given to the Lender;
- c) the full co-operation and assistance of the Obligor is not present or does not continue;
- d) without limiting the generality of the foregoing, the Obligor fails to make any of the payments called for in this Agreement;

- e) the Lender, acting reasonably, determines that there has been a material adverse change in the affairs of the Obligor or in its security position;
- f) any encumbrancer or creditor of the Obligor takes possession of, or takes steps to realize or execute against any real or personal property of the Obligor, other than that which has occurred or is occurring as of the date hereof and which the Lender has notice of; or
- g) the Obligor without the prior written consent of the Lender:
 - i) pass a resolution or institute proceedings for their bankruptcy, winding up, liquidation or dissolution or consent to liquidation or filing of any petition or proceeding with respect thereto;
 - ii) file a petition or commence a proceeding or action seeking reorganization, re-adjustment, rearrangement, restructuring, composition or similar relief under any Canadian or other applicable law or consent to the filing of any such petition to the appointment of a receiver, receiver-manager, liquidator, interim receiver, trustee in bankruptcy or similar officer of themselves or of its lands or property;
 - iii) make an assignment or file a proposal for the benefit of their creditors;
 - iv) take any action in furtherance of any of the aforesaid purposes; or
 - v) fail to fully and completely comply with the reporting requirements herein and pursuant to the Mortgage and the Security in a timely manner.

7.2 Upon the occurrence of any Event of Default, all accommodations provided by the Lender in this Agreement shall terminate, all Indebtedness shall be immediately due and payable without need for notice or demand for payment, and the Lender may at its option immediately continue and/or commence the enforcement of all its rights and remedies as it sees fit, including but not limited to commencing power of sale proceedings, appointing a Liquidator, Receiver or Receiver-Manager, Interim Receiver or Trustee in Bankruptcy or similar officer of the Obligor or of any of the lands and property of the Obligor, and pursue such other remedies as it deems appropriate.

8. Indemnity

8.1 The Obligor hereby jointly and severally covenants and agrees to indemnify and save harmless the Lender and the Lender Parties from and against any and all Claims arising out of this Agreement or the performance by the Lender of its duties and obligations herein.

9. Notices

9.1 Any notices required under this Agreement shall be given in writing and delivered by courier to the parties at the addresses set out below, or such other address as the parties may be notified of, in writing:

If to the Lender:

Addenda Capital Inc.
1874 Scarth Street, Suite 1900
Regina (SK) S4P 4B3

Attention: Ardi Pradana

Email: a.pradana@addendacapital.com

with a copy to:

Dickinson Wright LLP
199 Bay Street, Suite 2200
Commerce Court West
Toronto, Ontario
M5L 1G4

Attention: Paul Muchnik

Email: pmuchnik@dickinson-wright.com

If to the Obligor:

249 Ontario Holdings Inc.
c/o Gross Capital Inc.
200 Ronson Drive, Suite 101
Toronto, ON M9W 5Z9

Attention: Mark Gross

Email: mark@grosscapital.ca

with a copy to:

Tyr LLP
160 John Street - Suite 500
Toronto, Ontario M5V 2E5

Attention: James D. Bunting

Email: jbunting@tyrllp.com

10. General Provisions

10.1 Time shall be of the essence hereof.

10.2 This Agreement is binding upon and shall enure to the benefit of the Lender, the Obligor, and its heirs, personal representatives, successors and assigns, as applicable.

10.3 This Agreement and the rights given to the Lender hereunder are in addition to, and not in substitution for, any other security now or hereafter held by or rights granted to the Lender, in respect of the Obligor or the Indebtedness.

10.4 Any expiration or termination of this Agreement shall be without prejudice to any rights and obligations of the parties hereto arising or existing up to the effective date of such expiration or termination, or any remedies of the parties with respect thereto, and for greater certainty, Sections 1, 5 and 8g hereof shall survive any such termination or expiration and any Event of Default.

10.5 Any waiver of any breach or default of the Obligor under this Agreement shall only be effective if in writing signed by the Lender, and no waiver shall be implied by indulgence, delay or other act, omission or conduct. Any waiver shall only apply to the specific matter waived and only in the specific instance in which it is waived.

10.6 Should any provision of this Agreement be declared or held invalid or unenforceable by a court of competent jurisdiction, then such invalidity or unenforceability shall not affect the validity or enforceability of any or all of the remaining provisions of this Agreement which shall continue in full force and effect and be construed as if this Agreement had been executed without the invalid and unenforceable provision.

10.7 The Obligor acknowledges that it has received independent legal advice with respect to the execution of this Agreement and all related documentation and confirm that they enter into this Agreement of their own free will without any coercion or duress having been imposed upon them by the Lender or any other person.

10.8 The Obligor shall execute such other and further documents and assurances as may be necessary and shall do such other acts and things as may be required in order to carry out the transactions contemplated by this Agreement, including, without limitation,

any documents required to enforce the Mortgage and the Security against any property in jurisdictions other than Ontario.

10.9 In this Agreement words importing a gender shall include either gender and words importing the singular shall include the plural and vice versa and words importing the person shall include persons, firms or corporations.

10.10 This Agreement shall be governed by and construed in accordance with the laws of the province of Ontario. In the event of any dispute arising out of this Agreement, the courts of the province of Ontario shall have exclusive jurisdiction.

10.11 This Agreement and the agreements referred to herein constitute the entire agreement between the parties hereof and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof. Any amendment of this Agreement shall not be binding unless in writing and signed by all parties hereto. All terms and conditions of the Security shall continue in full force and effect from and after the date hereof except as otherwise amended by this Agreement. To the extent that any provision of the Security is inconsistent with this Agreement, this Agreement shall prevail.

10.12 This Agreement may be signed by the parties hereto in as many counterparts as may be necessary, each of which so signed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and the date of execution shall be deemed to be as of the date and year first above written.

[signature page follows]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

ADDENDA CAPITAL INC.

Per: _____

Name:

Title:

I have authority to bind the corporation.

249 ONTARIO STREET HOLDINGS INC.

Per: _____ 

Name:

Title:

I have authority to bind the corporation.

GROSS PROPERTIES INC.

Per: _____ 

Name:

Title:

I have authority to bind the corporation.

2413677 ONTARIO INC.

Per: _____ 

Name:

Title:

I have authority to bind the corporation.

4852-9994-0818 v6 [85587-11]

This is Exhibit "F" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

Rent Roll
Property: 249ontst From Date: 05/01/2020 By Property

Property	Unit(s)	Lease	Lease Type	Area	Lease From	Lease To	Term	Monthly Rent	Monthly Rent	Annual Rent	Annual Rent	Annual Misc
								Per Area	Per Area	Per Area	Per Area	Per Area
249ontst - 249 Ontario Street Holdings Inc.,Port Hope												
Current Leases												
249ontst	101	Shoppers Realty Inc.	Office Net	2,395.00	1/1/2011	12/31/2020	120.00	11,975.00	5.00	143,700.00	60.00	1.42
249ontst	105	Dr. Jordan Benedict Dentistry Professional Corp.	Office Net	1,915.00	9/1/2009	8/31/2029	240.00	2,952.29	1.54	35,427.50	18.50	0.00
249ontst	107	Colligan Management Ltd.	Office Net	2,191.00	4/1/2014		0.00	0.00	0.00	0.00	0.00	0.00
249ontst	108	Dynacare-Gamma Laboratory Partnership	Office Net	992.00	1/1/2013	12/31/2022	120.00	2,149.33	2.17	25,792.00	26.00	13.75
249ontst	110	Metro Radiology Ltd.	Office Net	700.00	2/1/2007		0.00	1,166.67	1.67	14,000.00	20.00	0.00
249ontst	111	Metro Radiology Ltd.	Office Net	1,100.00	2/1/2007		0.00	1,833.33	1.67	22,000.00	20.00	0.00
249ontst	204C	Dr. Paul M. Hazell Medicine Professional Corp.	Office Net	1,288.00	2/1/2014	1/31/2022	96.00	670.83	0.52	8,050.00	6.25	0.00
249ontst	206	Bob Kerr	Office Net	787.00	4/1/2008		0.00	442.69	0.56	5,312.25	6.75	0.00
249ontst	207	Ontario Medical Supply Inc.	Office Net	986.00	8/1/2014	7/31/2024	120.00	616.25	0.62	7,395.00	7.50	0.00
249ontst	210	Canada Hearing Centre Ltd.	Office Net	834.00	8/1/2015	7/31/2020	60.00	695.00	0.83	8,340.00	10.00	0.00
249ontst	210A	Dynacare-Gamma Laboratory Partnership	Office Net	137.00	1/1/2013	12/31/2022	120.00	137.00	1.00	1,644.00	12.00	0.00
249ontst	211	Dr. Jeffrey V. Knackstedt Medical Professional Corporation	Office Net	787.00	9/1/2015	8/31/2020	60.00	409.90	0.52	4,918.75	6.25	0.00
249ontst	102	VACANT		1,292.00			0.00	0.00	0.00	0.00	0.00	0.00
249ontst	104	VACANT		1,197.00			0.00	0.00	0.00	0.00	0.00	0.00
249ontst	109	VACANT		1,197.00			0.00	0.00	0.00	0.00	0.00	0.00
249ontst	201	VACANT		1,197.00			0.00	0.00	0.00	0.00	0.00	0.00
249ontst	202A	VACANT		1,197.00			0.00	0.00	0.00	0.00	0.00	0.00
249ontst	202B	VACANT		434.83			0.00	0.00	0.00	0.00	0.00	0.00
249ontst	202C	VACANT		434.83			0.00	0.00	0.00	0.00	0.00	0.00
249ontst	202D	VACANT		434.83			0.00	0.00	0.00	0.00	0.00	0.00
249ontst	203	VACANT		1,197.00			0.00	0.00	0.00	0.00	0.00	0.00
249ontst	204A	VACANT		781.00			0.00	0.00	0.00	0.00	0.00	0.00
249ontst	204B	VACANT		781.00			0.00	0.00	0.00	0.00	0.00	0.00
249ontst	209	VACANT		1,846.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Current				26,101.49				23,048.29	0.88	276,579.50	10.60	8.82

Total Units	Total Area	Percentage	Monthly Rent	Annual Rent
12.00	14,112.00	54.07	23,048.29	276,579.50
12.00	11,989.49	45.93	0.00	0.00
24.00	26,101.49		23,048.29	276,579.50

This is Exhibit "G" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)



Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #39

PAGE 1 OF 2
PREPARED FOR HUGOHE01
ON 2021/01/19 AT 14:50:50

51078-0317 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11
PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE

PROPERTY REMARKS: PLANNING ACT CONSENT AS IN PH42680. PLANNING ACT CONSENT AS IN PH57557.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

OWNERS' NAMES
249 ONTARIO STREET HOLDINGS INC.
CAPACITY SHARE

PIN CREATION DATE:
2006/01/23

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
** SUBJECT,	ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:					
**	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ESCHEATS OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
** DATE OF CONVERSION TO	LAND TITLES: 2006/01/23 **					
PH16793	1966/07/06	BYLAW				C
REMARKS: SKETCH ATTACHED.						
9R408	1974/06/26	PLAN REFERENCE				C
9R1485	1983/10/21	PLAN REFERENCE				C
PH75108	1984/08/20	TRANSFER EASEMENT		BELL CANADA		C
PH104232	1990/07/11	AGREEMENT		THE TOWN OF PORT HOPE		C
REMARKS: SITE PLAN						
9R2679	1990/12/04	PLAN REFERENCE				C
PH108662	1991/09/05	AGREEMENT		TOWN OF PORT HOPE		C
REMARKS: PH104232						
PH109839	1992/01/02	NOTICE OF LEASE		PARK-MED INVESTMENTS LIMITED		C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



51078-0317 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
NC200626	1992/04/08	NOTICE OF LEASE				C
		REMARKS: PH105414, PH105415			PORT HOPE PHARMACY LIMITED	
NC200627	1992/04/08	NOTICE OF LEASE				C
		REMARKS: PH105414, PH105415			COLLIGAN MANAGEMENT LTD.	
NC200746	1996/04/13	NOTICE OF LEASE				C
		REMARKS: PH105414, PH105415			PARK MED LABORATORIES LTD.	
ND89145	2013/05/01	CHARGE	\$6,000,000	GT PORT HOPE HOLDING INC.		C
		REMARKS: ND89145		GT PORT HOPE HOLDING INC.	ADDENDA CAPITAL INC.	
ND89146	2013/05/01	NO ASSGN RENT GEN				C
		REMARKS: ND89145			ADDENDA CAPITAL INC.	
ND128688	2016/01/26	TRANSFER	\$2	GT PORT HOPE HOLDING INC.		C
		REMARKS: PLANNING ACT STATEMENTS.			249 ONTARIO STREET HOLDINGS INC.	
ND149103	2017/05/09	CHARGE	\$1,300,000	249 ONTARIO STREET HOLDINGS INC.		C
		REMARKS: ND149103			GROSS CAPITAL INC.	
ND184437	2019/07/19	CHARGE	\$6,250,000	249 ONTARIO STREET HOLDINGS INC.		C
		REMARKS: ND184437			1592106 ONTARIO INC.	
ND184438	2019/07/19	NO ASSGN RENT GEN				C
		REMARKS: ND184437			1592106 ONTARIO INC.	
ND184453	2019/07/19	POSTPONEMENT		GROSS CAPITAL INC.		C
		REMARKS: ND149103 TO ND184437			1592106 ONTARIO INC.	
ND186449	2019/08/28	NOTICE	\$2	249 ONTARIO STREET HOLDINGS INC.		C
		REMARKS: ND184437			1592106 ONTARIO INC.	
ND186450	2019/08/28	POSTPONEMENT		GROSS CAPITAL INC.		C
		REMARKS: ND149103 ND186449			1592106 ONTARIO INC.	
ND198518	2020/06/09	NO CHNG ADDR INST		ADDENDA CAPITAL INC.		C
		REMARKS: ND89145, ND89146				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is Exhibit "H" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

Properties

PIN 51078 – 0317 LT *Interest/Estate* Fee Simple
Description LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE
Address 249 ONTARIO ST
 PORT HOPE

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name GT PORT HOPE HOLDING INC.
Address for Service 284 King Street East
 Suite 100
 Toronto, On M5A 1K4

I, Mike Brady, Senior Vice-President, Secretary & General Counsel, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name ADDENDA CAPITAL INC.
Address for Service 1920 College Avenue
 Regina, Saskatchewan S4P 1C4
 Loan No.0101093

Statements

Schedule: See Schedules

Provisions

Principal \$6,000,000.00 *Currency* CDN
Calculation Period half-yearly not in advance
Balance Due Date 2019/05/01
Interest Rate 3.43%
Payments \$29,734.96
Interest Adjustment Date 2013 05 01
Payment Date 1st day of each and every month
First Payment Date 2013 06 01
Last Payment Date 2019 05 01
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

Additional Provisions

See Schedule of Additional Provisions Attached

Signed By

David Anthony Redmond 40 King Street West, Suite 2100 acting for Chargor Signed 2013 05 01
 Toronto (s)
 M5H 3C2

Tel 416-869-5300

Fax 416-360-8877

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

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

Submitted By

CASELS BROCK & BLACKWELL LLP
40 King Street West, Suite 2100
Toronto
M5H 3C2
2013 05 01

Tel 416-869-5300
Fax 416-360-8877

Fees/Taxes/Payment

Statutory Registration Fee \$60.00
Total Paid \$60.00

File Number

Chargee Client File Number : 35307-12 (DR/PLF)

SCHEDULE "A"

ADDITIONAL PROVISIONS

1. STANDARD CHARGE TERMS

The terms contained in this schedule are in addition to the terms contained in the Standard Charge Terms. In the event of any conflict between the terms contained in this schedule and those contained in the Standard Charge Terms, the terms contained in this schedule shall, to the extent of the conflict, prevail.

2. DEFINITIONS

In this schedule, the following definitions apply:

- (a) **Applicable Laws** means, in respect of any person, property, transaction or event, all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licences, authorizations, approvals and all applicable common law or equitable principles in force and effect during the currency of this Charge;
- (b) **Balance Due Date** means the first day of May, 2019;
- (c) **Chargor** shall mean GT Port Hope Holding Inc.;
- (d) **Chargee** shall mean Addenda Capital Inc.;
- (e) **Commitment Letter** means the commitment letter issued by the Chargee to the Chargor dated March 25, 2013 setting out the terms of the loan secured by this Charge, as it may be amended from time to time;
- (f) **Costs** shall include but not be limited to all of the fees, costs, charges, losses, damages and expenses incurred by the Chargee as a direct or indirect consequence of granting the loan secured by this Charge including, without limitation, all expenses incurred in the construction, preservation, maintenance, repair, insuring and realization of the security contained herein, and all legal costs incurred by the Chargee as between a solicitor and his own client;
- (g) **Covenantor** shall mean NorthWest Healthcare Properties Real Estate Investment Trust;
- (h) **Interest** means interest at the Interest Rate calculated monthly, not in advance and payable on the Principal Amount and such other amounts as provided in this Charge both before and after maturity, default, and judgment;
- (i) **Interest Adjustment Date** means the first day of May, 2013;
- (j) **Interest Rate** means 3.43 % per annum calculated semi-annually, not in advance, both before and after maturity, default and judgment;
- (k) **Monthly Payments** means the payments of principal and interest of \$29,734.96 made on the first day of each month;
- (l) **Principal or Principal Amount** means the principal amount of \$6,000,000.00 in lawful money of Canada as it may be increased or decreased prior to registration of a discharge of this Charge;
- (m) **Property or Charged Property** means the lands described in the Charge to which this Schedule is attached and all buildings, fixtures and improvements now or hereafter brought or erected thereon;

- (n) **Standard Charge Terms** means the set of Standard Charge Terms filed as No. 200033; and
- (o) **Receiver** means a receiver or receiver-manager of the Property.
- (p) **REIT** means Northwest Healthcare Properties Real Estate Investment Trust

3. CHARGE

Upon the request of the Chargee, the Chargor hereby gives this Charge and charges the Property as security for full payment to the Chargee of the Principal Amount, Interest and all other amounts payable hereunder and as security for the observance and performance of all of the obligations of the Chargor to the Chargee pursuant to this Charge or otherwise.

4. CANCELLATION OF ADVANCE

If all or a portion of the Principal Amount is advanced into the Chargee's solicitor's trust account as the result of verbal or written request or concurrence of the Chargor or their solicitor and are not subsequently disbursed for any reason, then the Chargor shall pay to the Chargee interest accrued on the amounts so advanced to the Chargee's solicitor at the rate provided in the Charge. If, pending disbursement of the advance, the Chargee's solicitors place the monies in an interest bearing deposit, any interest accruing from such deposit will be credited to the Chargor after payment has been made to the Chargee of the interest required by this paragraph.

5. MONTHLY PAYMENTS

Interest on the Principal Amount from time to time advanced prior to the Interest Adjustment Date, computed from the respective dates of such advances to the Interest Adjustment Date, shall, at the option of the Chargee, be deducted from the advances or paid by the Chargor at such time or times as the Chargee may require and such Interest may be so deducted or paid in advance; after the Interest Adjustment Date, Interest computed from the Interest Adjustment Date on the Principal Amount outstanding from time to time, shall become due and be paid in Monthly Payments as provided by the page 1 of this Charge and the balance, if any, of the Principal Amount and Interest shall become due and payable on the Balance Due Date. The Monthly Payments, when received, shall be applied firstly to outstanding Costs, secondly to outstanding Interest and the balance, if any, in reduction of the outstanding Principal Amount.

6. PREPAYMENT

The Chargor may prepay in whole Principal outstanding under the Charge provided that the Chargor shall pay to the Chargee, in addition to all other amounts owing hereunder, an amount called a "Yield Maintenance Fee", as described below.

YIELD MAINTENANCE FEE

If the Principal becomes payable as a result of a breach, default or acceleration, then in addition to the Principal, Interest and other moneys payable under the Charge, the Chargor shall pay to the Chargee, an amount (the "Prepayment Amount") equal to the greater of:

- (i) The amount by which the Canada Yield Price (as defined herein) exceeds the Principal and Interest then outstanding under the Charge; or
- (ii) Three months Interest on the Principal then outstanding under the Charge.

The obligation of the Chargor to pay the foregoing amount is in addition to and not in substitution for the obligation of the Chargor to pay all other amounts which become payable under the terms of the Charge after or as a result of the breach, default or acceleration.

"Canada Yield Price" means the present value (calculated applying a discount rate equal to the Government of Canada Yield (as defined herein) as determined by the Chargee as a date selected by the Chargee which in the event of the breach, default or acceleration, is not more than two (2) business days prior to the date on which the Charge becomes due and payable, of all payments of Principal and Interest which would have become due in accordance with the terms of the Charge but for the breach, default or acceleration (including any principal balance payable on the maturity date of the Charge.)

"Government of Canada Yield" means the effective yield to maturity expressed as a percentage per annum calculated half-yearly not in advance which is available as at the time of its determination to a purchaser of non-callable Government of Canada bonds payable in Canadian dollars selected by the Chargee and having a maturity date approximating the maturity date of the Charge.

The Chargor acknowledges that the Prepayment Amount is a genuine pre-estimate of the liquidated damages suffered by the Chargee as a result of the breach, default or acceleration having regard to the fact that the Chargee matches mortgage investments against obligations, that the Chargee is not able to immediately re-invest funds received in mortgages and that the re-investment of funds in mortgages involves significant costs.

7. PAYMENTS BY CHARGE

The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the Property and all costs, charges, legal fees (as between solicitor and his own client) and expenses as deemed necessary by the Chargee to preserve the Property and/or to realize upon the Chargee's security and all such payments shall be deemed Costs hereunder.

8. COSTS

Costs shall be forthwith due and payable by the Chargor to the Chargee and shall bear interest until fully paid.

9. INSURANCE PROVISIONS

In addition to the insurance provided for under the Standard Charge Terms, the Chargor, in accordance with the provisions of this paragraph, shall maintain:

A GENERAL CONDITIONS:

- (i) All insurance policies shall be in form and with insurers reasonably acceptable to Addenda Capital Inc. Deductible, where used, will be allowed only as they may be reasonably acceptable to Addenda Capital Inc.
- (ii) The Chargor will provide Addenda Capital Inc. with satisfactory evidence that the required insurances are in place.
- (iii) All losses will be payable to Addenda Capital Inc. as First Chargee and the policies will include an Insurance Bureau of Canada Standard Mortgage Clause.
- (iv) If there is currently prior mortgages on the Property which are to be paid out pursuant to the Commitment Letter, then Addenda Capital Inc. will show as Chargee and Loss Payee as their interest may appear, until the insurer has received release of interest from the prior lender at which time the policies will be endorsed to show Addenda Capital Inc. as First Chargee and Loss Payee.
- (v) The Chargor shall be an Additional Insured on all policies.

- (vi) The policy shall contain a clause that the insurer will neither terminate nor alter the policy to the prejudice of Addenda Capital Inc. except by registered letter to Addenda Capital Inc. giving notification of at least thirty (30) days. The Chargor will replace any terminated policy providing similar coverage with no cessation in coverage.

Such notice clause shall not be modified by such phrases as "endeavour to" or "but failure to provide such notice shall impose no obligation or any liability of any kind upon the company".

- (vii) All coverage shown are the minimum requirements and are not intended as a recommendation or advisement of what may constitute full and proper coverage for the Chargor.

B - PROPERTY INSURANCE:

The Chargor will insure and keep insured the improvements and all insurable property forming part of the Property, in an amount not less than the Replacement Cost thereof.

- (i) On an All Risk basis, including:
- a. Earthquake,
 - b. Sewer Backup,
 - c. Blanket Building By-laws,
 - d. Flood.
- (ii) Subject to the Stated Amount Co-insurance Clause or such similar condition and shall in this regard file all documentation necessary as required under this clause.
- (iii) Coverage is to be subject to a Replacement Cost Endorsement with no requirement to replace on the same or an adjacent site. (Replacement cost to be determined by an appraiser or the insurance agent.)

C - EQUIPMENT BREAKDOWN INSURANCE (BOILER AND MACHINERY):

The Chargor or Tenant will also maintain Equipment Breakdown insurance to cover all building equipment and machinery (and production machinery, if applicable) for explosion, electrical loss or damage and mechanical breakdown.

D - BUSINESS INTERRUPTION INSURANCE:

The Chargor will effect and maintain Business Interruption Insurance on one of the forms known as Gross Rents or Profits (whichever shall be applicable), or their equivalent, for loss resulting from those perils covered by the insurance described above in Sections (A) and (B). The period of indemnity will not be less than twelve months. The coverage will provide for not less than 100% of such loss of profits or gross rents.

E - LIABILITY INSURANCE:

The Chargor will effect and maintain Public Liability Insurance in an amount of not less than \$5,000,000.00, on either a Comprehensive General Liability or Commercial General Liability form. Chargee is to be named as "Additional Insured".

If the project is a Condominium, from and after registration of the Strata Plan, all insurance policies are to be in an acceptable condominium form and are to cover improvements and Betterments of a permanent nature made to the units by the unit owner, including fixed wall-to-wall carpeting. Such insurance shall comply in respects with the requirements of the condominium by-laws to be approved by Addenda Capital Inc.

All insurance policies must be forwarded to our insurance consultants, for their review and comments upon acceptance of this commitment.

The Chargee's insurance consultants will review the insurance policies. Such cost shall be for the account of the Borrower and will therefore be deducted from the initial advance of funds under this loan.

10. ENVIRONMENTAL MATTERS

- (a) The Chargor warrants and represents to the Chargee that the subject Property and its existing prior uses comply and have at all times complied with all laws, regulations, orders and approvals of all governmental authorities having jurisdiction with respect to environment matters applicable to the ownership, use, maintenance, and operation of the Property (collectively, the "Environmental Laws") and, without limiting the generality of the foregoing:
- i. the Property has never been used as a land fill site or to store hazardous substances wither above or below ground, in storage tanks or otherwise;
 - ii. all hazardous substances used in connection with the business conducted at the Property have at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental Laws;
 - iii. no hazardous substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Property as a result of the conduct of business on the Property; and
 - iv. no notices of any violation of any matters referred to above relating to the Property or its use have been received by the Chargor and there are no directions, writs, injunctions, orders or judgements outstanding, no law suits, claims, proceedings, or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Property nor is there any basis for such law suits, claims, proceedings, or investigations being instituted or filed.
- (b) For the purposes of this Charge, a hazardous substance includes but is not limited to contaminants, pollutants, dangerous substances, gasoline, oil, liquid wastes, industrial wastes, whole liquid wastes, toxic substances, hazardous wastes, hazardous materials and hazardous substances as defined in or pursuant to the Environmental Protection Act or any applicable Environmental Law. It shall be an event of default under the Charge if the foregoing representation and warranty shall be false or misleading at the time given.
- (c) The Chargor further acknowledges and agrees to:
- i. Provide the Chargee with copies of all communication received from environmental agencies with respect to the Property, whether written or verbal;
 - ii. Provide the Chargee with copies of all communications received by any person relating to an environmental claim, whether written or verbal;
 - iii. It shall become an event of default if at any time the Property is designated as a contaminated site or non-compliance with an environmental requirement (such as remediation order);
 - iv. The Chargor shall provide an Environmental Indemnity to the benefit of the Chargee. Said Indemnity shall survive the repayment and discharge of the Charge. A separate Environmental Indemnity Agreement may be required at the Chargee's option; and

- v. The Chargee shall have the right, before and after default, to enter the Property at any time or carry out any environmental investigations which are deemed necessary, beyond a Phase I investigation, which involves more intrusive tests such as boreholes for soil and water samples. The cost of any such further investigation shall be payable by the Chargor and shall be a charge upon the Property. The exercise of any of the powers enumerated in this clause shall not deem the Chargee to be in possession, management or control of the said lands and buildings.

11. PROPERTY MANAGEMENT

The Chargor shall maintain at all times professional property management for the Property acceptable to the Chargee. Any change in the property management of the Property shall require the prior written approval of the Chargee, both as to manager and the terms and conditions of the management agreement. The Chargee acknowledges that the current property management is an acceptable manager as at the date of this Charge.

12. SURVIVAL OF COMMITMENT LETTER

Neither the execution and delivery of this Charge or any security documents which are contemplated by the Commitment Letter nor the advance of any portion of the Principal Amount shall, in any way, merge or extinguish the Commitment Letter or the terms and conditions contained in the Commitment Letter. The Commitment Letter and all of its provisions shall continue in full force and effect until the Principal Amount has been repaid in full; provided that in case of any inconsistency or conflict between any provision or provisions of the Commitment Letter or any provision or provisions of the Charge or any other security documents granted pursuant to the Commitment Letter, the Commitment Letter shall prevail.

13. MAJOR ALTERATIONS

Subject to Section 34(d) of this Schedule, any major changes, additions and/or alterations contemplated to the Property, including major changes in use of the Property, must receive the Chargee's written consent, such consent not be unreasonably withheld, prior to the commencement of the changes, additions and/or alterations. If the Chargor changes and/or alters the Property without the prior written consent of the Chargee being obtained, then the Chargee may, at its sole option, declare forthwith due and payable the entire balance of the unpaid Principal together with the accrued interest due thereon. The Chargor will provide reasonable notice to the Chargee of any anticipated or impending transaction which would require the consent of the Chargee under this Section together with reasonable information as the Chargee may require to determine whether or not to grant its consent thereto in all cases, except as outlined in Section 34(d).

14. EVENTS OF DEFAULT

The Chargor shall be in default under this Charge if any one or more of the following events of default (an "Event of Default") occurs at any time or times prior to registration of a complete discharge of this Charge:

- (a) the Chargor defaults in respect of the payment or any payment required under this Charge;
- (b) the Chargor defaults under any one or more of the covenants, conditions, terms, agreements, provisions and obligations contained in this Charge to be kept, observed and performed by the Chargor and fails to remedy such default within 15 days of written notice thereof;
- (c) the Chargor becomes insolvent, bankrupt or a trustee in bankruptcy is appointed for the Chargor or the Chargor makes a general assignment for the benefit of creditors or goes into liquidation either voluntarily or under an order of the court of competent jurisdiction or otherwise acknowledges his insolvency;

- (d) there is shown to be any discrepancy or inaccuracy in any written information, statement, warranty or representations made or furnished to the Chargee by or on behalf of the Chargor with respect to the Property or the Chargor's financial condition and if such discrepancies or inaccuracies are material in the opinion of the Chargee, acting reasonably;
- (e) the Chargor defaults under any one or more covenants, conditions, terms, agreements, provisions and obligations contained in any document submitted to the Chargee by or on behalf of the Chargor in connection with this Charge and fails to remedy such default within 15 days of written notice thereof;
- (f) any or all of the shares issued and outstanding in the capital stock of the Chargor are directly or indirectly transferred, pledged, encumbered, hypothecated or dealt with in any manner whatsoever such that the Chargee determines, in its sole and unfettered discretion, that there is a change in control of the Chargor;
- (g) there is litigation or any other proceeding, application, claim or action pending or threatened before any court, administrative board, or other tribunal which, if determined adversely to the Chargor or, in the opinion of the Chargee, acting reasonably, would materially affect the Property, the financial condition of the Chargor or the value of the Property;
- (h) there is rendered against the Chargor a final judgment, order or decree for the payment of money which remains unpaid for 30 days and which, in the sole opinion of the Chargee, will materially affect the Property, the financial condition of the Chargor or the value of the Property; and
- (i) the Chargor is in contravention of the *Residential Tenancies Act (Ontario)* or any predecessor and/or successor legislation thereto which contravention materially affects the value of the Property.
- (j) if the Property is abandoned for a period exceeding fifteen consecutive days, the Chargee shall be entitled (after giving the Chargor ten days written notice of abandonment and if the Chargor fails to rectify the abandonment within fifteen days after the notice has been given) to immediately cancel its obligation, decline to advance further funds and declare monies already advanced to be due and payable plus interest, all at the Chargee's option.
- (k) failure to comply at all times with the terms and conditions of the Commitment and all such other reasonable requirements of the Chargee.
- (l) failure of the Chargor to perform and do all such things that are necessary to reasonably maintain the Property.
- (m) the creation of any encumbrance ranking or purportedly ranking ahead of or pari passu with the Charge to be held by the Chargee except as contemplated by the Commitment.
- (n) any material deterioration in the opinion of the Chargee in the financial condition of either the Chargor, or in the value of the Property which would materially impair the Chargor or Covenantors' ability to repay the Charge.
- (o) failure to make any Principal and/or Interest payments as required.
- (p) failure to pay property taxes as required.

If any of the foregoing Events of Default shall occur then, notwithstanding the provisions of any other agreement between the Chargor and the Chargee and at the option of the Chargee, the whole of the Principal Amount and Interest shall immediately become due and payable and the Chargee shall be relieved of any further obligations to advance monies to the Chargor. If an Event of Default is waived by the Chargee, such waiver shall not operate as a waiver of any other, further or continuation of the same Event of Default.

UNREMEDIED DEFAULTS

In the event of a default or unremedied default beyond any reasonable or applicable cure period, if any, the Chargee may:

- (a) Demand payment of the subject loan and/or commence foreclosure proceedings.
- (b) Appoint a Receiver, attorn rents, take possession of the asset charged and pursue all or any remedies under the law.
- (c) Cease further funding under the Commitment and/or cancel the Commitment, as the case may be.

15. DUE ON SALE OR CHANGE OF CONTROL

Subject to Section 34(b) of this Schedule, any change of ownership (beneficial or otherwise) or control of the Chargor, or any change of ownership (beneficial or otherwise), control, transfer or sale of the Property, or part thereof, or that of any person or entities providing covenants to this Charge, any change in the effective voting control of the Chargor, or the Chargor amalgamates or mergers without the Chargee's prior written consent which consent shall not be unreasonably withheld, shall at the discretion of the Chargee, constitute a default under this loan and the loan shall become immediately due and payable. The Chargee may require as one of the terms for giving consent that the purchaser shall execute an Assumption Agreement in the Chargee's favour.

The Chargor will provide reasonable notice to the Chargee of any anticipated or impending transaction which would require the consent of the Chargee together with such reasonable information as the Chargee may require to determine whether or not to grant its consent thereto.

16. SUBSEQUENT ENCUMBRANCES

Subject to Section 34(b), the Chargor shall not, without the Chargee's prior written consent, which may be withheld in its sole discretion, further charge or otherwise encumber the Property or any interest therein.

17. RIGHT TO DISTRAIN

The Chargee may distrain for arrears of any portion of the Principal Amount, Interest or any other amounts due and unpaid hereunder. The Chargor waives all rights to claim exemption and confirms that there is no limit in the amount for which the Chargee may distrain.

18. CHARGE NOT A CHARGE IN POSSESSION

It is agreed that the Chargee, in exercising any of its rights under this Charge, shall be deemed not to be a chargee in possession or a chargee in possession of the Property.

19. SPECIFIC ASSIGNMENT OF LEASES

As further security for this Charge, the Chargor covenants and agrees to grant to the Chargee upon thirty (30) days prior written notice from the Chargee to the Chargor, a specific assignment of any lease or leases of part or all of the Property comprising the security of this Charge.

20. ADDITIONAL SECURITY

In the event that the Chargee, in addition to the Property, holds or shall hold, in the future, further security on account of the Principal Amount, it is agreed that no single or partial exercise of any of the Chargee's powers under this Charge or any of such further security (this Charge and any such further security are hereinafter together referred to

as the 'Security'), shall preclude other and further exercise of any other right, power or remedy pursuant to the Security. The Chargee shall at all times have the right to proceed against all, any or any portion of the Security in such order and in such a manner as the Chargee shall, in the Chargee's sole and unfettered discretion, deem fit without waiving any rights which the Chargee might have with respect to the Security and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining Security.

21. FINANCIAL STATEMENTS

- (a) Subject to Section 34(h), until the repayment of the charge, the Chargor shall provide the Chargee within 120 days after the end of each fiscal year for the Chargor or more often if required by the Chargee, a detailed audited financial statement of the Chargor, Beneficial Owner/Covenantor including a separate income and expense statement for the Property, an operating statement and an updated rent roll containing relevant lease terms for the Property, all satisfactory to the Chargee in form and content.
- (b) Subject to Section 34(h), the Chargor shall further cause the Covenantor to provide, in the case of corporate Covenantor, an audited financial statement with 120 after the end of each fiscal year of each corporate Covenantor, or more often if required by the Chargee and, in the case of an individual Covenantor, a personal net worth statement within 120 days after the end of each calendar year (or more often if requested by the Chargee), such statements to be in form and content satisfactory to the Chargee. If the Chargor does not provide information as noted and one reminder letter is required, an administration fee will be due and owing.
- (b) Subject to Section 34(h), the Chargor authorizes, and shall, if required by the Chargee, cause the Borrower, Beneficial Owner/Covenantor to authorize the Chargee to obtain such financial information as the Chargee may require. If the Chargor does not provide information as noted and one reminder letter is required, an administration fee will be due and owing.

22. SALE BY CHARGOR

No sale or other dealing by the Chargor with the Property or any part thereof shall in any way change or affect the liability of the Chargor hereunder, or in any way alter the rights of the Chargee as against the Property, the Chargor or any other person or persons liable for payment of the Principal Amount, Interest and Costs.

23. PAYMENTS

Any payment made by the Chargor to the Chargee which is received by the Chargee on a non-business day of the Chargee or after 3:00 p.m. on any business day of the Chargee shall be deemed to have been received by the Chargee on the next business day of the Chargee.

24. TAXES

The Chargor covenants that, in addition to the monthly payments of Principal and Interest payable pursuant to this Charge, the Chargor shall also provide to the Chargee, on the 1st day of each month, an amount stipulated by the Chargee sufficient to provide a fund to pay, in full, the annual taxes at the time that the first installments for regular tax bills for such taxes become due and payable. Until there is a default hereunder or under the Commitment Letter, the Chargee shall from time to time make payments to the taxing authority when taxes are due. Where the Chargee has made tax payments in excess of those collected, such excess amounts shall be payable on demand and shall be secured by the Charge and bear interest at the interest rate under the Charge from the date of demand. After default the Chargee may, at its sole option, pay taxes with respect to the Property and such payments will be added to the principal balance of the Charge. The Chargee reserves the right to adjust, from time to time, the estimated monthly tax amount payable, based on taxes actually levied against the Property.

25. RECEIVER

Notwithstanding anything herein contained, it is declared and agreed that any time and from time to time when there shall be default under the provisions of these presents, the Chargee may, at such time and from time to time and with or without entry into possession of the Property, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the Chargee or not, to be a receiver (which term as used herein includes a receiver manager and also includes the plural as well as the singular) of the Property, or any part thereof, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another in his stead, and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor, but no such appointment shall be revocable by the Chargor. Upon the appointment of any such receiver from time to time the following provisions shall apply:

- (a) Every such receiver shall have unlimited access to the Property as agent and attorney for the Chargor (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority to:
 - (i) collect the rents and profits from tenancies whether created before or after these presents;
 - (ii) rent any portion of the Property which may become vacant on such terms and conditions as he considers advisable and enter into and execute leases, accept surrenders and terminate lease;
 - (iii) complete the construction of any building or buildings or other erections or improvements on the Property left by the Chargor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the premises operable or rentable, and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description;
 - (iv) manage, operate, repair, alter or extend the Property or any part thereof.

The Chargor undertakes to ratify and confirm whatever any such receiver may do in the Property.

- (b) The Chargee may at its discretion vest the receiver with all or any of the rights and powers of the Chargee.
- (c) The Chargee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Property.
- (d) Every such receiver shall be deemed the agent or attorney of the Chargor and, in any event, the agent of the Chargee and the Chargee shall not be responsible for his acts or omissions except if as a result of gross negligence or willful misconduct.
- (e) The appointment of any such receiver by the Chargee shall not result in or create any liability or obligation on the part of the Chargee to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Chargee a Chargee in possession of the Property.
- (f) No such receiver shall be liable to the Chargor to account for monies other than monies actually received by him in respect of the Property, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:

- (i) his remuneration aforesaid;
- (ii) all costs and expenses of every nature and kind incurred by him in connection with the exercise of his powers and authority hereby conferred;
- (iii) interest, principal and other money which may, from time to time, be or become charged upon the Property in priority to these presents, including taxes;
- (iv) to the Chargee all interest, principal and other monies due hereunder to be paid in such order as the Chargee in its discretion shall determine;
- (v) and thereafter, every such receiver shall be accountable to the Chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the Property and shall bear interest from the date of demand at the same rate as applies to the principal hereby secured.

- (g) Save as to claims for accounting under clauses (f) of this paragraph, the Chargor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not which may arise or be caused to the Chargor or any person claiming through or under him by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud or gross negligence.
- (h) The Chargee may, at any time and from time to time, terminate any such receivership by notice in writing to the Chargor and to any such receiver.
- (i) The statutory declaration of an officer of the Chargee as to default under the provisions of these presents and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.
- (j) The rights and powers conferred herein in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.

26. NOTICE

Any notice shall be considered given if served personally, or if mailed by prepaid registered post or couriered, addressed to the Chargee at the address shown on the face of this Charge, and in the case of the Chargor, at the address indicated on the face of this Charge and every such notice shall be deemed to have been given upon the day it was personally served, or if mailed/couriered, upon the second business date after it was mailed/couriered. Either party may designate in writing a substitute address for that set forth above, and thereafter notice shall be directed to such substituted address. In the event of a postal strike, or in the event of interruption of mail service, then all notices must be delivered to the address set out, or other address as may have been designated.

27. CHARGOR'S REPRESENTATIONS

If at any time before the advance of funds there is or has been any material discrepancy or inaccuracy in any written information, statements or representations at any time made to the Chargee by the Chargor or on the Chargor's behalf, concerning the Property or the Chargor's or the Covenantor's financial conditions and responsibility, then the Chargee shall, if the material discrepancy or inaccuracy cannot be rectified or nullified by the Chargor within thirty days of written notification from the Chargee, be entitled to immediately withdraw and cancel the Chargee's obligations or decline to

advance further funds, as the case may be, and to declare any monies then advanced, with interest, to be immediately due and payable.

28. UNDERLYING CONDITIONS

During the term of this Charge, the Chargor shall,

- (a) Allow the Chargee and its' agents reasonable access to the Property held as security at all times subject to the rights of the tenant.
- (b) Provide the Chargee with the right but not the obligation to pay any liens, claims or expenses associated with the Property that the Chargee feels are necessary to preserve its interest in the Property and to provide the Chargee with the right to consider all such payments as a debt of the Chargor.
- (c) Perform all necessary acts to maintain the Property in a satisfactory manner.
- (d) Ensure that the Property held as security is not further encumbered without the prior written consent of the Chargee.
- (e) Authorize and consent to such credit investigations as the Chargee feels is necessary.

29. MATERIAL CHANGE

It is a condition for disbursement of funds that in the Chargee's opinion the financial position of the Chargor and/or the Covenantor, and the Property given as security, and the Chargor's representations and warranties, shall not have suffered any adverse change; nor shall there be any action, suites, or pending proceedings of which the Chargor has knowledge; and that no event shall have occurred, which materially and adversely affects the whole or part of the value of the Charged Property or the financial position of the Covenantor.

30. LEASES

Intentionally deleted. See Section 34(c) of this Schedule.

31. WAIVER

The Chargee's failure to insist upon strict performance of any obligation or covenant of the Commitment Letter by the Chargor or to exercise any option or right herein shall not be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Chargee shall have the right to insist upon strict performance by the Chargor of any and all of the terms of the Commitment Letter and the mortgage documentation.

32. CHARGE REGISTRATION

Neither preparation nor registration of any of the documents contemplated shall bind the Chargee to advance funds until all conditions of the Commitment Letter have been satisfied by the Chargor.

33. COVENANT

In consideration of the making by the Chargee to the Chargor of the loan hereby secured, the Covenantor hereby covenants subject to Section 34(a):

- (a) to be jointly and severally liable with the Chargor and as between the Covenantor as principal debtor, and not as surety, for the due payment of all amounts owing under this Charge (the "Indebtedness") at the times and in the manner herein provided; and it is the express intention of the parties hereto that the Covenantor is and shall be liable to the Chargee in the same manner and to the same extent as if the Covenantor had executed this Charge as Chargor;

- (b) that if the Indebtedness is not recoverable under paragraph (a) for any reason whatsoever, the Covenantor unconditionally guarantees the full performance and discharge of all of the obligations to be fulfilled by the Chargor pursuant to the provisions of this Charge at the times and in the manner provided in this Charge;
- (c) that if the Indebtedness is not recoverable under paragraphs (a) and (b) for any reason whatsoever, the Covenantor agrees to indemnify and save harmless the Chargee against and from all losses, damages, costs, charges and expenses which the Chargee may sustain, incur, or be or become liable for by reason of:
- (i) the failure, for any reason whatsoever, of the Chargor to pay the Indebtedness, or
 - (ii) the Chargor's failure, for any reason whatsoever, to do and perform any other act, matter or thing, required to be done or performed pursuant to this Charge, or
 - (iii) the Chargor's failure to refrain from any act, matter or thing required not to be done or performed by it pursuant to this Charge, or
 - (iv) any act, action or proceeding of or by the Chargee for or in connection with the recovery of the Indebtedness or the obtaining of performance by the Chargor or the Covenantor of any other act, matter or thing pursuant to this Charge or restraining the Chargor from any act, matter or thing required not to be done or performed pursuant to this Charge;
- (d) that the Chargee may at any time and from time to time and without notice to the Covenantor, or obtaining any consent of the Covenantor, make any compromise, settlement, extension, renewal or variation in the terms of this Charge, including any variation or increase of the interest rate or any renewal or extension of this Charge between the Chargor or any successor and the Chargee, or take surrender of this Charge or any collateral security or a part thereof, and that no such thing done by the Chargee, nor any carelessness or neglect by the Chargee in asserting its rights, nor the Chargee's loss of any right by operation of law, nor the loss or destruction of any security, nor the lack of validity or enforceability of this Charge or any collateral security or any portion thereof shall in any way release or diminish the liability of the Covenantor under this Charge as long as any Indebtedness remains unpaid or the Chargee has not been reimbursed for all such losses, damages, costs, charges and expenses as aforesaid;
- (e) that the Chargee shall not be obliged to proceed against the Chargor or to enforce or exhaust any security before proceeding to enforce the obligations of the Covenantor and that enforcement of such obligations may take place before, after or contemporaneously with the enforcement of any debt or obligation of the Chargor or the enforcement of any security for any such debt or obligation;
- (f) that nothing but payment and satisfaction in full of the Indebtedness and the due performance and observation of all covenants, agreements and provisos in this Charge and any other security to be given to the Chargee shall release the Covenantor of this Covenant;
- (g) that provided that no incremental costs result to the Chargor or Covenantor, this covenant shall be assignable by the Chargee and that assignment of this Charge shall constitute assignment of this covenant and that this covenant shall not be deemed to have been waived, released, discharged, impaired or affected by reason of the assignment and/or reassignment of this Charge at any time;
- (h) to hereby waive all notices of default, non-performance, non-payment and non-observance on the part of the Chargor of the terms, covenants and provisos contained in this Charge;

- (i) that this Charge would not have been entered into by the Chargee without this covenant;
- (j) that the liability of the Covenantor under this covenant shall not be impaired or discharged by reason of the Chargee taking further or other security for payment of the Indebtedness or by any transfer of the Property or any approval thereof by the Chargee or any assumption of this Charge by any transferee of the Property, or by the Chargee at any time releasing any security or partial security hereunder, or by any extension or renewal of the term of this Charge, or the release or partial release of any covenantor or guarantor of this Charge whether by the Chargee or by operation of law, or by any other act or thing whereby, as guarantor, the Covenantor would or might be released in whole or in part;
- (k) that any payment by the Covenantor of any monies under this covenant shall not in any event be taken to affect the liability of the Chargor for payment thereof, but such liability shall remain unimpaired and enforceable by the Covenantor against the Chargor and the Covenantor shall, to the extent of any such payments made by it, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Covenantor, provided, nevertheless, that the Covenantor shall not be entitled in any event to rank for payment against the Property or any collateral security in competition with the Chargee and shall not, unless and until the whole of the Indebtedness has been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee; and
- (l) to hereby waive any right of set-off the Covenantor may have in respect of any payment to be made under this covenant.

34. SPECIAL PROVISIONS

(a) REIT/LP Limitation:

Notwithstanding anything to the contrary in this Charge, the obligations of the Chargor and Covenantor shall not be personally binding upon:

- (i) any trustee, officer, employee or agent of the Covenantor or any other real estate investment trust which is or becomes the direct or indirect owner of the Property (the "REIT"),
- (ii) any registered or beneficial holder of the REIT units, or limited partnership units of subsidiaries of the REIT, (a "Unitholder") or
- (iii) any annuitant under a plan of which a Unitholder acts as a trustee or carrier; and resort shall not be had to, nor shall recourse or satisfaction be sought from any of the foregoing or the private property of any of the foregoing; provided that the foregoing shall not in any way limit the liability of the Covenantor named in the Commitment or any of the security delivered in furtherance hereto;

Prior to an event of default, there shall be no restrictions upon distributions in the ordinary course of business by the Chargor to the REIT or any of the REIT's subsidiaries, and then by the REIT to its Unitholders in accordance with and subject to the REIT's declaration of trust filed with Canadian securities regulators, as same may be amended, restated or superceded from time to time.

Without limiting the Chargor's reporting requirements specific to the Property, the time of any required general financial reporting will be subject to applicable securities laws, regulations and rules, including those of the Toronto Stock Exchange and the provincial Securities Commissions.

Any change in control of the Chargor and/or the REIT which occurs as a result of trading on a recognized stock exchange shall not require the Chargee's consent or payment of an assumption fee.

(b) Transfer to Affiliate:

The Chargee's consent shall not be required in respect of the transfer of title to the Property and assumption of the loan by an affiliate of the Chargor, subject however to execution of the documents required by the Chargee in respect of the assumption of the loan by the transferee, and provided same shall not release the REIT.

(C) Leasing:

The Chargor may, without the Chargee's consent, from time to time (i) agree to amend the existing leases so long as such amendments are commercially reasonable, and do not release such tenants or reduce such tenant's rental obligations under the lease except in the ordinary course of its business acting as would a prudent landlord, and (ii) agree to lease premises in the Property, acting as a prudent landlord, to replacement tenant(s) at fair market terms.

(d) Alterations:

The Chargor may, without the Chargee's consent, make in a good and workmanlike manner (i) such alterations or additions required to be made pursuant to the existing leases or new lease(s) which are entered into in accordance with the security documents (ii) such alterations or additions the aggregate cost of which during a calendar year does not exceed \$500,000; and (iii) alterations or additions contemplated in or required to be made by the Commitment or the security documents.

(e) Non Disturbance Agreement:

Provided an Event of Default has not occurred and is continuing, in the event that the Chargor, on behalf of a tenant under a lease, makes written request of the Chargee for a non-disturbance agreement in regard to such lease and the Chargee receiving such reasonable information concerning the tenant, the lease and the premises as the Chargee requires in regard to such request, the Chargee shall respond promptly to such request and will consider reasonable changes requested by the tenant to the Chargee's standard form non-disturbance agreement.

(f) Notice:

Any failure to comply with a term or condition of the Commitment or the security documents to be granted in relation hereto shall not constitute an event of default if the Chargor remedies same with the applicable period (three business days following written notice to the Chargor for monetary default and fifteen days (or such other period specified in the security) following written notice to the Chargor for curable non-monetary defaults).

(g) Conflict:

In the event of conflict or inconsistency between the provisions of this Charge and the Commitment, the provisions of the Commitment shall prevail. In the event of a conflict or inconsistency between the provisions of the Commitment and the security document, the provisions of the Commitment shall prevail.

(h) Reporting:

The Covenantor will deliver annually within 120 days of year-end annual audited consolidated financial statements from the REIT. Without limitation to the properly level report requirements, so long as the Chargor is a subsidiary of the REIT, no separate financial statements for the Chargor will be required.

Where there is any conflict between the provisions contained in this Section 34 or any other provision of this Schedule, the provisions of Section 34 shall prevail.

35. CONSENT TO DISCLOSURE

In the event the Chargee sells the loan secured by the Charge (the "Loan") or securitizes it into the secondary market, the Chargor and each Covenantor consent to the release by the Chargee of all information and materials in the Chargee's possession

concerning the Chargor, each Covenantor and/or the Property to such party or parties (including the public in any offering memorandum) as may be necessary or desirable to facilitate such sale or securitization. In addition, the Chargor and each Covenantor agree that the Chargee may share any information concerning the Chargor or any Covenantor, as the case may be, with (a) any proposed assignee of this Commitment or the Loan, (b) the Chargee's duly authorized agents or representatives who are engaged in the processing or servicing of the Loan.

36. CRIMINAL RATE OF INTEREST

Notwithstanding the provisions of this Charge or in any agreement, instrument or other document held by the Chargee in connection with the Charge, in no event shall aggregate "Interest" (as that term is defined in Section 347 of the Criminal Code (Canada)) exceed the effective annual rate of interest on the "credit advanced" (as defined therein) lawfully permitted under the Section. The effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices over the term of the Charge, and in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries selected by the Chargee shall be conclusive for the purposes of such determination.

37. VALIDITY OF PROVISIONS

If any provision of this Charge is held to any extent invalid or unenforceable, the remainder of this Charge shall not be affected and shall remain valid and enforceable.

38. TIME OF THE ESSENCE

Time shall be of the essence in all matters relating to this Charge.

39. INTERPRETATION AND HEADINGS

Wherever in this Charge the singular or masculine is used, the same shall be construed as meaning the plural or the feminine or the neuter where the context or the parties hereto so require. The headings do not form part of this Charge and have been inserted for convenience of reference only.

This is Exhibit "I" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'S' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

Land Registration Reform Act
SET OF STANDARD CHARGE TERMS
 (Electronic Filing)

Filed by
Dye & Durham Co. Inc.

Filing Date: November 3, 2000

Filing number: 200033

The following Set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. L.4 as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to the above-noted filing number in such charge shall hereinafter be referred to as the "Charge".

Exclusion of Statutory Covenants

1. The implied covenants deemed to be included in a charge under subsection 7(1) of the *Land Registration Reform Act* as amended or re-enacted are excluded from the Charge.

Right to Charge the Land

2. The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge.

No Act to Encumber

3. The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose.

Good Title in Fee Simple

4. The Chargor, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown.

Promise to Pay and Perform

5. The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same.

Interest After Default

6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land.

No Obligation to Advance

7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.

Costs Added to Principal

8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.

Power of Sale

9. The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the *Mortgages Act*. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly

one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

Quiet Possession

10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.

Right to Distrain

11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.

Further Assurances

12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whosoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.

Acceleration of Principal and Interest

13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.

Unapproved Sale

14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.

Partial Releases

15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.

Obligation to Insure

16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

Obligation to Repair

17. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment

before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

Building Charge

18. If any of the principal amount to be advanced under the Charge is to be used to finance an improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the *Construction Lien Act* as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.

Extensions not to Prejudice

19. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so altered over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

No Merger of Covenants

20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.

Change in Status

21. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.

Condominium Provisions

22. If the Charge is of land within a condominium registered pursuant to the *Condominium Act* (the "Act") the following provisions shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the corporation on the due dates. If the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay the same to the Chargee upon being so notified. The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 16 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.

Discharge

23. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge or assignment shall be paid by the Chargor.

Guarantee

24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.
 - (b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.
 - (c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect

the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.

- (d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.
- (e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.

Severability

25. It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then, such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

Interpretation

26. In construing these covenants the words "Charge", "Chargee", "Chargor", "land" and "successor" shall have the meanings assigned to them in Section 1 of the *Land Registration Reform Act* and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

Paragraph headings

27. The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

Date of Charge

28. The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.

Effect of Delivery of Charge

29. The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor and other party to the Charge agrees not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the Charge for registration to do so.

DATED this day of , (year)

This is Exhibit "J" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)



1920 | College Avenue
Regina (Saskatchewan) | S4P 1C4
t 306-347-6276 | f 306-347-6844
addenda-capital.com

March 25, 2013

GT Port Hope Holding Inc.
co/ NorthWest Healthcare Properties Real Estate Investment Trust
284 King Street East Suite 100
Toronto, ON M5A 1K4

Attention: Greg Handley

Dear Sir:

Re: First Mortgage Financing for 249 Ontario Street, Port Hope, Ontario

Your application for a first mortgage loan has been approved by Addenda Capital Inc., ("the Lender") subject to the terms and conditions set forth in this commitment letter.

1.) **LENDER**

ADDENDA CAPITAL INC.

2.) **BORROWER**

GT Port Hope Holding Inc.

3.) **GUARANTOR**

NorthWest Healthcare Properties Real Estate Investment Trust

(see Sec "F")

The Borrower and Guarantor jointly and severally covenant and agree to satisfy all the terms, conditions, and requirements herein contained before any advances are made. The obligation of the Borrower and Guarantor to make payment under the mortgage and perform all other obligations hereunder shall be deemed to be joint and several. (hereinafter called the "Guarantor")

4.) **MORTGAGE SECURITY**

Mortgage security shall include but not be limited to:

- a) A Conventional First Mortgage charge over the lands and buildings consisting of a 24,816 sq. ft. medical office centre located in 2.08 acres of land

- b) A General Security Agreement, (specific to this project) as collateral security on equipment (including air conditioning units, heating equipment, etc.) and all other personal property which will be used in this project shall be included in the security as a first financial charge on such equipment, together with a financing statement in respect of the security interest created by the general security agreement which shall be registered under the provisions of the Personal Property Act. The equipment must be fully paid for and insured against all risks including theft and satisfactory evidence of insurance must be submitted to us.
- c) A General Assignment of Leases and Rents, (specific to this project) and Estoppel Certificates executed by non-residential tenants of the property.
- d) The Joint and Several Guarantees and Postponement of Claims, (specific to this project) of NorthWest Healthcare Properties Real Estate Investment Trust, subject to Schedule F.
- e) An Assignment of all insurance policies, (specific to this project);
- f) An Assignment of any parking service agreements and or parking revenue, (specific to this project).

5.) **MUNICIPAL ADDRESS**

249 Ontario Street, Port Hope, Ontario

6.) **LEGAL DESCRIPTION:**

Plan 11 Lot 15 PT Lots 12 to 14, 16 and 17 RP 9R2679 Part 1

7.) **TYPE OF LOAN**

A conventional first mortgage for the purpose of recapturing equity

8.) **PRINCIPAL AMOUNT**

\$6,000,000 SIX MILLION DOLLARS

9.) **INTEREST RATE**

Set @ 3.43%

The annual interest rate shall be the sum of the Government of Canada Yield as of 12:00 noon Regina time on the fifth business day prior to the date funds are advanced to the Borrower (the "Funding Date"), plus 2.1% (210 basis points) calculated semi-annually not-in-advance. The Borrower shall have the option of fixing the Interest Rate up to 10 days prior to the "Funding Date", by delivering a written notice to the Lender of its desire to do so. The Interest Rate will then set on the same formula as above based on the Government of Canada Yield in effect for that request day.

10.) **INTEREST ADJUSTMENT DATE**

May
~~June 1~~, 2013 or the first day of the month following the month in which the advance of funds (net of deficiency holdbacks) is made. The Lender shall be the sole judge as to when the "final" advance has been made or deemed to have been made for the purpose of the Interest Adjustment Date.

11.) **TERM**

SIX (6) years from the Interest Adjustment Date.

12.) **AMORTIZATION**

The mortgage shall be amortized over TWENTY FIVE (25) years from the Interest Adjustment Date.

13.) **MONTHLY PAYMENTS**

\$ 29,734.96/mo.

Equal instalments of principal and interest based on the above amortization period shall be payable on the first day of each month during the Term. The first instalment is payable on the first day of the month following the Interest Adjustment Date and the last, on the maturity date of the loan.

Until the Interest Adjustment Date, simple interest on the loan advanced, calculated daily to the Interest Adjustment Date, will be deducted from the amount of the advance.

14.) **REALTY TAXES**

In addition, during the Term of the Loan, the Borrower shall also provide to the Lender, on the first day of each month, an amount stipulated by the Lender sufficient to pay the annual taxes of the Property when due and payable. Until there is a default hereunder or under the Mortgage, the Lender shall from time to time make payments to the taxing authority when taxes are due. Where the Lender has made tax payments in excess of those collected, such excess amount shall be payable on demand and shall be secured by the Mortgage and bear interest at the interest rate under the Mortgage. After default the Lender may, at its sole option, pay taxes with respect to the Property and such payments will be added to the principal balance of the Mortgage. The Lender reserves the right to adjust, from time to time, the estimated monthly tax amount payable, based on taxes actually levied against the property. At the Lender's option, it may withhold from the advance of funds a sum sufficient to create the foregoing fund for the first year of the term.

The Borrower has requested and the Lender has agreed to waive the requirements for a tax component subject to the attached 'Tax Waiver' letter

MB

15.) **PREPAYMENT OF MORTGAGE**

There will be no right to prepay the Loan prior to maturity, except upon payment of a yield maintenance fee (the "Yield Maintenance Fee") as described below.

YIELD MAINTENANCE FEE:

If the principal becomes payable as a result of a breach, default or acceleration then in addition to the principal, interest and other moneys payable under the Mortgage, the Mortgagor shall pay the Lender an amount (the "Prepayment Amount") equal to the greater of:

- a.) The amount by which the Canada Yield Price (as defined herein) exceeds the principal and interest then outstanding under the Mortgage; or
- b.) Three month's interest on the principal then outstanding under the Mortgage.

The obligation of the Mortgagor to pay the foregoing amount is in addition to and not in substitution for the obligation of the Mortgagor to pay all other amounts which become payable under the terms of the Mortgage after or as a result of the breach, default or acceleration.

In this Commitment,

"Canada Yield Price" means the present value (calculated applying a discount rate equal to the Government of Canada Yield (as defined herein) as determined by the Lender as at a date selected by the Lender which in the event of the breach, default or acceleration, is not more than two (2) business days prior to the date on which the Mortgage becomes due and payable, of all payments of principal and interest which would have become due in accordance with the terms of the mortgage but for the breach, default or acceleration (including any principal balance payable on the maturity date of the Mortgage.)

"Government of Canada Yield" means the effective yield to maturity expressed as a percentage per annum calculated half-yearly not in advance which is available as at the time of its determination to a purchaser of non-callable Government of Canada bonds payable in Canadian dollars selected by the Lender and having a maturity date approximating the maturity date of the mortgage.

By accepting this Commitment, the Mortgagor acknowledges that the Prepayment Amount is a genuine pre-estimate of the liquidated damages suffered by the Lender as a result of the breach, default or acceleration having regard to the fact that the Lender matches mortgage investments against obligations, that the Lender is not able to immediately re-invest funds received in mortgages and that the re-investment of funds in mortgages involves significant costs.



16.) **CREDIT COMMITTEE APPROVAL**

This commitment is subject to receipt of approval from Addenda's Credit Committee no later than 10 days from acceptance of this commitment. If approval is not received, this commitment is null and void.

17.) **FUNDING**

The advance is expected to be on or before May 1, 2013 upon registration of security documentation and satisfaction of the funding conditions.

18.) **FUNDING REQUEST**

Once all conditions of the Commitment Letter have been met, the Lender will confirm the actual funding date with the Borrower, (no sooner than five (5) business days' for that point) order funds and process the advance. Should the funding be delayed once the funds are requested for whatever reason, the Borrower will be responsible, at the Lender's option for loss interest at the contract rate on the non-advanced funds until the actual funding date.

In any event the Lender will never be obligated to fund beyond the dates set out in the funding clause.

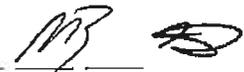
19.) **DISBURSEMENT OF FUNDS**

Conditions precedent to the disbursement of funds shall include:

- a.) The funds secured by the mortgage will be advanced upon title proving acceptable to the Lender and the Lender's solicitors, upon registration of the security documents as required and upon receipt from the Lender's solicitors of a satisfactory report on registration of the security documents and confirmation from our solicitors of no adverse filings concerning the Borrower in any ministry, department or agency of government which, in the Lender's solicitor's opinion, could affect the priority of the mortgage and upon fulfillment of all other terms and conditions of this commitment. *Sol*
- b.) This mortgage is subject to receipt of a current appraisal from an accredited appraiser (AACI). The form and content of the appraisal, along with the appraiser, itself, will be subject to the Lenders approval. Such appraisal is to meet the minimum standards of the Appraisal Institute of Canada, and also include an analysis of replacement cost for insurance purposes. All costs of this appraisal are the responsibility of the borrower. *Rec'd
At 015*
- c.) The Lender shall receive a satisfactory Phase I Environmental Report prepared by a qualified environmental consulting firm. The review is to inspect for hazardous wastes, including, but not limited to, asbestos, PCBs, etc., and is to include a historical land search to verify that the soil in the general vicinity is free to contaminants. The cost of the audit shall be borne by the Borrower. Furthermore, the Borrower hereby agrees to provide all information that it has *Rec'd
At 015*

with respect to environmental matters and hereby warrants to provide full disclosure in this regard to the Lender, (received and accepted).

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Atr 015*
- all
015*
- d.) Receipt and approval of a satisfactory Building Report, containing but not limited to discussion on structural, mechanical, electrical and roof reflecting the current condition and state of repair of the building prepared by knowledgeable engineering firm familiar with this type of property.
- e.) The Lender will require satisfactory Letters of Transmittal with respect to all professional reports including, without limiting, the appraisal report, environmental report, and structural, mechanical and roof reports. A Transmittal Letter is to be issued for each report, addressed to the Lender and state that the report can be relied upon by the Lender for mortgage financing purposes.
- ok* f.) At all times, the Borrower is to provide professional management of the Property satisfactory to the Lender. Any change in the management of the Property shall require the prior written approval of the Lender, both as to the manager and the terms and conditions of the management agreement. The Lender acknowledges that the Borrower is an acceptable manager.
- Need 4
tenants as
requested* g.) We reserve the right to approve all lease documents and all tenants. All leases shall be in effect and the tenant shall be in occupancy and paying rent. Leases of the Property and guarantees, indemnities and rents with respect thereto, shall, when and as required by the Lender, be assigned to the Lender and, if required, registered under assignments first in priority over all other liens, charges and assignments. The form and content of all existing and future leases and offers to lease and all existing and future tenants and, in the case of residential leases, the Borrower's standard form residential lease, shall be subject to the Lender's prior approval, subject to Schedule F.
- ok* h.) The Borrower warrants and represents that Schedule D hereto accurately summarizes all the non-residential leases and rentals relating to the Property as of the date thereof.
- ok* i.) The advance of funds will be subject to a satisfactory site inspection of the project by the Lender, or its agent.
- ok* j.) Each and every obligation contained in this commitment and to be performed, satisfied, or furnished by you, is a condition precedent to our obligation to advance or to continue to make advances. In the case of any advance, all conditions precedent pertaining to the advance must be performed to the Lender's satisfaction, not less than five business days prior to the scheduled date of the advance, or we shall be under no obligation to make the advance.
- ok* k.) All funds must be advanced by no later than May 1, 2013, after which, at our option, we may cancel this commitment and close the loan out at the amount then advanced.



- l.) The Borrower will have provided to the Lender the executed "Pre-authorized Payment" form hereinafter provided as Schedule "C".
- m.) A current signed and dated rent roll containing suite #, tenant name, rent, ancillary income (if any) and rent incentives (if any). *ok*
- n.) The project is to generate sufficient net operating income to generate a 1.20x D.S.C. calculated by the Borrower acting reasonably. *ok*
- o.) Receipt, review and acceptance by the Lender of the last complete annual set of financial statements where applicable for the borrower and the guarantor. *ok*
- p.) Receipt, review and acceptance of current credit reports for the borrower and guarantors. *ok*

20.) INSURANCE

The Borrower shall arrange for Hazard Insurance coverage and keep insured the project and all insured property from time to time forming part of the mortgaged premises on the terms and conditions outlined in Appendix 'B'. Actual policies (or Certificates of Insurance if approved by the Lender) are to be received prior to funding, and renewal or replacement of same to be received prior to expiry. Should the Lender not have proof of renewal prior to expiry, the Lender may, at its sole option, place insurance in an amount sufficient to cover the Lender's exposure with respect to the Property and the outstanding debt and any premium and administration fee added to the principal balance of Mortgage.

21.) ENVIRONMENTAL

The Lender hereby retains the right to refuse to advance funds if at any time there is an adverse material change relating to environmental matters or risk to the subject property(s).

22.) DOCUMENTATION

The Borrower agrees and acknowledges that the documentation in this letter of commitment required to finalize this transaction is not all inclusive and therefore agrees to provide, execute, etc. such other reasonable documentation as Addenda Capital Inc. may require and/or our solicitors deem advisable.

23.) EXPENSES

Whether or not the Loan Amount is disbursed, and notwithstanding retention of a commitment fee by the Lender, all of the Lender's reasonable costs and expenses relating to the Loan, including legal costs, travel costs and any costs and expenses incurred by the Lender due to proceedings under the Bankruptcy and Insolvency Act relating to the Borrower or any Additional Guarantor are the joint and several responsibility of, and shall be paid by, the Borrower and each Additional Guarantor, if any, who shall also be responsible for any commission or finder's fee. Such costs and

expenses may be added to the then outstanding principal balance of the mortgage and shall bear interest at the interest rate under the Mortgage.

24.) PAYMENT OF FEES

It is understood that the Lender will not be liable for any legal registration, re-registration, engineering, environmental, appraisal or insurance consulting fees, or any other expenses incidental to the completion of this loan or any modification, renewal or assumption thereof, whether this transaction is proceeded with or not. Any fees which are the Borrowers responsibility, but are paid by the Lender shall, until the Lender is reimbursed, bear interest at the mortgage rate until paid.

25.) COMMITMENT FEE

As evidence of good faith, you agree to pay us a commitment fee of \$12,000 with your acceptance of this Loan Commitment. This fee shall be fully earned by us when paid, but will be refunded to you upon and as consideration for advancing of the funds contemplated under the commitment provided the first advance is complete by date set out in the Cancellation Clause below. In the event this Commitment is cancelled by the Lender pursuant to the Cancellation Clause, the commitment fee shall be retained by the Lender as liquidated damages, and not as a penalty, without prejudice to the right of the Lender to claim such further and other damages as it may sustain by reason of the occurrence of any of the events detailed in the subparagraphs (a) and (b) of paragraph of Cancellation Clause. It is agreed that the commitment fee represents the reasonable costs of the Lender's work and expenses in underwriting this loan and that is not a penalty. In addition to the Commitment fee, in the event of cancellation of this Commitment and the Interest Rate has been fixed, the Lender shall be entitled to be paid by the Borrower an amount equal to the present value of the unadvanced portion of the Loan Amount multiplied by the Interest Rate Differential, multiplied by the number of years of the term of the mortgage as set out herein.

NOTE: Upon receipt of confirmation from our solicitor that the disbursement of the advance has been completed, the commitment fee shall be returned to the **Borrower** without interest the next business day. Should you wish the commitment fee refund to be payable to a third party, please complete the Authority to Pay which is attached.

26.) LENDER'S APPLICATION FEE

The Lender's non-refundable fee for this loan will be \$6,000. Such fee is deemed to have been earned by the issuance of this commitment and is due and payable with the signed acceptance of same.

27.) CANCELLATION OF COMMITMENT

This commitment may be cancelled by the Lender, at its sole option, if:

- c.) Due to failure, of any reason, of the Borrower or any Additional Guarantor, if any, to satisfy any of the provisions or requirements hereof, the Lender has not

been willing or able to make a disbursement of the Loan Amount on or before the funding date; or

- d.) The Borrower is in breach of any provisions, representations, or warranties herein.

28.) PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCIAL ACT

Pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the "Act"), the Lender is required to ask for identification of the Borrower, the Additional Guarantors and any third party involved in the transaction, and for information with respect to the source of funds used in connection with the Borrower's equity in the Property. The Borrower and each Additional Guarantor hereby covenant and agree to provide, prior to funding, such identification and information as may be reasonably required to ensure the Lender's compliance with the Act.

29.) ACKNOWLEDGEMENT AND PRIVACY ACT CONSENT

It is hereby acknowledged by the Borrower that the Lender may be the Lender or may be acting for an investor client. The Borrower also acknowledges that any personal information requested by the Lender may be disclosed to the investor client, or third party agents of the Lender if required for legitimate purposes connected to the administration of this mortgage.

Note: In order to properly administer this mortgage, we require that the Attached Schedules be signed at the time of execution of this commitment.

The Borrower(s) hereby jointly and severally acknowledge and agree that the Lender may collect, use, and maintain the personal information contained herein and as may be contained in any mortgage application forms and in any other documents or statements presented in support of this loan, about the Borrower(s) and the subject mortgage, for the purposes of (i) to determine your financial situation; (ii) to determine your initial and ongoing eligibility for mortgage services; (iii) to administer or service your mortgage; (iv) to arrange for and in connection with the financing of our mortgage business; and (v) as otherwise necessary for the provision of mortgage services. Borrower(s) further jointly and severally agree that the Lender may disclose the personal information contained herein and as may be contained in any mortgage application forms and in any other documents or statements presented in support of this loan about the Borrower(s) and the subject mortgage, to (i) credit bureaus, credit reporting agencies, mortgage insurers and financial institutions to confirm your financial situation and your initial and ongoing eligibility for mortgage services; (ii) persons retained to administer or service your mortgage for the purpose of such administration or servicing; (iii) persons (or their permitted assignees) involved in the financing or securitizing, or facilitation of the financing or securitizing, of our mortgage business for the purpose of their providing or facilitating such financing or securitizing (which may include the administration for servicing of your mortgage by them or their agents); and (iv) other persons as necessary for the provision of mortgage services to you.

This consent shall inure to the benefit of any assignee of this mortgage in due course. This consent shall be the Lender's and any assignee's good and sufficient authority for its collection, use, maintenance and disclosure of the Borrower(s)' personal information provided herein about him/her/them is accurate and correct in all material respects. Any updates or corrections to the Borrower(s)' personal information and any questions or issues regarding the collection, use, maintenance or disclosure of the Borrower(s)' personal information hereunder must be made in writing, addressed to:

Addenda Capital Inc.
1920 College Avenue, Main East
Regina, Saskatchewan S4P 1C4

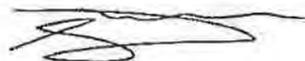
Or to such other address and contact as the Lender or any assignee may advise.

30.) STANDARD REPRESENTATIONS AND TERMS

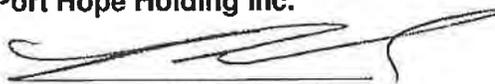
The Appendix, "Standard Clauses and Terms of Commitment" forms part of this Commitment, as well as the attached Schedules and may be enforced or waived only by the Lender. Waiver of any of the Standard Clauses and Terms of Commitment shall not affect any other terms of this commitment, or constitute a waiver of any of the Borrower's obligations.

Our commitment to make this loan will not become effective until you acknowledge acceptance of all terms and conditions by signing a copy of this letter and returning it to this office by not later than 4:30 p.m., the April 12, 2013 together with a cheque in the amount of \$18,000, representing the commitment fee and processing and inspection fee.

Yours very truly,
ADDENDA CAPITAL INC.



Gregory J. Dwyer CFA
Vice President Mortgage Lending
BORROWER
GT Port Hope Holding Inc.

Per: 

Mike Brady

Per: _____ Senior Vice-President

Guarantor

NorthWest Healthcare Properties Real Estate Investment Trust

Per: 

Mike Brady

Per: _____ Senior Vice-President

APPENDIX A**STANDARD CLAUSES AND TERMS OF COMMITMENT****1.) SALE OF PROPERTY**

Any change of ownership (beneficial or otherwise) or control of the Borrowing Company, or any change of ownership (beneficial or otherwise), control, transfer or sale of the property, or part thereof, or that of any person or entities providing covenants to this loan, any change in the effective voting control of the Borrower; or the Borrower amalgamates or mergers without the Lender's prior written consent which consent shall not be unreasonably withheld, shall at the discretion of the Lender, constitute a default under this loan and the loan shall become immediately due and payable. The Lender may require as one of the terms for giving consent that the purchaser shall execute an Assumption Agreement in the Lender's favour.

The Borrower will provide reasonable notice to the Lender of any anticipated or impending transaction which would required the consent of the Lender under this Section together with such reasonable information as the Lender may required to determine whether or not to grant its consent thereto.

*Assist.**Mary Ann Hayward.***2.) SOLICITORS**

A firm of solicitors ^{David Redmond of Cassels Brock} ~~Chris Fournier of Gowlings, Ottawa, 613-786-0113, (christopher.fournier@gowlings.com)~~ shall be used to draw the security documentation and any other documents related to this transaction and to disburse advances. All investigations and registrations shall be to the satisfaction of us and our solicitors prior to each advance. All legal costs of our solicitors related to this transaction shall be payable by you and may be deducted from the loan proceeds and shall be paid by you directly to our solicitors in the event this transaction does not proceed to an initial funding under the mortgage.

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The Borrower and Guarantors shall execute such documents, including the mortgage and other security agreements, in form and to contain provisions protecting the Lender's rights as our solicitors shall require. Notwithstanding the generality of the foregoing, our solicitors shall be furnished with any affidavits, financial statements, tenant estoppel certificates, acknowledgements, directions, and other information relating to the mortgaged property (or income thereof), including opinions of the solicitor for the Borrower indicating full compliance with all the representations and conditions as provided herein as either the Lender or its solicitors shall request.

Borrower's Solicitor:

Name: Scott Campbell

Firm: McLean & Kerr LLP, Toronto

Phone No: 416-369-6615

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3.) **CANCELLATION OF ADVANCE**

If all or a portion of the loan amount is advanced into our solicitor's trust account as the result of verbal or written request or concurrence of the Borrower or their solicitor and are not subsequently disbursed for any reason, then the Borrower shall pay to the Lender interest accrued on the amounts so advanced to our solicitor at the rate provided in the mortgage. If, pending disbursement of the advance, the Lender's solicitors place the monies in an interest bearing deposit, any interest accruing from such deposit will be credited to the Borrower after payment has been made to the Lender of the interest required by this paragraph.

4.) **PLAN APPROVAL**

It is a condition of the loan and the disbursement of the funds that the existing land and building complies with all federal, provincial and municipal provisions and governmental and regulatory authorities and there shall be no other work orders or notices of deficiencies whatsoever against the property.

5.) **ZONING AND USE**

We shall require evidence that the lands are zoned for the use intended and that the property complies with all current zoning regulations.

6.) **LICENSING IN COMPLIANCE WITH ALL LAWS AND REGULATIONS**

As a condition of the commitment, the loan documents shall provide that the mortgage properties are to be operated at all times in accordance with all applicable laws and ordinances, whether municipal, county, provincial or federal, including the compliance in full with any legislation and regulation in respect of the handicapped.

7.) **SURVEY**

A survey together with a Survey Certificate prepared by a registered Land Surveyor approved by the Lender in respect to the lands is to be furnished to us at your expense. Such survey is to be satisfactory to us and, without limiting the generality of the foregoing, is to show:

- the boundaries and dimensions of the lands;
- the location of the building(s) and any other improvement on the lands;
- the names and municipal block numbers of adjacent street;
- location of all registered easements, right-of-way, etc.;
- no encroachments by or onto the project lands.

8.) **FINANCIAL INFORMATION**

- a.) Until the repayment of the Loan, the Borrower shall provide the Lender, within 120 days after the end of each fiscal year for the Borrower, or within 120 days after the end of each calendar year, if applicable or of the Borrower is an

individual, or more often if requested by the Lender, a detailed audited financial statement of the Borrower including a separate income and expense statement for the Property, an operating statement and an updated rent roll containing relevant lease terms for the Property, all satisfactory to the Lender in form and content, subject to Schedule F.

- b.) The Borrower shall further cause each Additional Guarantor to provide, in the case of corporate Additional Guarantors, an audited financial statement within 120 days after the end of each fiscal year of each corporate Additional Guarantor, or more often if requested by the Lender, and, in the case of each individual Additional Guarantor, a personal net worth statement within 120 days after the end of each calendar year, (or more often if requested by the Lender), such statements to be in form and content satisfactory to the Lender. Non-receipt after one reminder will be subject to an administration fee.
- c.) The Borrower authorizes, and shall, if required by the Lender, cause each Additional Guarantor to authorize, the Lender to obtain such financial information as the Lender may require. If the Borrower does not provide information as noted and more than one reminder letter as required, an administration fee will be due and owing.

9.) **ADDITIONAL EVENTS OF DEFAULT**

The following shall represent events of default under the mortgage:

- a.) An event of default shall occur if the project is abandoned for a period exceeding fifteen consecutive days, the Lender shall be entitled (after giving the Borrower ten days written notice of abandonment and if the Borrower fails to rectify the abandonment within fifteen days after the notice has been given) to immediately cancel its obligations, decline to advance further funds and declare monies already advanced to be due and payable plus interest, all at the Lender's option.
- b.) Failure to comply at all times with the terms and conditions of this Commitment and all such other reasonable requirements of the Lender, to be specified in the mortgage document.
- c.) Failure of the Borrower to perform and do all such things that are necessary to reasonably maintain the property.
- d.) The creation of any encumbrance ranking or purportedly ranking ahead of or pari passu with the charge to be held by the Lender except as contemplated herein.
- e.) Any material deterioration in the opinion of the Lender in the financial condition of either the Borrower, or in the value of the property, which would materially impair the borrower or Guarantor's ability to repay the loan.
- f.) Failure to make any principal and/or interest payments as required.

g.) Failure to pay property taxes as required.

10.) UNREMEDIED DEFAULTS

In the event of a default or unremedied default beyond any applicable or reasonable cure period, if any, the Lender may:

- a.) Demand payment of the subject loan and/or commence foreclosure proceedings.
- b.) Appoint a Receiver, attorn rents, take possession of the asset charged and pursue all or any remedies under the law.
- c.) Cease further funding under the Commitment and/or cancel the Commitment, as the case may be.

11.) NOTICE

Any notice shall be considered given if served personally, or if mailed by prepaid registered post or couriered, addressed to us at the address shown on the face of this commitment, and in the case of the Borrower, at the address indicated in this letter and every such notice shall be deemed to have been given upon the day it was personally served, or if mailed/couriered, upon the second business date after it was mailed couriered. Either party may designate in writing a substitute address for that set forth above and which thereafter notice shall be directed to such substituted address.

12.) BORROWER'S REPRESENTATIONS

If at any time before the advance of funds there is or has been any material discrepancy or inaccuracy in any written information, statements or representations at any time made to us by you or on your behalf, concerning the project or yours or the Guarantor's financial conditions and responsibility, then we shall, if the material discrepancy or inaccuracy cannot be rectified or nullified by you within thirty days of written notification from us, be entitled to immediately withdraw and cancel our obligations or decline to advance further funds, as the case may be, and to declare any monies then advanced, with interest, to be immediately due and payable.

13.) MATERIAL CHANGE

It is a condition for disbursement of funds that in the Lender's opinion the financial position of the Borrowing Company and/or the Guarantors, and the property given as security, and the Borrower's representations and warranties, shall not have suffered any adverse change; nor shall there be any action, suits, or pending proceedings of which the Borrower has knowledge; and that no event shall have occurred, which materially and adversely affects the whole or part of the value of the mortgaged property or the financial position of any of the Guarantors.

14.) NON-MERGER

Your obligations contained in the commitment (and to the extent that those obligations are not repeated in the mortgage and other security referred to in this letter) shall survive the execution and registration of the mortgage and other security documentation and all advances of funds under the mortgage, and you agree that those obligations shall not be deemed to be merged in the execution and registration of the mortgage and other security. All terms and conditions of our mortgage and other security documentation shall be deemed to be incorporated in and form part of this commitment, except to the extent provided for in this letter, and subject to Schedule F.

15.) NO FURTHER ENCUMBRANCES

The Borrower shall not, without the Lender's Prior written approval, which may be withheld in its sole discretion, further charge or otherwise encumber the Property or any interest therein.

16.) WAIVER

The Lender's failure to insist upon strict performance of any obligation or covenant of this commitment by the Borrower or to exercise any option or right herein shall not be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Lender shall have the right to insist upon strict performance by the Borrower of any and all of the terms of this commitment and the mortgage documentation.

17.) MORTGAGE REGISTRATION

Neither preparation nor registration of any of the documents contemplated shall bind the Lender to advance funds until all conditions of this letter have been satisfied by the Borrower.

18.) INTERPRETATION OF CONTRACT

This agreement shall be interpreted in accordance with the laws of the Province in which the project is located and shall be treated in all respects as a contract of that province.

19.) ASSIGNMENT OF COMMITMENT

The Borrower shall not assign, transfer or otherwise deal or dispose of its rights hereunder without the prior written approval of the Lender.

20.) ADVANCE CONDITIONS

All conditions of the obligations of the Lender to make advances are imposed solely for the benefit of the Lender and its assigns (and/or its investor client) and any or all of

such conditions of the obligation of the Lender to make advances, may be waived in whole or in part at any time in its discretion it deems it advisable to do so.

21.) UNDERLYING CONDITIONS

During the tenure of this loan, the Borrower shall:

- a.) Allow the Lender and its agents reasonable access to the property held as security at all times.
- b.) Provide the Lender with the right but not the obligation to pay any liens, claims or expenses associated with the property that the Lender feels are necessary to preserve his interest in the property and to provide the Lender with the right to consider all such payments as a debt of the Borrower.
- c.) Perform all necessary acts to maintain the property in a satisfactory manner.
- d.) Ensure that the property held as security is not further encumbered without the prior written consent of the Lender.
- e.) Authorize and consent to such credit investigations as the Lender feels is necessary.

22.) SUCCESSORS AND ASSIGNS

This commitment shall, subject to the provisions herein, enure to the benefit of and be binding upon our respective successors, administrators, benefactors, heirs and permitted assigns.

23.) TIME OF ESSENCE

Time shall be of the essence in all respects in this agreement.

24.) AMENDMENTS TO COMMITMENT

No term or condition of this Commitment can be waived or varied orally by any officer, employee or agent of the Lender. Any amendments to this Commitment must be in writing and signed by an officer of the Lender, duly authorized for this purpose.

25.) ELEVATORS

Elevators are to be fully paid for upon installation and satisfactory evidence of such payment must be submitted to us.

26.) ENVIRONMENTAL MATTERS

- a.) A warranty and representation in form satisfactory to the Lender that the subject property and its existing prior uses comply and have at all times complied with all laws, regulations, orders and approvals of all governmental

authorities having jurisdiction with respect to environmental matters applicable to the ownership, use, maintenance, and operation of the property (collectively, the "Environmental Laws") and, without limiting the generality of the foregoing:

- i. the property has never been used as a land fill site or to store hazardous substances wither above or below ground, in storage tanks or otherwise;
 - ii. all hazardous substances used in connection with the business conducted at the property have at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental Laws.
 - iii. no hazardous substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the property as a result of the conduct of business on the property; and
 - iv. no notices of any violation of any matters referred to above relating to the property or its use have been received by the Borrower and there are no directions, writs, injunctions, orders or judgements outstanding, no law suits, claims, proceedings, or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the property nor is there any basis for such law suits, claims, proceedings, or investigations being instituted or filed.
- b.) For the purposes of this commitment letter, a hazardous substance includes but is not limited to contaminants, pollutants, dangerous substances, gasoline, oil, liquid wastes, industrial wastes, whole liquid wastes, toxic substances, hazardous wastes, hazardous materials and hazardous substances as defined in or pursuant to the Environmental Protection Act or any applicable Environmental Law. It shall be an event of default under the loan if the foregoing representation and warranty shall be false or misleading at the time given.
- c.) The Borrower further acknowledges and agrees to:
- i. Provide the Lender with copies of all communication received from environmental agencies with respect to the property, whether written or verbal.
 - ii. Provide the Lender with copies of all communications received by any person relating to an environmental claim, whether written or verbal.
 - iii. It shall become an event of default if at any time the property is designated as a contaminated site or non-compliance with an environmental requirement (such as remediation order).
 - iv. The Borrower shall provide an Environmental Indemnity to the benefit of the Lender. Said Indemnity shall survive the repayment and discharge



of the loan. A separate Environmental Indemnity Agreement may be required at the Lender's option

- v. The Lender shall have the right, before and after default, to enter the property at any time to carry out any environmental investigations which are deemed necessary, beyond a Phase I investigation, which involves more intrusive tests such as boreholes for soil and water samples. The cost of any such further investigation shall be payable by the Borrower and shall be a charge upon the property. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee to be in possession, management or control of the said lands and buildings.



APPENDIX B**INSURANCE REQUIREMENTS****A – GENERAL CONDITIONS:**

1. All insurance policies shall be in form and with insurers reasonable acceptable to Addenda Capital Inc.. Deductibles, where used, will be allowed only as they may be reasonable acceptable to Addenda Capital Inc..
2. The Mortgagor will provide Addenda Capital Inc. with satisfactory evidence that the required insurances are in place.
3. All losses will be payable to Addenda Capital Inc. as First Mortgagee and the policies will include an Insurance Bureau of Canada Standard Mortgage Clause.
4. If there is currently a First Mortgagee on the property, then Addenda Capital Inc. will show as Mortgagee and Loss Payee as their interest may appear, until the insurer has received release of interest from the prior lender at which time the policies will be endorsed to show Addenda Capital Inc. as First Mortgagee and Loss Payee.
5. The mortgagor shall be an Additional Insured on all policies.
6. The policy shall contain a clause that the Insurer will neither terminate nor alter the policy to the prejudice of Addenda Capital Inc. except by registered letter to Addenda Capital Inc. giving notification of at least thirty (30) days. The Mortgagor will replace any terminated policy providing similar coverage with no cessation in coverage.

Such notice clause shall not be modified by such phrases as "endeavour to" or "but failure to provide such notice shall impose no obligation or any liability of any kind upon the company".

7. All coverages shown are the minimum requirements and are not intended as a recommendation or advisement of what may constitute full and proper coverage for the Mortgagor.

B – PROPERTY INSURANCE:

The Mortgagor will insure and keep insured the improvements and all insurable property forming part of the mortgaged Premises, in an amount not less than the Replacement Cost thereof:

1. On an All Risk basis, including:
 - a. Flood,
 - b. Earthquake,
 - c. Sewer Backup,
 - d. Blanket Building By-laws.



2. Subject to the Stated Amount Co-insurance Clause or such similar condition and shall in this regard file all documentation necessary as required under this clause.
3. Coverage is to be subject to a Replacement Cost Endorsement with no requirement to replace on the same or an adjacent site. (Replacement cost to be determined by an appraiser or the insurance agent).

C- EQUIPMENT BREAKDOWN INSURANCE (BOILER AND MACHINERY):

The Mortgagor will also maintain Equipment Breakdown insurance to cover all building equipment and machinery (and production machinery, if applicable) for explosion, electrical loss or damage and mechanical breakdown.

D – BUSINESS INTERRUPTION INSURANCE:

The Mortgagor will effect and maintain Business Interruption Insurance on one of the forms known as Gross Rents or Profits (whichever shall be applicable), or their equivalent, for loss resulting from those perils covered by the insurance described above in Sections (A) and (B). The period of indemnity will not be less than twelve months. The coverage will provide for not less than 100% of such loss of profits or gross rents.

E – LIABILITY INSURANCE:

The Mortgagor will effect and maintain Public Liability Insurance in an amount of not less than \$5,000,000.00, on either a Comprehensive General Liability or Commercial General Liability form. Mortgagee is to be named as 'Additional Insured'.

If the project is a Condominium, from and after registration of the Strata Plan, all insurance policies are to be in an acceptable condominium form and are to cover Improvements and Betterments of a permanent nature made to the units by the unit owners, including fixed wall-to-wall carpeting. Such insurance shall comply in all respects with the requirements of the condominium by-laws to be approved by Addenda.

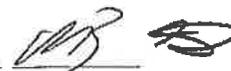
All insurance policies must be forwarded to our insurance consultants, for their review and comments upon acceptance of this commitment.

The Lender's insurance consultants will review the insurance policies. Such cost shall be for the account of the Borrower and will therefore be deducted from the initial advance of funds under this loan.

Risk Review Inc.
 Suite B – 26 Kent Street
 P.O. Box 20137
 Woodstock, Ontario N4S 8X8
 Ph. 416-607-7251
 Fax 416-607-7259

Borrower's Insurance Agent

Name: Jones Brown Inc.
Address #1100-480 University Avenue
Toronto, Ontario M5G 1V2
Att: Patty McNeil
Phone No. 416-408-5048
Fax No. 416-408-4517



SCHEDULE 'A'

NOTICE TO INSURANCE AGENT

Re: 249 Ontario Street, Port Hope, Ontario

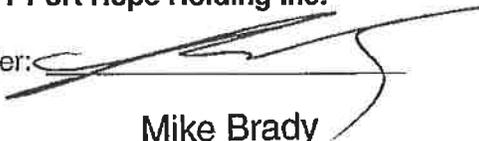
To Whom It May Concern:

Approval is being given to release any information verbally or in document form as requested by Addenda Capital Inc. or its designated agent regarding all insurance requirements for the above-noted property. This is including but not limited to certified copies of Insurance Policies, Certificated of Insurance, or Binder Letters.

This approval will remain in full force and effect until the mortgage is paid in full.

Dated this _____ day of _____, 2013.

BORROWER
GT Port Hope Holding Inc.

Per: 
Mike Brady
Per: _____ ~~Senior Vice-President~~

SCHEDULE 'B'

PROPERTY TAX INFORMATION RELEASE

I/We hereby authorize the City of Port Hope Property Tax Department to release all information relevant to taxes levied against the following property to Addenda Capital Inc., the mortgagee, as required:

Property Address

249 Ontario Street, Port Hope, Ontario

**Owner
GT Port Hope Holding Inc.**

Per: 

Per: _____
Mike Brady
Senior Vice-President

SCHEDULE 'C'

**ADDENDA CAPITAL INC.
PRE-AUTHORIZED DEBIT (PAD) AGREEMENT**

I/we authorize Addenda Capital Inc., and the financial institution designated (or any financial institution I/we may authorize at any time) to begin deductions for monthly mortgage payments.

I/we agree to the following conditions of this plan:

- 1) Monthly mortgage payments will be drawn on or about the mortgage due dates.
- 2) Addenda Capital Inc. will provide at least **5 days** advance notification of any changes to the monthly PAD amount that may result from tax component adjustments, or any other payment adjustments that may be necessary.
- 3) Should the PAD payment be returned due to non sufficient funds (NSF) or dishonoured for any reason, Addenda Capital Inc. will process an NSF Fee and applicable Late Charge PAD payment within 30 days of being notified of the dishonoured PAD.
- 4) This authorization may be cancelled at any time subject to providing Addenda Capital Inc. thirty (30) days written notice. A cancellation form may be obtained from my/our financial institution or by visiting www.cdnpay.ca. Cancellation of this authorization shall not be construed as a modification of the provisions of the mortgage.
- 5) I/We have certain recourse rights if any debit does not comply with this agreement. For example, I/we have the right to receive reimbursement for any debit that is not authorized or is not consistent with the terms of this PAD Agreement. To obtain more information on my/our recourse rights I/we may contact my/our financial institution or visit www.cdnpay.ca.

PLEASE PRINT:

Mortgage Loan # _____

Mortgagor: _____

Account Holder Name: _____
(if different from mortgagor)

This is a personal PAD under CPA rules

Financial Institution Number: _____ Account Number: _____ Transit Number: _____

Name of Financial Institution: _____

Address of Financial Institution: _____

00 PLEASE ATTACH VOID CHEQUE 00

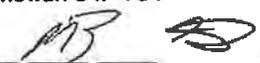
Authorized Signature

Date

Authorized Signature (Joint Account)

Please submit to: **Addenda Capital Inc. 1920 College Avenue, Regina, Saskatchewan S4P 1C4**

GT Port Hope Holdings Inc.

- 24 - Int'l _____ 

Tel: 306-347-6702, Fax: 306-347-6844

SCHEDULE 'D'
RENT ROLL

obtain these leases & estoppels.

Suite	Tenant	Rentable Area	Prop. of Total Area	Term (yrs)	Start Date	Expiry Date	Contract Rent		% of Contract Rent
							(psf)	(pa)	
✓ 101	Port Hope Pharmacy	2,395	9.7%	10	January-11	December-20	\$ 60.00	\$ 143,700	31.9%
107	Lakeshore Physiotherapy	1,920	7.7%	2	April-12	March-14	\$ 12.00	\$ 23,040	5.1%
✓ 105	Dr. Benedict (dentist)	1,915	7.7%	10	September-09	August-19	\$ 18.50	\$ 35,428	7.9%
✓ 209	Drs. Basmajian, Stratford & Taylor	1,800	7.4%	5	March-13	February-18	\$ 10.00	\$ 18,460	4.1%
✓ 110-111	Metro Radiology	1,700	6.9%	10	February-07	January-16	\$ 30.00	\$ 51,000	11.3%
Various	Remaining tenants	15,040	60.6%				\$ 11.85	\$ 178,155	39.6%
TOTAL / WTD. AVG.		24,816	100.0%				\$ 18.12	\$ 449,782	100.0%

GT Port Hope Holding Inc.

Per: 
 Per: **Mike Brady**
 Senior Vice-President

Guarantor
NorthWest Healthcare Properties Real Estate Investment Trust

Per: 
 Per: **Mike Brady**
 Senior Vice-President

SCHEDULE 'E'
PROPERTY TAX DEPOSIT WAIVER

Addenda Capital Inc. is prepared to waive the collection of monthly property tax deposits subject to the following:

1. Prompt payment of mortgage instalments when due;
2. Property tax receipts as evidence of payment and/or written confirmation from the City Property Tax Department and/or receipt of cancelled cheques confirming payment of taxes being submitted to our office within thirty day of each tax instalment due date;
3. There being no default of any nature or kind under the Mortgage Loan; and
4. Authorization for the property tax authority to release all information relevant to taxes to Addenda Capital Inc. as required.

The above arrangement will not extend to any subsequent owner and is made without prejudice to any of the other terms or conditions of the Mortgage.

Please be advised that any charges incurred by Addenda Capital Inc. in verifying payment of property taxes will be charged to your mortgage along with an administration fee. It is, therefore important that evidence of tax payments be submitted promptly.

It is further understood that this arrangement may be terminated by us at any time, without prejudice, and in the event of such termination the tax payment condition contained in the Mortgage Commitment will be reinstated.

**I/WE HEREBY AGREE TO THE ABOVE TERMS AND CONDITIONS:
BORROWER:**

GT Port Hope Holding Inc.

Per: 

Per: _____

SCHEDULE 'F'
Additional Provisions to Addenda
1st Mortgage Loan Commitment (with Guarantor)

**REIT/LP
LIMITATION:**

Notwithstanding anything to the contrary contained in this commitment letter or in any of the loan and security documents delivered in furtherance hereof,

- (a) The obligations of the Borrower and Guarantor shall not be personally binding upon (i) any trustee, officer, employee or agent of NorthWest Healthcare Properties Real Estate Investment Trust or any other real estate investment trust which is or becomes the direct or indirect owner of the Property (the "REIT"), (ii) any registered or beneficial holder of the REIT units, or limited partnership units of subsidiaries of the REIT, (a "Unitholder") or (iii) any annuitant under a plan of which a Unitholder acts as a trustee or carrier; and resort shall not be had to, nor shall recourse or satisfaction be sought from any of the foregoing or the private property of any of the foregoing; provided that the foregoing shall not in any way limit the liability of the Guarantor named in this Commitment or any of the security delivered in furtherance hereof.
- (b) Prior to an event of default, there shall be no restrictions upon distributions in the ordinary course of business by the Borrower to the REIT or any of the REIT's subsidiaries, and then by the REIT to its Unitholders in accordance with and subject to the REIT's declaration of trust filed with Canadian securities regulators, as same may be amended, restated or superceded from time to time.
- (c) Without limiting the Borrower's reporting requirements specific to the mortgaged property, the timing of any required general financial reporting will be subject to all applicable securities laws, regulations and rules, including those of the Toronto Stock Exchange and the provincial Securities Commissions.
- (d) Any change in control of the Borrower and/or the REIT which occurs as a result of trading on a recognized stock exchange shall not require Lender's consent or payment of an assumption fee.

**TRANSFER
TO AFFILIATE:**

Lender's consent shall not be required in respect of the transfer of title to the Property and assumption of the loan by an affiliate of Borrower, subject however to execution of the documents required by Lender

in respect of the assumption of the loan by the transferee, and provided same shall not release the REIT.

- LEASING:** Borrower may, without Lender's consent, from time to time (i) agree to amend the existing leases so long as such amendments are commercially reasonable, and do not release such tenants or reduce such tenant's rental obligations under the lease except in the ordinary course of its business acting as would a prudent landlord, and (ii) agree to lease premises in the Project, acting as a prudent landlord, to replacement tenant(s) at fair market terms.
- ALTERATIONS:** The Borrower may, without Lender's consent, make in a good and workmanlike manner (i) such alterations or additions required to be made pursuant to the existing leases or new lease(s) which are entered into in accordance with the Security Documents; (ii) such alterations or additions the aggregate cost of which during a calendar year does not exceed \$500,000; and (iii) alterations or additions contemplated in or required to be made by this Commitment or the Security Documents.
- NDA:** Provided an Event of Default has not occurred and is continuing, in the event that the Borrower, on behalf of a tenant under a lease, makes written request of the Lender for a non-disturbance agreement in regard to such lease and the Lender receiving such reasonable information concerning the tenant, the lease and the premises as the Lender requires in regard to such request, the Lender shall respond promptly to such request and will consider reasonable changes requested by the tenant to the Lender's standard form non-disturbance agreement.
- NOTICE:** Any failure to comply with a term or condition of this Commitment or the Security Documents to be granted in relation hereto shall not constitute an event of default if the Borrower remedies same within the applicable notice period (three business days following written notice to the Borrower for monetary defaults and fifteen days (or such other period specified in the security) following written notice to the Borrower for curable non-monetary defaults).
- CONFLICT:** In the event of a conflict or inconsistency between the provisions of this Schedule and the remainder of this Commitment, the provisions of this Schedule shall prevail. In the event of a conflict or inconsistency between the provisions of this Commitment and the Security Documents, the provisions of this Commitment shall prevail.
- REPORTING:** The Guarantor will deliver annually, within 120 days of year-end, annual audited consolidated financial statements from the REIT. Without limitation to the property level reporting requirements, so long as the Borrower is a subsidiary of the REIT, no separate financial statements for the Borrower will be required.



Code
CODED

1920 | College Avenue
Regina (Saskatchewan) | S4P 1C4

t 306-347-6276 | f 306-347-6844
addenda-capital.com

April 24, 2013

SCANNED & EMAILED

NorthWest Healthcare Properties
Real Estate Investment Trust
284 King Street East, Suite 100
TORONTO, ON M5A 1K4

Attention : Harriet Bratsalis

RE: RATE SETS – 1929 Russell Road, Ottawa, ON – Mtge. #0101091
249 Ontario Street, Port Hope, ON – Mtge. #0101093
2984 Taschereau Blvd, Longueuil, QC - MTGE. #0101094

Further to our recent conversations, I confirm that interest rates have now been fixed in accordance with each of the above mentioned commitments. I also confirm these mortgages must fund on May 1, 2013 and if funding is delayed for whatever reason, the lender reserves the right to reset rates in accordance with then current rates. Details of the rate sets are :

Healthcare Properties (1929 Russell Rd) – 3.58% (based on 6 yr bond rate of 1.33+ 2.25 spread)
Monthly Principal and Interest payments commencing June 1, 2013 - \$13,443.51

GT Port Hope (249 Ontario St) – 3.43% (based on 6 yr bond rate of 1.33+ 2.10 spread)
Monthly Principal and Interest payments commencing June 1, 2013 - \$29,734.96

Healthcare Properties (2984 Taschereau Blvd) – 3.85% (blended 6 yr rate of 3.43% and prepayment penalty of \$110,660.05)
Monthly Principal and Interest payments commencing June 1, 2013 - \$28,462.95

Please sign below in the spaces provided as indication of your acceptance to fixed rates. Mortgage documents will then be finalized for signing and registration.

Yours truly,

ADDENDA CAPITAL INC.

- Regina Office


Elise Sinclair

Supervisor, Commercial Mortgages

/es

(Page 2 – Healthcare & GT Port Hope, Mtge. #0101091, 0101093 & 0101094)

DATED 24th OF April, 2013, I/WE HEREBY ACKNOWLEDGE RATES AS INDICATED ABOVE.

AS BORROWERS:

Healthcare Properties Holdings Ltd.


(authorized signing officer)

Mike Brady
Senior Vice-President

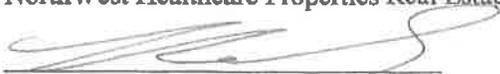
GT Port Hope Holdings Inc.


(authorized signing officer)

Mike Brady
Senior Vice-President

AS GUARANTOR:

NorthWest Healthcare Properties Real Estate Investment Trust


(authorized signing officer)

Mike Brady
Senior Vice-President

This is Exhibit “K” referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

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

yyyy mm dd Page 1 of 8

Properties

PIN 51078 – 0317 LT
Description LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE
Address 249 ONTARIO ST
 PORT HOPE

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name GT PORT HOPE HOLDING INC.
Address for Service 284 King Street East
 Suite 100
 Toronto, On M5A 1K4

I, Mike Brady Senior Vice-President, Secretary & General Counsel, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name ADDENDA CAPITAL INC.
Address for Service 1920 College Avenue
 Regina, Saskatchewan S4P 1C4
 Loan No. 0101093

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, ND89146 registered on 2013/05/01 to which this notice relates is deleted

Schedule: See Schedules

Signed By

David Anthony Redmond 40 King Street West, Suite 2100 acting for Signed 2013 05 01
 Toronto Applicant(s)
 M5H 3C2

Tel 416-869-5300

Fax 416-360-8877

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

David Anthony Redmond 40 King Street West, Suite 2100 acting for Party To Signed 2013 05 01
 Toronto (s)
 M5H 3C2

Tel 416-869-5300

Fax 416-360-8877

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

Submitted By

CASSELS BROCK & BLACKWELL LLP 40 King Street West, Suite 2100 2013 05 01
 Toronto
 M5H 3C2

Tel 416-869-5300

Fax 416-360-8877

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

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

File Number

Party To Client File Number : 35307-12(DR/PLF)

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT made as of the 15 day of May, 2013.

BETWEEN:

GT PORT HOPE HOLDING INC.

(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

ADDENDA CAPITAL INC.

(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS:

i) The Assignor is the registered owner of the lands and premises situate, lying and being in the Municipality of Port Hope, Province of Ontario, the boundaries of which are more particularly described in Schedule "A" annexed hereto and municipally known by the parties as 249 Ontario Street, Port Hope, Ontario (the "**Property**");

ii) The Assignor has charged and mortgaged the Property to the Assignee to secure the repayment of the principal sum of SIX MILLION DOLLARS (\$6,000,000.00) and interest thereon at the interest rate therein expressed pursuant to a Charge in that principal amount issued by the Assignor to the Assignee dated the same date as this Assignment, registered on the same date as this instrument, being the immediately preceding instrument number in the Land Registry Office for the Land Titles Division of Northumberland (No. 39) (the "**Charge**");

iii) The Property is or will be leased by the Assignor, or its property manager, from time to time to one or more tenants.

iv) The Assignor has agreed as a condition precedent to the Assignee advancing the principal sum secured by the Charge to execute and deliver this Assignment for the purpose of collaterally securing the performance and observance of the Assignor's promise to pay and other obligations under the Charge.

1. NOW THEREFORE this Assignment witnesses that in consideration of the premises and other good and valuable consideration paid by the Assignee to the Assignor (the receipt and sufficiency whereof is hereby acknowledged) the Assignor hereby assigns, grants, transfers and sets over to the Assignee:

- (a) any existing and future leases of, and agreements to lease of, the whole or any portion of the Property;
- (b) every existing and future tenancy, agreement as to use or occupation, and licence in respect of the whole or any part of the Property, whether or not in writing;
- (c) every existing and future guarantee of all or any of the obligations of any existing or future tenant, subtenant, occupier or licensee of the whole or any portion of the Property;
- (d) a security interest in each lease or agreement to lease of the whole or any part of the Property; and

- (e) all rents and other monies and benefits and advantages to be derived by the Assignor (collectively the "**Rents**") from every existing and future lease of, agreement to lease of, agreement as to use or occupation and licence in respect of the whole or any part of the Property.

Every existing and future lease of, agreement to lease of, agreement as to use or occupation and licence in respect of the whole or any part of the Property shall hereinafter be referred to as the "**Leases**". The within assignment of Leases and Rents in favour of the Assignee is given as security for the payment of the principal sum, interest and other monies payable by the Assignor to the Assignee pursuant to the Charge and for the performance of all of the covenants of the chargors pursuant to the Charge. The within assignment and grant includes all the Assignor's right to demand, sue for, collect and receive all Rents, and otherwise to enforce (either in the name of the Assignor or the Assignee) the Assignor's rights under any Lease consequent on any default by the tenant thereunder whether such rights arise under such Lease or by statute or at law or in equity, including without limitation the Assignor's rights to distrain.

2. THE ASSIGNEE acknowledges that this Assignment is being executed and delivered as a continuing and additional security for the performance and observance of the Assignor's promise to pay and other obligations pursuant to the Charge and neither the execution and delivery of the Assignment nor anything done pursuant thereto shall in any way impair and diminish the obligation of the Assignor as landlord of the Leases.

3. NO PROVISION contained in this Assignment shall be deemed to have the effect of making the Assignee responsible for the collection of any Rents, or any part thereof or for the performance or observance of any of the covenants, terms, conditions or other obligations imposed upon either party to any of the Leases.

4. THE ASSIGNEE shall not by virtue of this Assignment be deemed to be a mortgagee in possession of the Property and upon the payment of the principal sum, interest and other monies secured by the Charge, this Assignment shall terminate and the Assignee shall execute and deliver at the expense of the Assignor a reassignment of the Leases to the Assignor. It is further agreed that a full and complete discharge (but not a partial discharge) of the Charge from title to the Property shall operate as a full and complete release of the Assignee's interest and rights hereunder.

5. IT IS UNDERSTOOD and agreed that the Assignee shall be liable to account for only such monies as may actually come into its hands by virtue of this Assignment less proper collection and management charges and that such monies when so received by the Assignee shall be applied pro rata on account of the principal sum, interest and other monies secured by the Charge.

6. ALTHOUGH IT IS the intention of the parties that this Assignment shall be a present assignment, effective immediately upon execution, it is expressly understood and agreed that the Assignee shall not exercise any of the rights or powers herein conferred upon it until an event of default (as defined in the Charge) shall occur under the terms and provisions of the Charge. Upon such event of default occurring: (i) the Assignee shall be entitled, upon written notice to the tenants of the Property, to collect and receive all Rents under the Leases and (ii) this Assignment shall constitute an irrevocable direction and authorization of the Assignor to such tenants to pay such amounts to the Assignee or as the Assignee shall direct otherwise in writing without proof of any event of default by the Assignor. Without limiting the generality of the foregoing, such tenants are hereby irrevocably authorized and directed to rely upon and comply with, and to be fully protected in so doing, any notice or demand by the Assignee for the payment to the Assignee of any rent, or for the performance of any other obligation of the tenants under the Leases and the tenants shall not be required to or be under any duty to inquire as to whether any event of default under the Charge has actually occurred or is then existing. Until an Event of Default occurs, the Assignor can continue to collect rents and deal with the Leases in the ordinary course of business.

7. THE ASSIGNOR covenants and agrees that:
- (a) there is no outstanding encumbrance or assignment of the Leases in priority to this Assignment or the rents payable or receivable thereunder;
 - (b) it shall at all times perform and observe all of the Landlord's obligations contained in the Leases;
 - (c) it now has full power and absolute authority to assign its interest in the Leases and Rents and all benefits and advantages to be derived therefrom to the Assignee according to the intention of this Assignment; and
 - (d) it shall forthwith on demand enter into, execute and deliver to the Assignee, at the Assignor's expense, such further assignments and assurances of the Leases and Rents as the Assignee shall reasonably require subject to reasonable review.

8. THE ASSIGNOR further covenants and agrees that it will not without the prior written consent of the Assignee:

- (a) (i) cancel or take any action to cancel any Lease; (ii) accept the surrender of any Lease; (iii) alter or amend or consent to or permit the altering, or amending of any term or provision of any Lease so as to decrease the Tenant's financial obligations or increase the responsibility of the Landlord thereunder; (iv) consent to or permit the assigning or subleasing of any Lease except in circumstances where the Landlord's consent cannot be unreasonably withheld or where no consent is required;

Notwithstanding the foregoing the Assignor may, with the Assignee's consent, from time to time (i) agree to amend the existing leases so long as such amendments are commercially reasonable, and do not release such tenants or reduce such tenant's rental obligations under the lease except in the ordinary course of its business acting as would a prudent landlord, and (ii) agree to lease premises in the Property, acting as a prudent landlord, to replacement tenant(s) at fair market terms.

- (b) collect or attempt to collect or permit either the payment or the prepayment of rent for a period greater than one (1) month or in any manner and at any time other than that stipulated in the Leases;

9. THE ASSIGNOR warrants and represents that, except as otherwise disclosed to the Assignee in writing:

- (a) each Lease is a valid and subsisting lease constituting the entire and only agreement between the Assignor and its tenant thereunder pertaining to the premises demised;
- (b) the said tenants are occupying the premises described in each Lease and paying the full rent stipulated therein;
- (c) no notice has been received from any Tenant indicating an intention to assign or sublet or indicating an intention to surrender the term or otherwise part with possession of the premises demised to it other than as specifically provided for herein; and
- (d) no notice has been received by the Assignor from any tenant alleging default by the Assignor in the performance of its obligations as landlord pursuant to any Lease which notice has not been complied with by the Assignor to such tenant's reasonable satisfaction.

10. THE ASSIGNOR agrees that any and all rights of the Assignee pursuant to this Assignment may be exercised by any trustee or receiver appointed at the instance of or

for the benefit of the Assignee. The Assignor further agrees that the Assignee is authorized (but is not obligated) in the name of the Assignor to take at any time any proceeding which in the opinion of the Assignee or its solicitors may be expedient or necessary for the purpose of enforcing any of the rights of the Assignor under the Leases and further to compromise or submit to arbitration any dispute which has arisen or may arise in respect of any Lease and any settlement arrived at shall be binding upon the Assignor. The Assignee is further authorized (but is not obligated) in the name and for the account of the Assignor to perform and observe any of the Assignor's obligations, as landlord, under the Leases, or any of them, and without limiting the generality of the foregoing, any amount paid by the Assignee in respect thereof as well as any other expense incurred by the Assignee shall be added pro rata to the monies secured by the Charge and shall bear interest at the interest rate stipulated therein.

11. THE TERM "**Leases**" shall extend to and include (i) the Leases as they may be extended or renewed or replaced; (ii) any amending agreement whether written or oral; and (iii) any guarantee whether included in the Leases or otherwise.

12. THE TERM "**tenants**" means and includes (i) the person, firm or corporation named as tenant or lessee in a Lease; and (ii) any person, firm or corporation who has guaranteed (whether as a primary debtor, surety or otherwise) the performance and observance of a tenant's covenants and other obligations pursuant to a Lease.

13. THE TERM "**Landlord**" means the Assignor, its successors and assigns and includes the person, firm or corporation named as landlord or lessor in a Lease.

14. THE TERM "**Rent**" or "**Rents**" shall extend to and include all monies that the Assignor is entitled to receive under the terms of the Leases including without limitation insurance proceeds, arbitration awards and the proceeds arising from any guarantee or other security held by the Assignor.

15. THE RIGHTS, remedies and security given to the Assignee hereunder are cumulative and are not in substitution for any rights, remedies or security to which the Assignee may be entitled, either under the Charge or under any other security or at law.

16. THE ASSIGNOR acknowledges receiving a true copy of this Assignment.

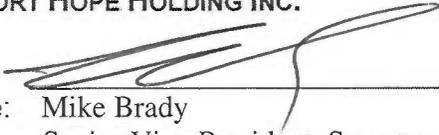
17. THIS ASSIGNMENT shall be binding upon and enure to the benefit of and shall be enforceable by the respective successors and assigns of the parties hereto and all words and phrases shall be taken to include the singular or plural or masculine, feminine or neuter gender as the circumstances shall require.

18. THE ASSIGNOR covenants that upon the registration of a complete discharge of the Charge this Assignment shall be deemed to be null and void and of no further effect.

IN WITNESS WHEREOF the Assignor has executed this Assignment by the hands of its duly authorized officer in that behalf on the day and year first written above.

[Signature Page Follows]

GT PORT HOPE HOLDING INC.

Per: 
Name: Mike Brady
Title: Senior Vice-President, Secretary and General Counsel

I have authority to bind the corporation.

SCHEDULE "A"

(the Property)

Municipal Address: 249 Ontario Street, Port Hope, Ontario

Legal Description: LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE

PIN: 51078-0317 (LT)

Registry Office: Land Titles Division of Northumberland (No. 39) at Cobourg, Ontario

This is Exhibit "L" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

AGREEMENT TO ASSUME MORTGAGE

THIS AGREEMENT effective as of the 21st day of January, 2016

BETWEEN:

249 ONTARIO STREET HOLDINGS INC.

(hereinafter called the “**Purchaser**”)

OF THE FIRST PART

- and -

ADDENDA CAPITAL INC.

(hereinafter called the “**Mortgagee**”)

OF THE SECOND PART

- and –

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

(hereinafter called the “**Covenantor**”)

OF THE THIRD PART

- and –

GT PORT HOPE HOLDING INC.

(hereinafter called the “**Original Mortgagor**”)

OF THE FOURTH PART

WITNESSES THAT:

WHEREAS by a certain mortgage and charge registered on May 1, 2013 as instrument No. ND89145 in the Land Registry Office for Northumberland (#39) (the said mortgage and charge as same may have been amended from time to time being herein referred to as the “**Mortgage**”), certain lands and premises situated in the City of Port Hope in the Province of Ontario, such lands and premises being more particularly described in Schedule “A” hereto (the “**Property**”), were mortgaged by the Original Mortgagor to the Mortgagee to secure the sum of \$6,000,000.00 and interest as therein provided;

AND WHEREAS the Purchaser has purchased the Property and has agreed to assume all obligations of the Original Mortgagor under the Mortgage;

NOW THEREFORE in consideration of the Purchaser being approved and accepted as a purchaser by the Mortgagee and in consideration of the sum of TWO DOLLARS (\$2.00) now paid by each of the parties hereto to the other, and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties hereto hereby covenant and agree, to and with each other, as follows.

1. The Purchaser, without novation, covenants and agrees to and with the Mortgagee to assume the obligations of the Original Mortgagor under the Mortgage and to pay the amount secured by the Mortgage, together with interest and all other monies due thereunder from time to time (collectively, sometimes referred to herein as the “**Mortgage Indebtedness**”), at the time and in the manner set out in the Mortgage and to observe, perform, keep and be liable under and bound by every covenant, term, condition and obligation to be performed by the mortgagor contained in the Mortgage, in the commitment agreement pertaining to the Mortgage and in any collateral security document pertaining to the Mortgage, including, without limitation, the documents set out in Schedule “B” hereto, as if it had executed the Mortgage and such other documents in the place and stead of the mortgagor, all at the time and in the manner and in all respects as therein contained.

2. It is hereby agreed that these presents shall not alter or prejudice the rights and priorities of the Mortgagee as against the Original Mortgagor, the Covenantor, or any other surety or person liable to pay the Mortgage Indebtedness or any part thereof or any subsequent encumbrancer or other person whomsoever interested in the Property, whether or not a party hereto, all of which rights and priorities are hereby expressly reserved and preserved.

3. The Purchaser hereby agrees that the words “Mortgage Indebtedness” wherever herein used shall be deemed to include, without limitation, not only the monies already advanced but also all monies which may hereafter be advanced under the Mortgage.

4. The Mortgagee may release and discharge the Original Mortgagor and/or the Covenantor and/or any other person or persons from all liability under its, his or their covenants in respect of the Mortgage or for payment of the Mortgage Indebtedness and any such release or discharge shall be without prejudice to the rights of the Mortgagee under all other covenants and provisions contained in the Mortgage, herein or elsewhere, and without prejudice to its rights and remedies against the Purchaser and the Property, all of which rights and remedies of the Mortgagee are hereby expressly reserved and preserved.

5. The Original Mortgagor and the Covenantor, covenant and agree with the Mortgagee that:

- (a) they are not released by virtue of this Assumption Agreement and that they shall jointly and severally pay to the Mortgagee all sums as are now or shall at any time hereafter become due and payable under the Mortgage, whether for principal, interest, charges, costs or otherwise, and howsoever owing under or secured by the Mortgage, at the times and in the manner provided therein;
- (b) the Mortgagee may release and discharge the Purchaser and/or any other person or persons from all liability under its, his or their personal covenants hereunder, or elsewhere, for payment of the Mortgage Indebtedness and any such release or discharge shall be without prejudice to the rights of the Mortgagee under all other covenants and provisions contained in the Mortgage, herein or elsewhere, and without prejudice to its rights and remedies against the Original Mortgagor or the Covenantor under the Mortgage, and the Property, all of which rights and remedies of the Mortgagee are hereby reserved and preserved;
- (c) subject to Section 6 of this Agreement, the Mortgagee may at any time and from time to time and without notice to, or any consent or concurrence by, either of them, make any settlement or variation in terms of the Mortgage, grant any extension of time or other indulgence, accept the surrender of any security, and/or compromise, compound and accept compositions from the Purchaser or any other person liable upon the Mortgage and that no such thing done by the Mortgagee nor any carelessness or neglect by the Mortgagee in asserting or preserving its rights, nor the loss by operation of law of any right of the Mortgagee against the Purchaser, nor the bankruptcy or insolvency of the Purchaser, nor the loss or destruction of any security shall in any way release or diminish the liability of either of them under the Mortgage, so long as any monies expressed by the Mortgage to be payable remain unpaid or the Mortgagee has not been reimbursed for any losses, damages, costs, charges and expenses related thereto;

- (d) the Mortgagee shall not be obliged to proceed against the Purchaser, or to enforce or exhaust any security before proceeding to enforce the obligations of the Original Mortgagor and the Covenantor and that enforcement of such obligations may take place before, after or contemporaneously with the enforcement of any debt or obligation of the Purchaser, or the enforcement of any security for any such debt or obligation;
- (e) nothing but payment and satisfaction in full of all monies secured by the Mortgage and the due performance and observation of all covenants, agreements and provisos in the Mortgage and any other security given to the Mortgagee shall release them from their obligations under the Mortgage;
- (f) they hereby expressly waive all notices of default, non-performance, non-payment and non-observance on the part of the Purchaser of the terms, covenants and provisos contained in this Agreement and in the Mortgage;
- (g) their liability under the Mortgage and related agreements shall not be impaired or discharged by reason of the Mortgagee taking further or other security for payment of the monies due or to become due under the Mortgage, or by the Mortgagee at any time releasing any security or partial security hereunder or thereunder, or the release or partial release of any other mortgagor, additional covenantor(s) or guarantor(s) hereto whether by the Mortgagee or by operation of law, or by any other act or thing whereby as guarantors, they would or might be released in whole or in part; and
- (h) they shall not be entitled in any event to rank for payment against the mortgaged premises or any collateral security, in competition with the Mortgagee and shall not, unless and until the whole of the principal, interest and other monies owing on the security of the Mortgage shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Mortgagee.

6. Notwithstanding anything to the contrary contained in this Agreement, the Mortgage or any collateral security document pertaining to the Mortgage (including the Covenant and Postponement of Claim executed by the Covenantor dated May 1, 2013), any amendment or modification of the Mortgage or any collateral security document pertaining to the Mortgage which would increase the obligations or liability of the Covenantor or the Original Mortgagor (including, *inter alia*, renewals, extensions, and amendments to the principal amount due, interest rate payable or default clauses thereunder) shall require the written approval of the Covenantor and the Original Mortgagor. In addition, in the event that the Mortgagee and the Purchaser (or their respective successors or assigns) agree to extend or renew the Mortgage beyond the originally scheduled maturity date of May 1, 2019 (the “**Maturity Date**”), the parties agree that the Covenantor and the Original Mortgagor shall be released from all liability which accrues after the Maturity Date under this Agreement, the Mortgage and any collateral security document pertaining to the Mortgage (including the Covenant and Postponement of Claim executed by the Covenantor dated May 1, 2013). For clarity, in the event the Covenantor and/or Original Mortgagor are liable as of the Maturity Date for any amounts owing pursuant to this Agreement, the Mortgage and any collateral security document pertaining to the Mortgage (including the Covenant and Postponement of Claim executed by the Covenantor dated May 1, 2013), such liability shall not be released as of the Maturity Date, provided that if the Mortgage is extended or renewed by the Mortgagee and the Purchaser beyond the Maturity Date, then the Original Mortgagor and the Covenantor shall be released, effective as of the Maturity Date, from the obligation to repay the outstanding principal balance of the Mortgage.

7. Until the repayment of the Mortgage Indebtedness in full, the Purchaser shall provide the Mortgagee, within 120 days after the end of each fiscal year of the Purchaser, or if applicable or if the Purchaser is an individual, within 120 days after the end of each calendar year, or more often if requested by the Mortgagee, a detailed review engagement financial statement of the Purchaser including a separate income and expense statement for the Property, an operating statement and an updated rent roll containing relevant lease terms for the Property, all satisfactory to the Mortgagee in form and content.

The Purchaser hereby authorizes the Mortgagee to obtain such additional financial information as the Mortgagee may require.

8. This Assumption Agreement shall be read and construed with all changes of gender and number as may be required by the context, and if there is more than one person defined as (or otherwise comprising) the Purchaser, the Covenantor, and/or the Original Mortgagor, then all covenants and agreements of the Purchaser, the Covenantor, and the Original Mortgagor as the case may be, shall be deemed and construed to be the joint and several covenants and agreements of all persons defined as (or otherwise comprising) the Purchaser and the Covenantor, and the Original Mortgagor, as the case may be.

9. This Assumption Agreement shall enure to the benefit of, and be correspondingly binding upon, the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

10. Notwithstanding anything to the contrary in this Agreement, the obligations of the Original Mortgagor and the Covenantor shall not be personally binding upon:

- (a) any trustee, officer, employee or agent of the Covenantor or any successor real estate investment trust (the "REIT"),
- (b) any registered or beneficial holder of the REIT units, or limited partnership units of subsidiaries of the REIT, (a "Unitholder"), or
- (c) any annuitant under a plan of which a Unitholder acts as a trustee or carrier,

and resort shall not be had to, nor shall recourse or satisfaction be sought from any of the foregoing or the private property of any of the foregoing, provided that the foregoing shall not in any way limit the liability of the Covenantor under this Agreement;

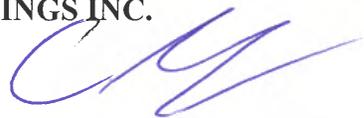
Prior to an event of default under this Agreement or under the Mortgage, there shall be no restrictions upon distributions in the ordinary course of business by the any of the REIT's subsidiaries to the REIT, and then by the REIT to its Unitholders in accordance with and subject to the REIT's declaration of trust filed with Canadian securities regulators, as same may be amended, restated or superceded from time to time.

Any change in control of the REIT or the Original Mortgagor which occurs as a result of trading on a recognized stock exchange shall not require the Mortgagee's consent or payment of an assumption fee.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF the undersigned have executed this Agreement under seal as of the day and year first above written.

249 ONTARIO STREET HOLDINGS INC.



Per: _____
Name: Mark C. Gross c/s
Title: President

I have authority to bind the Corporation.

ADDENDA CAPITAL INC.

Per: _____
Name: c/s
Title:

Per: _____
Name: c/s
Title:

I/We have authority to bind the Corporation.

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

Per: _____
Name: Mike Brady c/s
Title: Executive Vice President and General Counsel

I have authority to bind the Trust.

GT PORT HOPE HOLDING INC.

Per: _____
Name: Mike Brady c/s
Title: Executive Vice President, General Counsel and Secretary

I have authority to bind the Corporation.

IN WITNESS WHEREOF the undersigned have executed this Agreement under seal as of the day and year first above written.

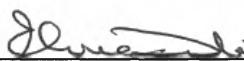
**249 ONTARIO STREET
HOLDINGS INC.**

Per: _____
Name: _____ c/s
Title:

Per: _____
Name: _____ c/s
Title:

I/We have authority to bind
the Corporation.

ADDENDA CAPITAL INC.

Per: 
Name: _____ c/s
Title: ELVIRA DUBÉ
V.P. Mortgages

Per: 
Name: _____ c/s
Title: MILES ANGIELSKI
Assistant Portfolio
Manager

I/We have authority to bind
the Corporation.

**NORTHWEST HEALTHCARE
PROPERTIES REAL ESTATE
INVESTMENT TRUST**

Per: _____
Name: Mike Brady c/s
Title: Executive Vice President and
General Counsel

I have authority to bind
the Trust.

GT PORT HOPE HOLDING INC.

Per: _____
Name: Mike Brady c/s
Title: Executive Vice President,
General Counsel and
Secretary

I have authority to bind
the Corporation.

IN WITNESS WHEREOF the undersigned have executed this Agreement under seal as of the day and year first above written.

249 ONTARIO STREET HOLDINGS INC.

Per: _____
Name: _____ c/s
Title:

Per: _____
Name: _____ c/s
Title:

I/We have authority to bind the Corporation.

ADDENDA CAPITAL INC.

Per: _____
Name: _____ c/s
Title:

Per: _____
Name: _____ c/s
Title:

I/We have authority to bind the Corporation.

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

Per: 
Name: Mike Brady c/s
Title: Executive Vice President and General Counsel

I have authority to bind the Trust.

GT PORT HOPE HOLDING INC.

Per: 
Name: Mike Brady c/s
Title: Executive Vice President, General Counsel and Secretary

I have authority to bind the Corporation.

SCHEDULE "A"**LEGAL DESCRIPTION OF THE PROPERTY**

Municipal Address: 249 Ontario Street, Port Hope, Ontario

Legal Description: LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE

PIN: 51078-0317 (LT)

Registry Office: Land Titles Division of Northumberland (No. 39) at Cobourg, Ontario

SCHEDULE "B"

DOCUMENTS

1. Commitment Letter dated March 25, 2013 entered into between Addenda Capital Inc. and GT Port Hope Holding Inc. (the "**Commitment Letter**");
2. General Assignment of Rents dated May 1, 2013 entered into between Addenda Capital Inc. and registered as Instrument No. ND89146;
3. General Security Agreement dated May 1, 2013 entered into between Addenda Capital Inc. and GT Port Hope Holding Inc.;
4. PPSA registrations made under Reference File Number 686444202;
5. Assignment of Insurance Proceeds dated May 1, 2013 entered into between Addenda Capital Inc. and GT Port Hope Holding Inc.;
6. Assignment of Material Documents dated May 1, 2013 entered into between Addenda Capital Inc. and GT Port Hope Holding Inc.; and
7. Any undertaking, covenant, agreement or other form of document or assurance delivered to the Mortgagee with respect to the indebtedness or obligations secured in the Commitment Letter or the Mortgage in respect of the mortgage loan transaction.

This is Exhibit "M" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

BENEFICIAL OWNER DIRECTION AND ACKNOWLEDGEMENT

THIS DIRECTION AND ACKNOWLEDGEMENT made as of the ● day of January, 2016.

AMONG:

GROSS PROPERTIES INC., as to a 80% interest

- and -

2413667 ONTARIO INC., as to a 20% interest

(collectively, the "**Beneficial Owner**")

OF THE FIRST PART

- and -

249 ONTARIO STREET HOLDINGS INC.

(the "**Nominee**")

OF THE SECOND PART

IN FAVOUR OF: **ADDENDA CAPITAL INC.**

(the "**Chargee**")

OF THE THIRD PART

WHEREAS the entities comprising the Beneficial Owner are the beneficial owners each to its undivided interest of the fee simple noted above in certain lands in the City of Port Hope, in the Province of Ontario, and more particularly described in Schedule "A" attached hereto (collectively, the "**Property**");

AND WHEREAS the Nominee holds registered title to the Property for and on behalf of the Beneficial Owner;

AND WHEREAS the Nominee has entered into an assumption agreement with the Chargee dated the date hereof as it may be amended from time to time (the "**Assumption Agreement**") pursuant to which certain credit facilities have been made available to the Nominee and pursuant to which the Nominee is obligated to grant or cause to be granted to the Chargee certain security, all as more particularly described in the Assumption Agreement;

AND WHEREAS the Nominee is required to execute and deliver the loan documents (the "**Loan Documents**") contemplated by the Assumption Agreement and grant the security, as contemplated by the Assumption Agreement (hereinafter referred to as the "**Security**"), applicable to the Property.

NOW THEREFORE that in consideration of the premises, of \$1.00 paid by each party hereto to each of the other parties hereto and other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each of the parties hereto), the parties hereto hereby covenant and agree with each other and the Chargee as follows:

1. The Nominee acknowledges and declares that it now holds, and has held since the date hereof, title to the Property for and on behalf of the Beneficial Owner.
2. The Beneficial Owner hereby unconditionally and irrevocably authorizes and directs the Nominee to execute and deliver to the Chargee the Assumption Agreement, the Loan Documents and the Security required to be delivered pursuant to the Assumption Agreement.
3. The Beneficial Owner hereby unconditionally and irrevocably directs and authorizes the Nominee to execute and deliver to the Chargee at all times in the future such further agreements or documents or such amendments, modifications, supplements, deletions and revisions as may be required in connection with the Assumption Agreement, the Security or the Loan Documents or such further agreements or documents as may be

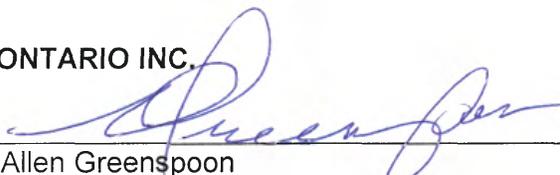
executed by the Nominee pursuant to paragraph 2 hereof, and the Beneficial Owner does hereby agree that all of its right, title and interest in and to the Property shall be bound by any such further agreements, documents amendments, modifications, supplements, deletions or revisions which may be made or done by the Nominee.

4. The Beneficial Owner acknowledges that the Security stands as security for the performance of the covenants and the obligations of the Nominee for and on behalf of the Beneficial Owner under or with respect to the Assumption Agreement, the Security and the Loan Documents, that its ownership interest in the Property is charged by the Security and the Beneficial Owner covenants with the Chargee to do, observe, keep and perform every covenant, act, proviso, condition or stipulation contained respectively therein on the part of the Nominee to be done, observed, kept and performed.
5. Notwithstanding anything to the contrary contained herein, it is acknowledged that recourse against the Beneficial Owner shall be limited to its interest in the Property.
6. The Beneficial Owner and the Nominee represent and warrant to the Chargee that they are not non-residents within the meaning of the *Income Tax Act* (Canada).
7. The Beneficial Owner and the Nominee represent and warrant to the Chargee that the recitals contained in this Agreement are true and accurate.
8. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
9. The parties hereto shall make, execute or deliver all such further acts, documents and things as may be necessary or desirable to implement the true intent of this Agreement.
10. This Agreement shall be governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.
11. This Agreement may be executed in counterparts and such counterparts shall constitute one agreement.

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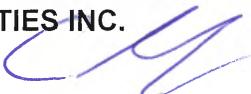
IN WITNESS WHEREOF the Beneficial Owner and the Nominee have executed this Indenture on the day and year first written above.

2413667 ONTARIO INC.

Per: 
Name: Allen Greenspoon
Title: President

I have authority to bind the corporation.

GROSS PROPERTIES INC.

Per: 
Name: Mark C. Gross
Title: Vice-President

I have authority to bind the corporation.

249 ONTARIO STREET HOLDINGS INC.

Per: 
Name: Mark C. Gross
Title: President

I have authority to bind the corporation.

SCHEDULE "A"**(Property)**

Municipal Address: 249 Ontario Street, Port Hope, Ontario

Legal Description: LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE

PIN: 51078-0317 (LT)

Registry Office: Land Titles Division of Northumberland (No. 39) at Cobourg, Ontario

This is Exhibit "N" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)



May 29, 2019

249 Ontario Holdings Inc.
c/o Gross Capital Inc.
200 Ronson Drive Suite 101
Toronto, ON M9W 5Z9
Attention: Mr. Mark Gross

VIA EMAIL: Mark@grosscapital.ca

Dear Mark,

RE: Mortgage No.: 0101093
Mortgagor: 249 Ontario Street Holdings Inc.
Property: Port Hope Medical Building, 249 Ontario St., Port Hope, ON L1A 3Y9

The above mortgage will mature on June 1, 2019, with an outstanding principal balance of \$4,970,949.26 (after application of the installment due on June 1, 2019). We have reviewed your file and are pleased to offer you a renewal subject to the terms and conditions outlined below:

- 1) Loan Amount: ^{7 MA} \$4,970,949.26 *MB*
- 2) Borrower (Nominee): 249 Ontario Street Holdings Inc
Beneficial Co-Owners: Gross Capital Inc. and 2413667 Ontario Inc.
- 3) Guarantor: Northwest Healthcare Properties REIT to be relased with no replacement guarantor.
- 4) Financial Terms:
 - Term: 5 years (60 months)
 - Amortization: 20 years (240 months)
 - Interest Rate:
For registration purposes only, the mortgage shall state an interest rate of 18%, calculated monthly and compounded semi-annually, not in advance and the payment terms of the mortgage will be based on this rate.
 - Notwithstanding the foregoing or any other provisions of this Commitment or the security, the actual interest rate and payment terms applicable to the loan during the term shall be 4.00% calculated monthly and compounded semi-annually not-in-advance (30/360 day count).
 - Estimated Monthly Principal & Interest Payment: \$30,036.78 ^{MA} *MB*
 - Maturity Date: June 1, 2024 ⁹⁷
 - Prepayment: Closed



- 5) The new Principal & Interest payment will commence on July 1, 2019 and will remain in effect for the full term of the loan. On the maturity date, the balance of the remaining unpaid principal, interest and any other outstanding charges will become due and payable.
- 6) As per the Commitment Letter, the Borrower authorizes, and shall, if required by the Lender, cause each Additional Guarantor to authorize, the Lender to obtain such financial information as the Lender may require. If the Borrower does not provide information as noted and more than one reminder letter is required, an administration fee will be due and owing.
- 7) A renewal and extension agreement and any other legal documentation must be executed by the borrower or beneficial co-owners, as required; otherwise, the terms of this renewal may be cancelled, at our option. All legal fees and disbursements will be the borrower's responsibility.
- 8) See and date Schedule "A" Hazardous Substance Clause.
- 9) See and fully complete Schedule "B" Addenda Capital Loan Information Form.
- 10) An offer to renew your mortgage is subject to the following:
 - Renewal Fee of \$5,000.00.
- 11) All other terms and conditions of the original mortgage and commitment, not in conflict with these terms, will remain unchanged and in full force and effect.
- 12) Addenda Capital is to receive acknowledgement from the Borrower as to the acceptability of the terms of this offer not later than 5:00 P.M. EST, May 30, 2019 via email or mail.
- 13) Addenda Capital is to receive a renewal fee of \$5,000 along with the executed renewal agreement.

Please sign and return one copy of this complete agreement by the date and time indicated in paragraph 12. Acceptance after this cut-off will not be accepted and a new Renewal Offer will be required. Should you have any questions regarding this renewal, please contact the writer by email m.angielski@addendacapital.com or by telephone at (306) 347-6914.

Sincerely yours,

ADDENDA CAPITAL INC.
Regina Office

Miles Angielski CFA, CFP
Vice-President, Commercial Mortgages

(acceptance on next page)



ACCEPTANCE (please complete)

We agree to a renewal based on the above terms and conditions, this ___ day of May, 2019.

BORROWER:

249 Ontario Street Holdings Inc.

Per: 

Per: _____

BENEFICIAL CO-OWNER(S):

Gross Capital Inc.

Per: 

Per: _____

2413667 Ontario Inc.

Per: 

Per: _____



SCHEDULE A

HAZARDOUS SUBSTANCES FOR RENEWAL OFFER

DATED _____

249 Ontario Street Holdings Inc.
Mortgage #0101093

The loan documents shall provide, and the Mortgagor hereby represents, warrants, covenants and agrees that:

a) to the best of the knowledge of the Mortgagor after due and diligent inquiry, there are no Hazardous Substances on the lands, no Hazardous Substances are or have ever been used, stored or located in or upon the Project and no part of the property are or have ever been contaminated by any Hazardous Substances;

b) no Hazardous Substance shall be brought onto or used on the property without the prior written consent of Addenda Capital Limited, *except in accordance with c) below*

c) any Hazardous Substance brought into or upon the Project or used by any person in or upon the property shall be transported, used and stored only in accordance with all applicable laws, regulations, by-laws and other lawful requirements, prudent industrial standards and any other requirements of Addenda Capital Limited.

→ Except in accordance with c)
d) the property will not be used for the purpose of storing or using any Hazardous Substance and no use of the property will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from or under the property or permit any policy of insurance in respect of the property to be cancelled; and

e) the Mortgagor shall promptly notify Addenda Capital Limited as soon as it knows of or suspects that any Hazardous Substance has been brought onto the property or that there is any active, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from or under the property.



SCHEDULE B

ADDENDA CAPITAL LOAN INFORMATION FORM - FOR RENEWAL OFFER

A. Borrower:

Has the corporate structure and/or any information changed since loan origination or the last renewal? Yes No

If yes, please complete Section A, and if necessary, Section B.
If no, please proceed to Section C.

Borrower Name: 249 Ontario Holdings Inc.

Principal Business Address: 201-200 Banson Dr.
Toronto ON M9W 5Z9

Principal Contact Name and Title: Mark Gross - Pres.

Email Address: mark@grosscapital.ca

Phone Number: (416) 748 2227

Accounting Dept. Contact Name and Title: _____

Email Address: _____

Phone Number: (____) _____

Borrower Entity Type:

<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> General Partnership
<input type="checkbox"/> Nominee (i.e. Bare Trust)	<input type="checkbox"/> Limited Partnership
<input type="checkbox"/> Trust	<input type="checkbox"/> Not-for-Profit
<input type="checkbox"/> Individual	<input type="checkbox"/> Other

Province of organization: ON

If Borrower is a Nominee, who is the Beneficial Owner(s)? Gross Capital Inc. w/

2413667 Ontario
Inc.



List of all individuals that have a 25% or more interest* in the Borrower:

Name	Address	Occupation	% Interest

*Interest is defined as direct or indirect ownership of the Borrower through any entity or combination of entities.

Please attach a current diagram of the Ownership Structure (Org Chart)

If the Borrower is a Trust, what is the type of Trust: Discretionary Non-discretionary

If the Trust is Non-discretionary, please list below the following:

Trustee(s)

Name	Home Address

Trust Settlor(s)

Name	Home Address

Trust Beneficiary(ies) please do not disclose the names of any minors

Name	Home Address

If the Borrower is a Not-for-Profit, is the entity a registered charity with Canada Revenue Agency? No Yes

If Yes, please provide the CRA Registration # _____



B. Property Manager (if changed)

Is the property self-managed? Yes _____ No _____

Management Co: _____

Address: _____

Phone Number: (____) _____ Email: _____

C. Politically Exposed Persons (PEP) or Head of an International Organization (HIO)

Do you, your spouse, common-law partner, child, mother, father, brother, sister, half-brother, half-sister, spouse's or common-law partner's father or mother, close association for personal or business reasons, hold or has held an office or a position as a: a) head of state or head of government; b) member of the executive council of government or member of legislature; c) deputy minister or equivalent rank; d) ambassador or ambassador attaché or counselor; e) military general (or higher rank); f) president of a state-owned company or bank; g) head of a government agency; h) judge; i) leader or president of a political party represented in a legislature; j) mayor; or k) HIO?

No Yes, the account opening is conditional on Addenda Capital's authorization.

D. Judgments, Liens or Lawsuits

Are there any judgments, liens or lawsuits outstanding or pending against the Borrower, the beneficial owner if different from the Borrower, any Additional Covenantor or any of their principals or affiliates or has there been any adverse judgment issued against any of the foregoing within the last 3 years?

No Yes (If yes, please describe and attach supporting documentation).

E. Bankruptcy

Have any bankruptcies been filed by or against the Borrower, the Property, the beneficial owner if different from the Borrower, any Additional Covenantor or any of their principals or affiliates?

No Yes (If yes, please describe and attach supporting documentation).



Personal Information Legislation - CLIENT CONSENT

Client Consent in accordance with the *Personal information protection Act*

The client confirms having read the following text "Personal Information Legislation - Client Consent" and agrees to abide by it: I hereby consent that Addenda Capital Inc. (hereby known as "Addenda") collects and records from any entity or person the required information pertaining to this document. I may request from Addenda to provide me with the information collected in order to make the appropriate modifications, if any, as well as obtain a copy of the information collected for a reasonable cost. I hereby consent that any entity or person can provide Addenda with any requested information. I hereby consent that Addenda may transmit the information to any entity or any person affected by this document, to any entity or any person providing services to Addenda in relation to this document, as well as to any entity or any person as required by law. These consent agreements are also applicable for information previously included in any closed or inactive files. The also apply to the modification, extension or renewal of any duties or obligations resulting from this document. I hereby consent that Addenda collects and utilizes as prescribed by applicable laws, the personal information concerning me for its own purposes and for the purposes on any other firm associated with Addenda in order to provide me with reports, financial analyses, recommendations and general information on products and financial services that may be useful to me.

Declaration

By signing this Information Form, the undersigned certifies that the information provided herein is true and complete.

BORROWER:

Name (print): _____

Title: _____

Signature: 

Date: Mar 31 2019

This is Exhibit "O" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)



Municipality of Port Hope
 56 Queen St.
 Port Hope, ON L1A 3Z9
 905-885-4544 www.porthope.ca

Interim Tax Bill	2020
Billing Date	February 3, 2020

Roll No. 1423-125-010-10048-0000		2400N0001						
Mortgage:		Mortgage No:						
Name and Address		Municipal Address/Legal Description						
249 ONTARIO STREET HOLDINGS INC 200 RONSON DR SUITE 101 TORONTO, ON M9W 5Z9		249 - ONTARIO ST PLAN 11 LOT 15 PT LOTS 12 TO 14 16 AND 17 RP 9R2679 PART 1						
Class	Description	Assessment Value	Municipal Tax Rate	Municipal Amount	County Tax Rate	County Amount	Education Tax Rate	Education Amount
CTN	Commercial Taxable -No support	\$5,798,000	0.00917535	\$26,599.34	0.00716775	\$20,779.31	0.01290000	\$37,397.10
CTN	Urban Special Services	\$5,798,000	0.00497788	\$14,430.88				
		RECEIVED FEB 05 2020						
Sub Totals >>>		Municipal Levy		\$41,030.22	County Levy	\$20,779.31	Education Levy	\$37,397.10
Special Charges		Installments		Summary				
		Due Date	Amount	Tax Levy Sub-Total				\$99,206.63
		February 26, 2020	\$49,603.63	Special Charges				\$0.00
		April 28, 2020	\$49,603.00	2020 Tax Cap Adjustment				\$0.00
				Interim 2020 Levies				\$99,206.63
				Past Due/Credit				\$50,307.16
Total	\$0.00	Penalty is charged at a rate of 1.25% per month		Total Amount Due				\$149,513.79

Municipality of Port Hope
 56 Queen Street
 Port Hope, ON L1A 3Z9
 905.885.4544

249 ONTARIO STREET HOLDINGS INC
 200 RONSON DR
 SUITE 101
 TORONTO, ON M9W 5Z9

PLEASE DETACH AND SUBMIT WITH PAYMENT THANK YOU

Received from:	
Roll # 1423-125-010-10048-0000	2400N0001
Name 249 ONTARIO STREET HOLDINGS INC	
Address	
PLAN 11 LOT 15 PT LOTS 12 TO 14 16 AND 17 RP 9R2679 PART 1	
Due Date	Total Due
April 28, 2020	\$49,603.00

Cash Debit Cheque



⑆ 188644 9000 ⑆

96

Municipality of Port Hope
 56 Queen Street
 Port Hope, ON L1A 3Z9
 905.885.4544

249 ONTARIO STREET HOLDINGS INC
 200 RONSON DR
 SUITE 101
 TORONTO, ON M9W 5Z9

PLEASE DETACH AND SUBMIT WITH PAYMENT THANK YOU

Received from:	
Roll # 1423-125-010-10048-0000	2400N0001
Name 249 ONTARIO STREET HOLDINGS INC	
Address	
PLAN 11 LOT 15 PT LOTS 12 TO 14 16 AND 17 RP 9R2679 PART 1	
Due Date	Total Due
February 26, 2020	\$99,910.79

Cash Debit Cheque



⑆ 188644 9000 ⑆

96

This is Exhibit "P" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

From: Addenda Capital - Property Tax
To: [Anna Galantseva](#); [Lisa Vessio](#)
Subject: property taxes 249 Ontario St Port Hope, ON
Date: Friday, March 27, 2020 1:27:46 PM
Attachments: [image001.png](#)
[PAST DUE TAXES DUE FEB 26 2020.pdf](#)

Hello

Mortgage No. 0101093
 249 Ontario Street Holdings In.
 Property taxes. 249 Ontario St Port Hope, ON

Further to my email below I note that we have not received a response. Please provide the required information showing past due property taxes have been paid. I look forward to your reply.

Best Regards
 Maureen Kupiec



Maureen Kupiec
 Administrator, Commercial Mortgages
m.kupiec@addendacapital.com
 T. 306-994-6562

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Addenda Capital - Property Tax
Sent: March 12, 2020 9:10 AM
To: Anna Galantseva <agalantseva@primerealestategroup.ca>; Lisa Vessio <LVessio@primerealestategroup.ca>
Cc: Patti Lipp <p.lipp@addendacapital.com>; Addenda Capital - Property Tax <property.tax@addenda-capital.com>
Subject: RE: SECOND REQUEST FOR 2019 PROOF OF TAX PAYMENT

Hello Anna and Lisa

RE: Mortgage No. 0101093
 Borrower: 249 Ontario Street Holdings Inc.
 Property: 249 Ontario St. Port Hope, ON
 Past Due taxes \$50,307.16

I note from a review of the Interim Tax Bill 2020, sent as proof of payment of 2019 taxes, there is a "Past Due" amount of \$50,307.16 for 2019. Please provide proof of payment of the February 26, 2020 taxes of \$99,910.79. The past due taxes have been added to the Interim Feb 26th tax bill that would normally be \$49,603.63 but now totals \$99,910.79. The requested information can be provided in number of ways, as follows:

1. Tax Certificate from the Municipal office showing no outstanding taxes to date; or
2. Copy of Interim tax bill for 2020 showing a receipted stamp from a Financial Institution or from the Municipality; or
3. Copy of Tax Bill along with cancelled cheque issued for payment of same along.

Your immediate attention to the above would be appreciated. I look forward to your reply prior to Friday, March 20, 2020.

Best Regards
 Maureen Kupiec



Maureen Kupiec
 Administrator, Commercial Mortgages
m.kupiec@addendacapital.com
 T. 306-994-6562

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Anna Galantseva <agalantseva@primerealestategroup.ca>
Sent: March 10, 2020 12:39 PM
To: Addenda Capital - Property Tax <property.tax@addenda-capital.com>; Lisa Vessio <LVessio@primerealestategroup.ca>
Cc: Patti Lipp <p.lipp@addendacapital.com>
Subject: RE: SECOND REQUEST FOR 2019 PROOF OF TAX PAYMENT

Hi addenda,

Please find attached 2020 Interim Tax Bill.

Thank you,

[Anna Galantseva](#)
 Property Administrator

200 Ronson Drive, Suite 101 Toronto, ON M9W 5Z9
 D: 437-913-9268

B: 416.749.9954 ext. 7254
 TF: 1.866.998.2227
agalantseva@primerealestategroup.ca
www.primerealestategroup.ca



From: Addenda Capital - Property Tax <property.tax@addenda-capital.com>
Sent: March 9, 2020 5:26 PM
To: Anna Galantseva <agalantseva@primerealestategroup.ca>; Lisa Vessio <LVessio@primerealestategroup.ca>
Cc: Patti Lipp <p.lipp@addendacapital.com>
Subject: RE: SECOND REQUEST FOR 2019 PROOF OF TAX PAYMENT

Hello Anna and Lisa.

RE: Mortgage NO. 0101093
 Borrower: 249 Ontario Street Holdings Inc.
 Property Address: 249 Ontario St. Port Hope, ON (Port Hope Medical Centre)

Anna, further to your return email to Patti Lipp of Addenda Capital, I searched and cannot find any evidence that the first request letter for taxes was sent to either you or Lisa. Please consider the email from Patti today as our First Request for tax payment information.

To verify, we have you and Lise Vessio as our Tax Contacts and your email addresses as agalantseva@primerealestategroup.ca and lvessio@primerealestategroup.ca

I look forward to receipt of the requested information and confirmation is our contact information is correct or needs changing. Thank you.

Best Regards,
 Maureen Kupiec



Maureen Kupiec
 Administrator, Commercial Mortgages
m.kupiec@addendacapital.com
 T. 306-994-6562

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Anna Galantseva <agalantseva@primerealestategroup.ca>
Sent: March 9, 2020 12:54 PM
To: Patti Lipp <p.lipp@addendacapital.com>
Subject: RE: SECOND REQUEST FOR 2019 PROOF OF TAX PAYMENT

Hi Patti,

I have not received the first request, please advise when and at which email address it was submitted.

Thank you,

Anna Galantseva
 Property Administrator

200 Ronson Drive, Suite 101 Toronto, ON M9W 5Z9
 D: 437-913-9268
 B: 416.749.9954 ext. 7254
 TF: 1.866.998.2227
agalantseva@primerealestategroup.ca
www.primerealestategroup.ca



From: Patti Lipp <p.lipp@addendacapital.com>
Sent: March 9, 2020 2:36 PM
To: Anna Galantseva <agalantseva@primerealestategroup.ca>

This is Exhibit “Q” referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

From: Addenda Capital - Property Tax
To: [Anna Galantseva](mailto:Anna.Galantseva@primerealestategroup.ca); [Lisa Vessio](mailto:Lisa.Vessio@grosscapital.ca); shelley@grosscapital.ca
Cc: [Patti Lipp](mailto:Patti.Lipp@addendacapital.com); [Tiffany Palmer](mailto:Tiffany.Palmer@addendacapital.com); [Kelly Deck](mailto:Kelly.Deck@addendacapital.com)
Subject: RE: Request for evidence of Tax payment 2019
Date: Thursday, June 4, 2020 11:19:37 AM
Attachments: [image001.png](#)
[PAST DUE TAXES DUJF FEB 26, 2020.pdf](#)

Good morning

RE: Mortgage No. 0101093
 Borrower: 249 Ontario Street Holdings Inc.
 Property: 249 Ontario St. Port Hope, ON
 Past Due taxes \$50,307.16

I note that our requests for proof of payment of the 2019 property taxes has not been received. The Interim bill for February 2020 shows arrears of \$50,307.16 for 2019. Please forward to property.tax@addendacapital.com evidence of payment of the 2019 tax arrears on or before June 19, 2020. After June 19, 2020 Addenda will order a Tax Certificate for 2019 final /2020 interim taxes from Port Hope, Ontario the cost of which will be collected with your mortgage payment of either July 1st or August 1st, 2020. In addition an administration fee of \$300.00 will also be charged to your file and collected with the mortgage payment.

I trust you understand our position and look forward to receipt of the appropriate tax payment receipt for 2019 taxes and if you also have the February 2020 tax payment receipt it would be appreciated.

I look forward to your reply.

Best Regards
 Maureen Kupiec



Maureen Kupiec
 Administrator, Commercial Mortgages
m.kupiec@addendacapital.com
 T. 306-994-6562

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Addenda Capital - Property Tax <property.tax@addenda-capital.com>
Sent: March 12, 2020 9:10 AM
To: Anna Galantseva <agalantseva@primerealestategroup.ca>; Lisa Vessio <LVessio@primerealestategroup.ca>
Cc: Patti Lipp <p.lipp@addendacapital.com>; Addenda Capital - Property Tax <property.tax@addenda-capital.com>
Subject: RE: SECOND REQUEST FOR 2019 PROOF OF TAX PAYMENT

Hello Anna and Lisa

RE: Mortgage No. 0101093
 Borrower: 249 Ontario Street Holdings Inc.
 Property: 249 Ontario St. Port Hope, ON
 Past Due taxes \$50,307.16

I note from a review of the Interim Tax Bill 2020, sent as proof of payment of 2019 taxes, there is a "Past Due" amount of \$50,307.16 for 2019. Please provide proof of payment of the February 26, 2020 taxes of \$99,910.79. The past due taxes have been added to the Interim Feb 26th tax bill that would normally be \$49,603.63 but now totals \$99,910.79. The requested information can be provided in number of ways, as follows:

1. Tax Certificate from the Municipal office showing no outstanding taxes to date; or
2. Copy of Interim tax bill for 2020 showing a receipted stamp from a Financial Institution or from the Municipality; or
3. Copy of Tax Bill along with cancelled cheque issued for payment of same along.

Your immediate attention to the above would be appreciated. I look forward to your reply prior to Friday, March 20, 2020.

Best Regards
 Maureen Kupiec



Maureen Kupiec
 Administrator, Commercial Mortgages
m.kupiec@addendacapital.com
 T. 306-994-6562

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Anna Galantseva <agalantseva@primerealestategroup.ca>
Sent: March 10, 2020 12:39 PM
To: Addenda Capital - Property Tax <property.tax@addenda-capital.com>; Lisa Vessio <LVessio@primerealestategroup.ca>
Cc: Patti Lipp <p.lipp@addendacapital.com>
Subject: RE: SECOND REQUEST FOR 2019 PROOF OF TAX PAYMENT

Hi addenda,

Please find attached 2020 Interim Tax Bill.

Thank you,

Anna Galantseva
Property Administrator

200 Ronson Drive, Suite 101 Toronto, ON M9W 5Z9
D: 437-913-9268
B: 416.749.9954 ext. 7254
TF: 1.866.998.2227
agalantseva@primerealestategroup.ca
www.primerealestategroup.ca



From: Addenda Capital - Property Tax <property.tax@addenda-capital.com>
Sent: March 9, 2020 5:26 PM
To: Anna Galantseva <agalantseva@primerealestategroup.ca>; Lisa Vessio <LVessio@primerealestategroup.ca>
Cc: Patti Lipp <p.lipp@addendacapital.com>
Subject: RE: SECOND REQUEST FOR 2019 PROOF OF TAX PAYMENT

Hello Anna and Lisa.

RE: Mortgage NO. 0101093
Borrower: 249 Ontario Street Holdings Inc.
Property Address: 249 Ontario St. Port Hope, ON (Port Hope Medical Centre)

Anna, further to your return email to Patti Lipp of Addenda Capital, I searched and cannot find any evidence that the first request letter for taxes was sent to either you or Lisa. Please consider the email from Patti today as our First Request for tax payment information.

To verify, we have you and Lise Vessio as our Tax Contacts and your email addresses as agalantseva@primerealestategroup.ca and lvessio@primerealestategroup.ca

I look forward to receipt of the requested information and confirmation is our contact information is correct or needs changing.
Thank you.

Best Regards,
Maureen Kupiec

Addenda Capital Logo



Maureen Kupiec
Administrator, Commercial Mortgages
m.kupiec@addendacapital.com
T. 306-994-6562

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Anna Galantseva <agalantseva@primerealestategroup.ca>
Sent: March 9, 2020 12:54 PM
To: Patti Lipp <p.lipp@addendacapital.com>
Subject: RE: SECOND REQUEST FOR 2019 PROOF OF TAX PAYMENT

Hi Patti,

I have not received the first request, please advise when and at which email address it was submitted.

Thank you,

Anna Galantseva
Property Administrator

200 Ronson Drive, Suite 101 Toronto, ON M9W 5Z9
D: 437-913-9268
B: 416.749.9954 ext. 7254
TF: 1.866.998.2227
agalantseva@primerealestategroup.ca
www.primerealestategroup.ca





From: Patti Lipp <p.lipp@addendacapital.com>
Sent: March 9, 2020 2:36 PM
To: Anna Galantseva <agalantseva@primerealestategroup.ca>
Subject: SECOND REQUEST FOR 2019 PROOF OF TAX PAYMENT

Hello, SECOND REQUEST - IMMEDIATE ACTION REQUIRED

Re: Loan# 0101093
 Borrower: 249 ONTARIO STREET HOLDINGS INC
 Property Address: 249 ONTARIO STREET, PORT HOPE, ON
 Tax Roll #: 1423125010100480000

It is that time again when Addenda Capital requests evidence of payment of property taxes on the mortgaged properties. Please provide evidence of payment of the 2019 property taxes on the above mortgaged property.

The requested information can be provided in number of ways, as follows:

1. Tax Certificate from the Municipal office or School Board showing taxes paid for 2019;
2. Copy of Tax Bill for 2019 showing a receipted stamp from a Financial Institution or from the Municipality;
3. Copy of Tax Bill along with cancelled cheque issued for payment of same along;
4. The most current tax account statement from the Municipal office or School Board showing that the taxes are paid by monthly installments along with a copy of a bank statement verifying taxes are withdrawn.

I look forward to hearing from you.

If you have any questions or concerns please do not hesitate to contact me at (306) 994-6566.

Best Regards,

Please note my new contact information.



Patti Lipp
 Administrator, Commercial Mortgages
p.lipp@addendacapital.com
 T. 306-994-6566

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

Ce message, incluant tous les documents joints, est à l'intention des destinataires visés seulement. Il peut contenir des renseignements confidentiels, protégés et/ou ne pouvant pas être divulgués. Aucune renonciation n'est faite quant à sa nature confidentielle et privilégiée. Par conséquent, toute diffusion ou utilisation non autorisée est strictement interdite. Si vous avez reçu ce message par erreur, veuillez en aviser immédiatement l'expéditeur par retour de courriel et en détruire toutes les copies existantes.

This message, including any attached documents, is intended for the addressees only. It may contain information that is confidential, privileged and/or exempt from disclosure. No rights to privilege or confidentiality have been waived. Any unauthorized use or disclosure is prohibited. If you have received this message in error, please reply to the sender by e-mail and delete or destroy immediately all copies of this message.

Avant d'imprimer ce courriel, pensez à l'environnement! Merci. / Before printing this email, think of the environment. Thank you.

This is Exhibit "R" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

From: Addenda Capital - Property Tax
To: shelley@grosscapital.ca; mark@grosscapital.ca
Cc: [Kelly Deck](#); [Tiffany Palmer](#); [Patti Lipp](#); [Ardi Pradana](#)
Subject: Mortgage No. 0101093 249 Ontario Street Holdings Inc.
Date: Tuesday, August 25, 2020 6:09:01 PM
Attachments: [image001.png](#)
[PAST DUE TAXES DUE FEB 26, 2020.pdf](#)
Importance: High

Hello Shelley and Mark

RE: Mortgage No. 0101093
Borrower: 249 Ontario Street Holdings Inc.
249 Ontario Street, Port Hope, ON
2019 and 2020 Property Tax payments

Under the terms of the mortgage contract, Addenda Capital Inc. is to receive from the borrower evidence of payment of all property taxes on the above property. Addenda Capital Inc. requires proof of payment of property taxes thirty (30) days from the final tax billing date. I have attached a copy of the 2020 Interim Tax bill that showed a Past Due amount of \$50,307.16 for 2019. Consequently taxes owing Feb 26, 2020 were \$99,910.79 and due April 28, 2020 of \$49,603.00. This bill was received from the property management co. Prime Real Estate Group Inc. on March 27, 2020.

Further emails to Property Management requesting proof of payment have gone unanswered. Has there been a change in Property Management?

Due to the arrears, we require proof of payment via return email within 15 days from the date of this email. If not received Addenda will be requesting from Port Hope a Tax Certificate that will show amounts owing. The cost of the tax certificate and an administration fee of \$300.00 will be added to your next mortgage payment. If the tax certificate shows that in fact, the taxes are in arrears, Addenda will consider putting this loan on a monthly tax component along with the Principal and Interest payment.

Please provide proof of the final tax bill in one of the following forms:

1. Copy of receipted tax bill; or
2. Tax Invoice/Bill along with a photocopy of the cancelled cheque (front and back); or
3. Copy of current Tax Certificate.

If you pay your taxes through a monthly payment program with the tax office (TIPPS), please provide proof of payment in one of the following forms:

1. Copy of the most recent TIPPS statement from the tax office;
2. Copy of bank statement confirming monthly withdrawals.

Any questions or concerns do not hesitate to contact me.

Regards

Maureen Kupiec

[Addenda Capital Logo](#)



Maureen Kupiec
Administrator, Commercial Mortgages
m.kupiec@addendacapital.com
T. 306-994-6562

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

This is Exhibit "S" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'S' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

From: Ardi Pradana <a.pradana@addendacapital.com>

Sent: October 8, 2020 2:43 PM

178

To: shelley@grosscapital.ca; mark@grosscapital.ca

Cc: Kelly Deck <k.deck@addendacapital.com>; Tiffany Palmer <t.palmer@addendacapital.com>; Patti Lipp <p.lipp@addendacapital.com>; Miles Angielski <m.angielski@addendacapital.com>; Adam Kot <a.kot@addendacapital.com>; Addenda Capital - Property Tax <property.tax@addendacapital.com>

Subject: RE: Mortgage No. 0101093 249 Ontario Street Holdings Inc.

Hi Mark and Shelley,

Further to the email below, please note that we have been notified by our tax department that there is a tax arrears on the subject property, in the amount of \$248,565.48, as of October 7, 2020. This amount represent \$50,307.16 past due amount from 2019 tax year, the entire 2020 taxes and penalties.

Kindly note that tax arrears takes precedence over our mortgage and thus represent a significant risk to our security. As such, we require the arrears to be cleared with proof of payment submitted to our office by end of business on **Wednesday, October 14, 2020**.

Should we not receive the proof of payment by the above deadline, we would perform the following on October 15, 2020:

1. Pay the tax account in full
2. Capitalize the amount to our mortgage
3. Retract the tax waiver and add tax installment to monthly mortgage payment starting on November 1, 2020

Any administration fee and costs associated with the payment of the tax arrears would be for your account and will be capitalized to the mortgage.

If you would like to discuss this matter further, please do not hesitate to contact me directly at (306) 994-6539. Thank you.

Addenda Capital Logo



Ardi Pradana, CFA
Assistant Manager, Commercial Mortgages
a.pradana@addendacapital.com
T. 306-994-6539

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Addenda Capital - Property Tax <property.tax@addenda-capital.com>

Sent: August 25, 2020 4:09 PM

To: shelley@grosscapital.ca; mark@grosscapital.ca

Cc: Kelly Deck <k.deck@addendacapital.com>; Tiffany Palmer <t.palmer@addendacapital.com>; Patti Lipp <p.lipp@addendacapital.com>; Ardi Pradana <a.pradana@addendacapital.com>

Subject: Mortgage No. 0101093 249 Ontario Street Holdings Inc.

Importance: High

Hello Shelley and Mark

RE: Mortgage No. 0101093
Borrower: 249 Ontario Street Holdings Inc.

249 Ontario Street, Port Hope, ON
2019 and 2020 Property Tax payments

Under the terms of the mortgage contract, Addenda Capital Inc. is to receive from the borrower evidence of payment of all property taxes on the above property. Addenda Capital Inc. requires proof of payment of property taxes thirty (30) days from the final tax billing date. I have attached a copy of the 2020 Interim Tax bill that showed a Past Due amount of \$50,307.16 for 2019. Consequently taxes owing Feb 26, 2020 were \$99,910.79 and due April 28, 2020 of \$49,603.00. This bill was received from the property management co. Prime Real Estate Group Inc. on March 27, 2020. Further emails to Property Management requesting proof of payment have gone unanswered. Has there been a change in Property Management?

Due to the arrears, we require proof of payment via return email within 15 days from the date of this email. If not received Addenda will be requesting from Port Hope a Tax Certificate that will show amounts owing. The cost of the tax certificate and an administration fee of \$300.00 will be added to your next mortgage payment. If the tax certificate shows that in fact, the taxes are in arrears, Addenda will consider putting this loan on a monthly tax component along with the Principal and Interest payment.

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2. Tax Invoice/Bill along with a photocopy of the cancelled cheque (front and back); or
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1. Copy of the most recent TIPPS statement from the tax office;
2. Copy of bank statement confirming monthly withdrawals.

Any questions or concerns do not hesitate to contact me.

Regards
Maureen Kupiec

Addenda Capital Logo



Maureen Kupiec
Administrator, Commercial Mortgages
m.kupiec@addendacapital.com
T. 306-994-6562

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

This is Exhibit "T" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'S' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

From: Addenda Capital - Property Tax
To: [Ardi Pradana](#); [Addenda Capital - Property Tax](#)
Cc: [Tiffany Palmer](#); [Miles Angielski](#); [Maureen Kupiec](#); [Kelly Deck](#)
Subject: RE: Mortgage No. 0101093 249 Ontario Street Holdings Inc.
Attachments: [image001.png](#)

Hi Ardi,

I kept phoning and finally got a hold of Sandra Brown. She is very co-operative to work with.

#1. I now have Sandra's email address -

I need to send a request for a Tax Certificate but Sandra is not in the office till Friday - So she will issue the tax Certificate on Friday, assuming she receives the request from us and we can advise her when payment will come, the cost is \$40.00.

In my email I am also so ask for the wire instructions and she will forward to me. (Thank goodness they accept wires)

#2. I asked her how long before they would put the property of for sale. Sandra said it is when they have 2 years of Arrears - which this roll number does. As there was arrears in 2019 and 2020. If taxes are not paid up to date. Port Hope will be sending notices in October, November and December to the borrower and in January 2021 they would issue a debt notice advising of registered for tax sale.

#3. Sandra also mentioned that they have not been paying the Water either. **The water amount owed is in arrears - amount owing is \$8,618.85 - she said this amount will appear on the Tax Certificate. She said at some point this outstanding amount for water would roll over onto taxes, but she did not say the time frame on this. So Ardi - I am assuming we will pay the Water Arrears when we pay the Tax Arrears?????**

Of interest, She said their June and Sept 2019 Tax payment the borrower had put a stop payment of these and were never paid. They were on PreAuthorized payments prior to this. And put stop payments on.

Oh dear.

Addenda Capital Logo



Patti Lipp
Administrator, Commercial Mortgages
p.lipp@addendacapital.com
T. 306-994-6566

This is Exhibit "U" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'S' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)



Municipality of Port Hope
 56 Queen Street
 Port Hope, ON
 L1A 3Z9
 905.885.4544
 www.porthope.ca

**** RECEIPT ****

ADDENDA CAPITAL

Date: 10/19/2020

Receipt No: 415949

Receipt	Account	Description	Amount O/S	Amount
Tax Roll	125010100480000	249 ONTARIO STREET HOLDING\$	\$248,565.48	\$248,565.48
Utilities	023143.02	249 ONTARIO STREET HOLDING\$	\$8,618.85	\$8,618.85

Sub-Total	\$257,184.33
Tax	\$0.00
Eft:	\$257,184.33

Total	\$257,184.33
-------	--------------

Clerk: SB

HST Reg #12473 0490 RT0001

Amount remaining	\$0.00
Rounding	\$0.00
Amount returned	\$0.00

This is Exhibit "V" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'S' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

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

yyyy mm dd Page 1 of 20

Properties

PIN 51078 - 0317 LT *Interest/Estate* Fee Simple
Description LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE
Address 249 ONTARIO STREET
 PORT HOPE

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 249 ONTARIO STREET HOLDINGS INC.
Address for Service 200 Ronson Drive, Suite 201
 Toronto, Ontario M9W 5Z9

Attention: Mark C. Gross, President

I, Mark C. Gross, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name 1592106 ONTARIO INC.
Address for Service 83 Navy Wharf Court
 Toronto, Ontario M5V 3S3

Provisions

Principal \$6,250,000.00 *Currency* CDN
Calculation Period interest-only, monthly
Balance Due Date On Demand
Interest Rate 22%
Payments
Interest Adjustment Date
Payment Date On Demand
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount Full insurable value
Guarantor

Additional Provisions

See Schedules

Signed By

Edna Rioveros Tienzo 77 King Street West Suite 3000 PO acting for Signed 2019 07 19
 Box 95 TD Centre Chargor(s)
 Toronto
 M5K 1G8

Tel 416-864-9700

Fax 416-941-8852

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

Submitted By

FOGLER, RUBINOFF LLP 77 King Street West Suite 3000 PO 2019 07 19
 Box 95 TD Centre
 Toronto
 M5K 1G8

Tel 416-864-9700

Fax 416-941-8852

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

Fees/Taxes/Payment

Statutory Registration Fee	\$64.40
Total Paid	\$64.40

File Number

Chargor Client File Number :	193137 INK
Chargee Client File Number :	CNTI 728

SCHEDULE A

Schedule to a Charge/Mortgage of Land between the Chargor identified on page 1 of this Charge and
1592106 Ontario Inc., as Chargee1. **Definitions.** In this Charge:

- (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, licences or requirements of every Governmental Authority.
- (b) **Balance Due Date** means August 1, 2020.
- (c) **Business Day** means a day, excluding Saturday and Sunday, on which banks are open for commercial business in Toronto, Ontario.
- (d) **Borrower** means collectively 240 Old Penetanguish Holdings Inc., 65 Larch Holdings Inc., 2009 Long Lake Holdings Inc., 100 Colborne Holdings Inc., 2478658 Ontario Ltd., Southmount Healthcare Centre Inc., 180 Vine Inc., 800 Princess Street Holdings Limited, Portage Road Holdings Limited, Morrison Street Holdings Limited, 86 Angeline Street Holdings Inc., 249 Ontario Street Holdings Inc., Gross Capital Inc., Mark Gross and Sheldon Gross.
- (e) **Charge** means this Charge/Mortgage of Land made pursuant to the *Land Registration Reform Act* (Ontario) and any amendments thereto, to which the Chargor and the Chargee are parties.
- (f) **Chargee** means 1592106 Ontario Inc.
- (g) **Chargor** has the meaning defined on page 1 of this Charge.
- (h) **Commitment** means the Commitment dated July 15, 2019 issued by the Chargee to the Borrower pursuant to which the Loan secured by this Charge has been granted and any amendments thereto.
- (i) **Control** means the ownership of greater than 50% of the voting securities of the Chargor providing for effective voting control of the Chargor.
- (j) **Costs** means the fees, costs, charges and expenses of the Chargee of and incidental to (1) the preparation, execution, registration and administration of this Charge and any other instruments connected herewith and every renewal hereof; (2) the collection, enforcement, realization of the security herein contained; (3) procuring payment of the Indebtedness due and payable hereunder, including foreclosure, power of sale or execution proceedings commenced by the Chargee or any other party; (4) any inspection required to be made of the Property, including, without limitation, environmental assessments and engineer's inspections; (5) all necessary repairs required to be made to the Property; (6) the Chargee's having to go into possession of the Property and secure, complete and equip the building or buildings in any way in connection therewith; (7) the Chargee's renewal of any leasehold interest; (8) the exercise of any of the powers of a receiver contained herein; and (9) any and all solicitor's costs, costs and expenses of any necessary examination of the title to and of valuation of the Property, including, without limitation, engineer's reports and appraisal costs. Costs shall (1) extend to and include legal costs incurred by the Chargee (including the Chargee's in-house legal counsel, if any) on a full indemnity basis; (2) be payable forthwith by the Chargor; (3) bear interest at the Interest Rate; and (4) be a charge on the Property secured by this Charge.
- (k) **Date of Advance** means the date on which the Loan is advanced in accordance with the Commitment.
- (l) **Event of Default** has the meaning ascribed thereto in paragraph 28.
- (m) **First Payment Date** means September 1, 2019.
- (n) **Fixtures** include but are not limited to furnaces, boilers, oil burners, stokers, water heaters, sprinklers, electric light fixtures, screen and storm doors and windows, air conditioning, plumbing, cooling and heating equipment and all apparatus and equipment appurtenant to the Property.
- (o) **Governmental Authority** means any federal, provincial, municipal or other form of government, parliament, legislature or commission or board, authority or department of such government, parliament or legislature, or any quasi governmental authority, or any court or tribunal having jurisdiction in the relevant circumstances.
- (p) **Guarantor** means collectively Mark Gross and Sheldon Gross.
- (q) **Indebtedness** means the Principal Amount, interest thereon at the Interest Rate, Costs, Taxes and all other amounts payable by the Chargor under this Charge, the Security Documents and the Commitment secured by this Charge.
- (r) **Interest Adjustment Date** means August 1, 2019.

- (s) **Interest Rate** means 12.0% introductory rate for the first six (6) months of the Term, and thereafter, 21.99% for the final six (6) months of the Term, calculated and payable monthly, not in advance, with interest being calculated daily and compounded monthly on each payment date on the total of the principal balance plus accrued interest outstanding on the payment date.
 - (t) **Last Payment Date** means August 1, 2020.
 - (u) **Loan** has the meaning ascribed thereto in the Commitment.
 - (v) **Loan Amount** means the principal amount of \$5,000,000.00.
 - (w) **Monthly Instalments** means the sum of \$50,000.00 due monthly, not in advance.
 - (x) **Payment Date** means the first day of each and every month from and including the First Payment Date to and including the Balance Due Date.
 - (y) **Person** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other personal representative or any Governmental Authority.
 - (z) **Principal Amount** means the principal amount that is outstanding from time to time under this Charge being initially the sum of SIX MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$6,250,000.00) (in lawful money of Canada), being 125% of the Loan amount.
 - (aa) **Property** means the Property identified in this Charge by the Property Identifier(s), if any, and described in the Description herein and in a Schedule to this Charge, if required, and includes all buildings, Fixtures, equipment, machinery, appliances, furniture, furnishings and chattels and improvements now or hereafter brought or erected thereon.
 - (bb) **Security Documents** means the security contemplated by or arising out of the Commitment.
 - (cc) **Tax Account** means an account on the Chargee's books of account, relating to this Charge to which all payments made by the Chargor to the Chargee pursuant to paragraph 18 may at the option of the Chargee be credited (as to which account the Chargee shall not be a trustee).
 - (dd) **Taxes** means all taxes, duties, rates, imposts, assessments and other similar charges whether general or special, ordinary or extraordinary, foreseen or unforeseen and all related interest penalties and fines which at any time may be levied, assessed, imposed or be a lien on the Property or any part thereof.
 - (ee) **Term** means twelve months (12) from the Interest Adjustment Date.
2. **Charge of Property.** In return for the Chargee making the Loan to the Chargor in the Principal Amount, the receipt of which is hereby acknowledged by the Chargor, the Chargor hereby mortgages, charges, assigns and transfers as and by way of a fixed and specific mortgage, charge, assignment and transfer to and in favour of the Chargee all legal and beneficial right, title, estate, interest and benefit from time to time in and to the Property to secure the repayment of the Indebtedness and the performance of all of the obligations of the Chargor contained herein. The Chargor hereby releases to the Chargee all its claims on the Property until the Chargor has repaid the Indebtedness and performed all of the obligations of the Chargor in the manner provided by this Charge.
3. **Interest.** The Chargor hereby agrees:
- (a) To pay the Chargee interest on the Principal Amount, as the Principal Amount is advanced to the Chargor, at the Interest Rate calculated and payable quarterly on the first day of the quarter in each year of the Term. This interest at the Interest Rate is payable on the Principal Amount both before and after the Balance Due Date as well as both before and after default and judgment until the Indebtedness has been repaid in full. The first payment of interest is to be computed from the date of advance of funds hereunder, upon the principal sum so advanced;
 - (b) In case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof and on the Balance Due Date, to pay the Chargee compound interest on any interest that is payable on any Payment Date, and which is not paid when due. If the interest and compound interest are not paid in three (3) months from the time of default, a rest shall be made and compound interest at the Interest Rate shall be payable on the aggregate amount of interest and compound interest then due as well after as before the Balance Due Date and so on from time to time; and
 - (c) That all interest and compound interest shall be a charge on the Property, secured by this Charge.
4. **Deemed Re-investment.** There shall be no allowance or deduction for deemed re-investment with respect to any amounts paid to the Chargee on account of interest under this Charge.

5. **Repayment of the Loan.** The Chargor hereby agrees:
 - (a) To pay the Principal Amount and all interest in accordance with the terms of this Charge to the Chargee at its Head Office in Toronto, Ontario, or such other place as the Chargee may from time to time designate in writing; and
 - (b) To pay the Chargee the Principal Amount together with interest thereon at the Interest Rate computed from the Date of Advance, which shall become due and be paid quarterly commencing on the First Payment Date and thereafter on each Payment Date to and including the Balance Due Date at which time the balance of the Principal Amount and the accrued and unpaid interest thereon shall become due and be paid in full.
6. **Application of Payments.** Each payment will be applied first, to pay interest calculated as provided above on the Principal Amount from time to time outstanding, and the balance of said payment, if any, shall then be applied to reduce the Principal Amount. A payment will not be deemed to have been made until the Chargee has actually received such money. The Chargor assumes all risk if payments are lost or delayed. Any payment received after 3:00 p.m. Toronto time on any day will be deemed, for the purpose of calculation of interest, to have been made and received on the next Business Day.
7. **Wire Transfer/Pre-authorized Chequing.** The Chargor, on written request from the Chargee, will at the option of the Chargee either make all payments pursuant to this Charge by wire transfer to an account designated by the Chargee from time to time or shall authorize such payments to be made by pre-authorized chequing or electronic entry on an account maintained by the Chargor and will execute such written authorizations to the Chargor's banking or financial institution and provide such sample cheques as the Chargee may require.
8. **Dishonoured Cheques or Payments.** If any of the Chargor's cheques are not honoured when presented for payment or if a payment pre-authorized to this Charge is not honoured, the Chargor will pay the Chargee a reasonable servicing fee as determined by the Chargee for each such returned cheque or dishonoured payment to cover the administration costs and expenses arising therefrom, which costs and expenses shall, together with interest thereon at the Interest Rate, be added to the Indebtedness and be secured by this Charge and shall be forthwith due and payable to the Chargee.
9. **Prepayment.** It is expressly understood and agreed that the Chargor may not voluntarily repay the Indebtedness in whole or in part prior to the Balance Due Date except as set forth herein. When not in default hereunder, the Borrower shall have the privilege of prepaying the principal balance plus accrued interest outstanding upon payment of one (1) month interest bonus within the first six (6) months of the Term and without penalty during the final six (6) months of the Term.
10. **No sale, transfer, change in control or beneficial interest.** The Chargor covenants and agrees that, except as specifically contemplated in the Commitment, the Chargor will not at any time, directly or indirectly, sell, transfer, convey or dispose of the Property or any other assets forming part of the Chargee's security or parts thereof or interests therein or enter into an agreement to do so or change or permit a change of Control of the Chargor or change or permit a change in the legal or beneficial ownership of the Property (collectively, a "Transfer") without the prior written consent of the Chargee, but in no circumstances will consent be given to a Transfer to a Person other than a corporation incorporated under the laws of a jurisdiction of Canada. Provided that no Event of Default then exists, in the event the Chargee elects to grant its consent, in its sole and absolute discretion, such consent shall be conditional upon the payment to the Chargee of a reasonable assumption fee and the Chargor causing the Person to whom the sale, transfer, conveyance, disposition, change in Control or transfer of beneficial ownership is being made to enter into an assumption agreement with the Chargee, prepared by the Chargee at the Chargor's cost and expense, to assume all terms, conditions, provisos and covenants in this Charge, provided that the entering into of such assumption agreement shall not alter the liability of the Chargor or in any way affect or limit the rights of the Chargee as against the Chargor or any other Person liable for payment of all or any part of the Indebtedness. The consent to one such sale, transfer, conveyance, disposition, change in Control or beneficial interest shall not be deemed to be a waiver of the right to require consent to future or successive dispositions. Provided that if the Chargor at any time, directly or indirectly, shall sell, transfer, convey or dispose of the Property or any other assets forming part of the Chargee's security or any parts thereof or interests therein, or enters into an agreement to do so or in the event of a change of Control of the Chargor or a change in the legal or beneficial ownership of the Property without the prior written consent of the Chargee, then, at the sole option of the Chargee, the Indebtedness then outstanding together with all accrued and unpaid interest thereon and any other amounts due under this Charge, shall immediately become due and payable in full, other than with respect to sales that occur pursuant to partial discharge provisions detailed herein.
11. **No encumbrances.** If the Chargor:
 - (a) permits a charge, mortgage, lien or other encumbrance to be secured on the Property or any part thereof or any interest therein; or
 - (b) draws an advance provided for in any mortgage, charge or encumbrance secured on the Property other than this Charge; or
 - (c) incurs any additional secured debt on the Property;

without the prior written consent of the Chargee, then the Chargee may, in its sole discretion, declare forthwith due and payable the Indebtedness then outstanding. The consent of the Chargee to one such encumbrance shall not be deemed to be a waiver of the obligation of the Chargor to obtain consent to future or successive encumbrances.

12. **Renewal and Amendment of Charge.** The Chargor hereby agrees with the Chargee that:
- (a) Any agreement in writing between the Chargor and the Chargee subsequent to the date of registration of this Charge relating to any amendment to this Charge, the payment of the unpaid Indebtedness, or to the Interest Rate, or any of them, need not be registered in any land registration office. Such agreement shall be effectual and binding on the Property and upon the Chargor, the Guarantor, the Chargee and upon any encumbrancer or transferee of the Property, or any part thereof, acquired subsequent to the date of registration of this Charge and shall have priority over any subsequent charge, mortgage, encumbrance or transfer of the Property to the same extent and effect as if such agreement in writing had been executed, delivered and registered in the appropriate land registration office prior to the making of such subsequent charge, mortgage, encumbrance or transfer and shall not release or affect any agreement or covenant herein or collateral hereto; and
 - (b) No agreement for renewal hereof or for extension of the time for payment of the Indebtedness hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the Balance Due Date or the expiration of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any Indebtedness hereunder shall result from, or be implied from any other act, matter or thing, save only an express agreement in writing between the Chargor and the Chargee.
13. **Advances under Charge.** Neither the preparation, execution or registration of this Charge shall bind the Chargee to advance the Principal Amount intended to be secured hereby.
14. **Commitment.** The Chargor hereby agrees with the Chargee that all of the terms, covenants and conditions set forth and contained in the Commitment, including without limitation, Schedule "A" attached to and forming part of the Commitment, shall form part of this Charge as fully and effectively as if same were herein set forth and contained. It is agreed that the execution and/or registration of the security shall not operate as a merger of the remedies and provisions of the Commitment and the remedies and provisions of the Commitment shall remain intact and be capable of enforcement against the Chargor and all other persons liable in respect thereof.
- The Commitment shall not merge with the execution and delivery of this Charge and the advance of the Loan pursuant to the Commitment but shall survive the same. In the event of a conflict between the terms of this Charge and the Commitment, the terms of the Commitment shall prevail.
15. **Payments the Chargee may make.** The Chargee may pay the amount of any rent or satisfy any lien, rate, encumbrance or other charge now or hereafter existing or to arise or to be claimed upon the Property or any part thereof and any sum so paid shall be secured by this Charge, be payable forthwith by the Chargor, and in any case the Chargee shall be entitled to all the equities and securities of all persons so paid and is hereby authorized to retain any discharge unregistered until paid.
16. **Repayment of Additional Payments.** The Chargor hereby agrees with the Chargee that amounts paid by the Chargee under paragraph 15 shall be payable forthwith by the Chargor without demand therefor, shall bear interest at the Interest Rate calculated in the manner hereinbefore provided and shall be added to the Principal Amount hereby secured and shall be a charge upon the Property to the same extent and effect as the Principal Amount hereby secured.
17. **Costs of Charge.** The Chargor hereby agrees to pay the Costs to the Chargee and the Chargee's calculation of same is final and conclusive and absent manifest error the Chargor has no right to dispute the Costs.
18. **Taxes.** The Chargor covenants and agrees with the Chargee that:
- (a) The Chargee may pay out of and deduct from any advance of the Principal Amount hereunder any such Taxes, the whole or any instalment of which has or will become payable at the Interest Adjustment Date;
 - (b) At closing, and at the Lender's option, the Borrower shall establish with the Lender a Property tax escrow account (and undertakes to provide funds to establish the subject account satisfactory to the Lender), and the Borrower agrees to pay to the Lender one-twelfth of the annual taxes which now are or may hereafter be imposed, charged or levied upon the Property and upon the Chargor, as determined by the Lender in its sole discretion, on a monthly basis, and the Lender will remit same to the local municipality as taxes are due. No interest will be paid to the Borrower on funds held in the Property tax escrow account. If a Property tax escrow account is required, the Borrower agrees to pay the Lender a \$500.00 Per Annum Tax Account Administration Fee for servicing the tax account. Failure to provide proof of payment of realty taxes will result in an administration charge of \$500.00.

- (c) In the event that the Taxes actually charged in a calendar year, together with any interest and penalties, exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency;
 - (d) The Chargor shall transmit to the Chargee all tax bills and other notices relative to the imposition of Taxes on the Property immediately after receipt thereof by the Chargor;
 - (e) All payments so made by the Chargor to the Chargee pursuant to this paragraph 18 shall at the option of the Chargee be either credited to the Tax Account or applied against Indebtedness owing hereunder if the Chargor is in default hereunder;
 - (f) The Chargee shall so long as there is no default hereunder pay all such Taxes as they fall due or at such earlier time as the Chargee deems fit and the amount thereby expended shall be debited against the Tax Account to the extent that the amount in the Tax Account is sufficient and the Chargee may at its option either debit to the Tax Account or add to the Principal Amount hereby secured the amount, if any, by which the Tax Account is insufficient;
 - (g) Any debit balance from time to time in the Tax Account shall bear interest at the Interest Rate and shall together with such interest be secured hereby but nothing contained herein shall render the Chargee liable to allow or pay interest on any credit balance from time to time in the Tax Account;
 - (h) The Chargee may, at any time, pay any Taxes, the whole or any instalment of which is payable at such time, and the amount of such Taxes paid shall be added to the Principal Amount and shall be secured by this Charge; and
 - (i) The amount, if any, by which the aggregate of all Taxes which have been paid by the Chargee exceeds at any time and from time to time the aggregate of all payments which have been made by the Chargor to the Chargee pursuant to this paragraph 18, shall be payable by the Chargor forthwith on demand hereof and at any time and from time to time and shall be secured by this Charge.
19. **Not construction loan.** The Chargor acknowledges, covenants and agrees with the Chargee that this Charge and the proceeds thereof are not to be used for the purpose of:
- (a) securing the financing of any improvement within the meaning of the *Construction Act* (Ontario), as amended, to the Property; nor
 - (b) repaying any charge which was taken to secure the financing of an improvement to the Property,
- and in the event that the funds advanced under this Charge are so used (in whole or in part) or in the event that a lien has arisen within the meaning of the *Construction Act* (Ontario), as amended, prior to the registration of a discharge of this Charge, the Principal Amount then outstanding, together with all accrued and unpaid interest thereon, shall immediately become due and payable, at the option of the Chargee.
20. **Lien registration.** Provided that, upon the registration or receipt by the Chargee of notice of any construction lien pursuant to the *Construction Act* (Ontario), as amended, or any lien pursuant to any legislation replacing same and to the same effect against the Property or in the event of any structures being erected on the Property being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the Indebtedness shall, at the option of the Chargee, forthwith become due and payable.
21. **Covenants of Chargor.** The Chargor covenants with the Chargee that:
- (a) The Chargor will pay all Indebtedness and observe all provisos, conditions and agreements contained herein at the times and in the manner herein set forth;
 - (b) The Chargor has good and marketable title in fee simple to the Property;
 - (c) The Chargor has the right to charge the Property to the Chargee;
 - (d) On default, the Chargee shall have quiet enjoyment and quiet possession of the Property, free from all encumbrances;
 - (e) The Chargor has not done, omitted or permitted any act to encumber the Property save for encumbrances contemplated by the Commitment and save as disclosed by the records of the applicable Land Registry Office (provided same have been consented to by the Chargee, in its sole and absolute discretion);
 - (f) Covenant 1.vii, deemed to be included in this Charge by subsection 7(1) of the *Land Registration Reform Act* (Ontario) is hereby expressly varied by providing that the Chargor will, before or after default, execute such further assurances of the Property and do such other acts, at the Chargor's expense, as may be reasonably required by the Chargee; and
 - (g) The Chargor will pay all charges, mortgages and other encumbrances on the Property when they are due and will comply with its other obligations under them.

22. **Reporting.**

During the term of the Loan the Chargor covenants to provide or arrange for delivery to the Chargee of the following reports, statements and/or notices:

- (a) Immediate notification of the occurrence of any Event of Default or any event which, with the giving of notice, or passage of time, would become an Event of Default;
- (b) Notification of any damage or destruction to the building(s) on the Property immediately upon the occurrence of such damage or destruction; and
- (c) Such information concerning the Property, the Chargor and/or the Guarantor as the Chargee may reasonably request from time to time.

23. **Insurance.** The Chargor covenants with the Chargee that:

- (a) The Chargor will insure and keep insured during the continuance of this Charge the buildings on the Property with the following insurance coverage:
 - (i) "All Risks" insurance covering 100% of the full replacement cost of the buildings and improvements on the Property;
 - (ii) "Rental Income or Business Interruption" insurance covering 100% of the gross revenues of the Property for successive minimum periods of twelve (12) months;
 - (iii) "Comprehensive Broad Form Boiler and Machinery" insurance coverage, if applicable;
 - (iv) "Comprehensive General Public Liability" insurance coverage in an amount of not less than \$5,000,000.00 on a per occurrence basis; and
 - (v) the Chargor shall maintain the insurance set out in Schedule "A" of the Commitment, as applicable, all in proper form and with insurers acceptable to the Chargee at the Property.

All insurance policies, forms of insurance, amounts of insurance and insuring companies must be satisfactory to the Chargee and its insurance consultant, in their sole discretion, and, without limiting the generality of the foregoing, must have not less than an "A" credit rating.

All policies must show the interest of the Chargee as second mortgagee together with a standard mortgage clause approved by the Chargee. The policies must provide for thirty (30) days notice to the Chargee of any change, renewal or cancellation of the policies.

- (b) Without in any way limiting or restricting the generality of the foregoing:
 - (i) If a sprinkler system or a steam boiler or any other thing or apparatus generating steam or operated by steam shall be installed or operated on the Property, the Chargor shall insure the buildings on the Property against loss or damage caused by such sprinkler system or by such boiler or other thing or apparatus or bursting or explosion thereof or defect therein to the full replacement value of such buildings;
 - (ii) The Chargor shall insure such buildings against loss or damage by wind, storm, hail, lightning, explosion, riot, impact by aircraft or vehicle, smoke damage and such other risks and hazards as the Chargee may from time to time require;
 - (iii) The Chargee may require any insurance upon or in respect of such buildings to be cancelled and new insurance to be effected by an insurance company or companies approved by the Chargee and may without reference to the Chargor effect or maintain any insurance upon or in respect of such buildings in the absence of satisfactory proof of coverage;
 - (iv) Evidence satisfactory to the Chargee of the renewal of every policy of insurance shall be forwarded to the Chargee at least fifteen (15) days before the termination thereof, failing which the Chargee may provide therefor;
 - (v) The Chargee may, in its sole discretion, require that all monies payable under any insurance described herein be applied in payment of all or any of the Indebtedness whether or not then due and payable;
 - (vi) All policies of insurance upon or in respect of such buildings shall have loss payable to the Chargee and shall be subject to mortgage clauses in a form approved by the Chargee;
 - (vii) The Chargee shall have a first lien to secure the Indebtedness on all insurance upon or in respect of the Property or proceeds therefrom whether effected pursuant to the foregoing covenants or not and the Chargor hereby assigns to the Chargee all right, title and interest of the Chargor to all present and future insurance upon or in respect of the Property and proceeds therefrom; and

- (viii) The foregoing provisions as to insurance shall apply with respect to all buildings upon the Property whether presently existing or erected hereafter.
- (c) The Chargor covenants and agrees that forthwith upon demand of the Chargee, the Chargor shall pay to the Chargee one half of the estimated annual cost of obtaining and maintaining all of the required insurance policies as aforesaid, which estimated cost shall be determined by the Chargee in its sole discretion, and shall be paid thereafter every six (6) months during the continuance of this Charge. In the event the cost of obtaining and maintaining the required insurance policies exceeds the amount estimated by the Chargee, the Chargor shall pay to the Chargee, forthwith on demand, the amount required to make up the deficiency. All payments made by the Chargor to the Chargee in respect of the cost of obtaining and maintaining the insurance policies as aforesaid, shall at the option of the Chargee be paid on account of such insurance policies or applied against the Indebtedness owing hereunder if the Chargor is in default hereunder. The Chargee shall, so long as there is no default hereunder, pay the insurance premiums as they fall due or at such earlier time as the Chargee deems fit and to the extent that the amount paid by the Chargor on account of the insurance premiums is insufficient, the Chargee may, at its option, pay such amount and add same to the Principal Amount hereby secured. Any amount so paid shall bear interest at the Interest Rate and shall be secured hereby.
24. **Management of Property.** The Chargor covenants and agrees that the Charged Premises shall be managed, leased and operated by a professional property manager acceptable to the Chargee failing which the Chargee may, in its sole discretion, appoint a property manager acceptable to it, at the sole cost and expense of the Chargor
- The Borrower shall select, appoint and retain a project monitor and any all other professionals providing services in respect of the Property. The terms of reference of the project monitor shall be prepared by the Lender. All reports and certificates of the project monitor and any other professionals shall be addressed to both the Borrower and the Lender. The Borrower and the Guarantor acknowledge that the Lender shall have no liability responsibility or obligation to the Borrower and/or the Guarantor respecting any services, certificates or reports was retained by the Borrower or the Lender.
25. **Repair and Improvement of the Property.** The Chargor hereby agrees that:
- (a) The Chargor will keep the Property in good condition and repair according to the nature and description of the Property at the Chargor's sole cost and expense, and the Chargor will not commit any act of waste thereon or thereto, or do anything which diminishes or might diminish the value thereof, as determined by the Chargee in its sole and absolute discretion;
- (b) The Chargee may whenever it deems necessary either in person or by its agent, enter upon and inspect the Property and the reasonable costs of such inspection shall be payable forthwith by the Chargor;
- (c) If any building or buildings now or hereafter in the course of construction on the Property shall remain unfinished and without any work being done on them for a period in excess of ten (10) consecutive days, subject to Force Majeure and if at the date of this Charge, the buildings and other improvements on the Property have not been fully completed, the Chargee may without incurring any liability as a mortgagee in possession enter upon the Property and do all work necessary to protect the same from deterioration and complete the buildings on the Property in accordance with plans and specifications which have been approved in writing by the Chargee or when not previously approved, in such manner as the Chargee may deem fit and will carry on diligently to complete the construction of the said building or buildings and other improvements. "Force Majeure" means a circumstance beyond the control of the Chargor, other than unavailability of funds, which cannot be avoided by the exercise of due care by the Chargor, namely: (i) an act of God; (ii) flood, earthquake, storm, lightning, fire or explosion; (iii) an act of war, invasion, riot, or other civil unrest or disturbance; (iv) an order, decree or other act of court or civil or military authority; (v) civil disturbance or similar occurrence; (vi) epidemic; (vii) governmental law, order, restriction, action, embargo or blockage; (viii) municipal, provincial, regional or national emergency; (ix) strike, lockout, labour trouble or other industrial disturbance beyond the reasonable control of the Chargor; (x) shortage of adequate fuel, water, power, materials, or transportation facilities; and (xi) an act of vandalism, sabotage, or terrorism; and
- (d) The Chargor will promptly observe, perform, execute and comply with all Applicable Laws concerning the Property and will at the Chargor's own cost and expense make any and all improvements thereon or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time by any such present or future Applicable Laws.
26. **No alterations or additions.** Once the Property has been substantially completed in accordance with the Commitment, the Chargor covenants and agrees that it will not cause or allow to be caused demolition of the Property without the prior written consent of the Chargee. In the event that the Chargor causes or allows to be caused demolition of the building(s) situate on the Property without obtaining the aforementioned consent, the Indebtedness shall be due and payable immediately, at the Chargee's sole option.
27. **Environmental Condition of Property.** The Chargee may conduct or have conducted on-site inspections and other investigations of the Property including the current and past use of the Property and, at the sole option of the Chargee, may require an environmental assessment by a qualified environmental consultant

acceptable to the Chargee, in its sole discretion, prior to the advance of funds under this Charge and prior to any renewal or extension thereof, given reasonable cause as determined by the Chargee, at any time during the term of this Charge or any renewal or extension thereof. It is a condition precedent to the advance of funds under this Charge that the results of all such inspections, investigations and assessments shall be satisfactory to the Chargee, in its sole discretion, and shall include, without limitation, evidence of the absence of any Hazardous Substances on the Property and the absence of any contamination of any part of the Property by any Hazardous Substances.

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

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

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

The Chargor hereby represents, warrants, covenants and agrees with the Chargee (which representation, warranty, covenant and agreement shall survive satisfaction or release of the Indebtedness (if the Chargee has been in possession or control of the Property at any time) or extinguishment of the Indebtedness (in the event the Chargee or a third party becomes owner of the Property upon default of the Chargor) that:

- (a) after due and diligent inquiry, there are no Hazardous Substances on the Property, no Hazardous Substances have ever been used, stored or located on the Property except in accordance with Applicable Laws and no part of the Property is or has ever been contaminated in excess of levels permitted by Applicable Laws by any Hazardous Substances;
- (b) no Hazardous Substance shall be brought onto or used on the Property except in accordance with Applicable Laws without the prior written consent of the Chargee;
- (c) any Hazardous Substance brought onto the Property or used by any person on the Property shall be transported, used and stored only in accordance with all Applicable Laws, and other lawful requirements, prudent industrial standards and any other requirements of the Chargee;
- (d) the Property will not, except in accordance with Applicable Laws, be used for the purpose of storing or using any Hazardous Substance and the Property will not be used in a manner which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from or under the Property, except in accordance with Applicable Laws or permit any policy of insurance in respect of the Property to be cancelled; and
- (e) the Chargor shall promptly notify the Chargee as soon as it knows of or suspects that any Hazardous Substance has been brought onto the Property, except in accordance with Applicable Laws, or that there is any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from or under the Property.

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

28. **Events of Default.** Without in any way derogating from the rights of the Chargee hereunder, the occurrence of any one or more of the following events shall constitute an event of default (an **“Event of Default”**) under this Charge:

- (a) if the Chargor or the Guarantor shall fail to pay any principal of, or interest on, the Indebtedness when the same becomes due and payable hereunder;
- (b) the Chargor or the Guarantor shall fail to pay when due:

- (i) any fee payable hereunder; or
 - (ii) any other amount payable by the Chargor or the Guarantor hereunder;
- (c) the Chargor or the Guarantor defaults in the observance or performance of any other covenant or condition herein required to be observed or performed hereunder or required to be observed or performed by the Chargor or the Guarantor under this Charge, the Security Documents or the Commitment and if such default shall continue for a period of ten (10) Business Days after notice in writing has been given by the Chargee to each of the Chargor and the Guarantor specifying such default, provided that, in the case of a default which cannot be remedied by the payment of money but is open to remedy, such default shall be deemed not to have occurred if the Chargor or the Guarantor shall have within such ten (10) Business Day period, commenced in good faith to remedy such default and shall be pursuing diligently the remedying thereof and such default is in fact remedied within a period of thirty (30) days from the date of such notice or such longer period as may be required in the circumstances provided the Borrower is diligently and continuously pursuing rectification of such default to conclusion;
- (d) if any representation or warranty made by the Chargor or the Guarantor in this Charge, the Commitment or the Security Documents or in any certificate or other document at any time delivered hereunder to the Chargee shall prove to have been incorrect in any material respect on and as of the date thereof;
- (e) if an order is made or a resolution is passed for the winding-up, dissolution or the liquidation of the Chargor or the Guarantor or for the suspension of the operations of the Chargor or the Guarantor or if a petition is filed or other processes taken for the winding-up, dissolution or liquidation of the Chargor or the Guarantor or for the suspension of the operations of the Chargor or the Guarantor in each case upon the request or application of a third party, and such step or proceeding is not withdrawn or stayed within ten (10) Business Days;
- (f) if the Chargor or the Guarantor fails to maintain in good standing its existence, capacity, power and authority as a corporation or if it should liquidate, dissolve, wind-up, terminate, merge, amalgamate, consolidate, reorganize or restructure or enter into any transaction or take any steps in connection therewith, and with respect to the Chargor or the Guarantor, if either is a trust, the declaration of trust governing the Chargor or the Guarantor is not in full force and effect or has been amended, if such amendment would result in a winding-up, termination or dissolution of the trust or liquidation of its assets or in either the case of the Chargor or the Guarantor would otherwise materially and adversely affect its obligations and liabilities under this Charge or the Security Documents or its ability to perform and satisfy such obligations and liabilities when due.
- (g) if the Chargor or the Guarantor becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers of itself or of all or any substantial portion of its property or assets, or files a petition or otherwise commences any proceedings seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition, or if any proceedings with respect to the Chargor or the Guarantor is commenced under the *Companies' Creditors Arrangement Act* (Canada);
- (h) if a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or any other person with similar powers shall be appointed in respect of the Chargor or the Guarantor of all or any substantial portion of its property or assets, or a judgment or an order is made by a tribunal of competent jurisdiction restraining its ability to deal with all or any substantial portion of its property and assets;
- (i) if any encumbrance or construction lien is registered upon the Property and is not discharged within ten (10) days after being registered;
- (j) if a writ of execution, distress, attachment or similar process is issued or levied against all or a substantial portion of the property or assets of the Chargor or the Guarantor which would have a material adverse effect on the Chargor or the Guarantor, unless such writ or process is withdrawn, released, vacated or stayed within thirty (30) days, or a judgment or order shall be rendered against the Chargor or the Guarantor by a court of competent jurisdiction with respect to such default and such judgment or order shall not be satisfied in accordance with its terms and shall continue unstayed and in effect for thirty (30) days;
- (k) 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 hereof or if such expropriation materially impairs (A) the value of the Property or any other security delivered to the Chargee in connection with the Charge or (B) the ability of the Chargor to fulfil its obligations under this Charge;
- (l) if there is a breach of paragraph 24 of this Charge; or

- (m) in the event that there are any material adverse changes to the Property, either physically or financially, as determined by the Lender in its discretion, acting reasonably, then such shall be considered to be an Event of Default under the Loan and the Lender may, at its option, refuse to make any further advances under the Charge and may, at its option, require that all monies secured by the Charge shall forthwith become due and payable. In the event that there are any material adverse changes to the credit markets, as determined by the Lender in its sole arbitrary and subjective discretion, the Lender may, at its option, refuse to make any further advances under the Charge.
29. **Acceleration.** Upon an Event of Default, the entire Indebtedness shall, at the option of the Chargee, immediately become due and payable, with interest thereon at the Interest Rate to the date of actual payment thereof, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, each of which are hereby expressly waived, and all the Chargee's rights and remedies under this Charge, and otherwise at law and in equity shall immediately become enforceable.
30. **Remedies on default of Chargor.** It is hereby provided that upon the occurrence of any Event of Default and the continuance thereof for the minimum period provided by law, the Chargee, on giving the minimum notice required by law, or without notice if permitted by law, may enter on, lease and/or sell the Property and the following provisions shall apply:
- (a) If the Chargee 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 Chargor or any other person and without charge. The Chargee 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 (which may extend beyond the Balance Due Date) and on such conditions and provisions (including providing any leasehold improvements and tenant inducements) as the Chargee may determine in its sole discretion, which lease shall have the same effect as if made by the Chargor, and all costs, charges and expenses incurred by the Chargee in the exercise of such rights (including allowances for the time, service or effort of any person appointed by the Chargee for the above purposes, and all reasonable legal fees and disbursements on a full indemnity basis), together with interest thereof at the interest Rate, shall be payable forthwith by the Chargor to the Chargee, and until paid shall be added to the Indebtedness and shall be secured by this Charge. Each lease or renewal of lease made by the Chargee while in possession of the Property shall continue for its full term notwithstanding the termination of the Chargee's possession;
 - (b) Whether or not the Chargee has entered into possession, the Chargee may in its discretion, carry on, or concur in the carrying on of all or any part of the business or undertaking of the Chargor relating to the Property;
 - (c) The Chargee may raise money on the security of the Property or any part thereof in priority to this Charge 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 Chargor relating to the Property;
 - (d) The Chargee may sell the Property or any part thereof by public auction or private sale and on such terms as to credit and otherwise as shall appear to it most advantageous, and for such price as can be reasonably obtained therefor, and may make any stipulations as to title or otherwise which it shall think proper; and may buy in or rescind or vary any contract for sale of any of the Property, and re-sell without being answerable for any loss occasioned thereby, and for any of said purposes may make and execute all agreements and assurances which it shall think fit, and the purchaser shall in no case be bound to enquire whether notice of intention to sell has been given or default made, or otherwise as to the regularity or validity of any sale or lease made hereunder;
 - (e) Any sale or lease by the Chargee shall be valid as regards the purchaser or lessee, and the remedy of the Chargor shall be in damages only against the Chargee, and any sale or lease hereunder shall not in any way be affected thereby; and
 - (f) The costs of any sale proceedings hereunder, whether or not such sale is completed, incurred in taking, recovering or keeping possession of the Property or in enforcing any remedies under this Charge shall be payable by the Chargor, whether any action or other proceeding has commenced or not and shall be secured by this Charge.
31. **Additional Remedies.** The Chargor hereby agrees with the Chargee that upon the occurrence of an Event of Default:
- (a) The Chargee may distrain for arrears of the Indebtedness; and
 - (b) In the event of non-observance by the Chargor of any covenant, proviso or agreement herein contained, the Chargee shall have the right, but shall not be bound, to perform or observe such covenant, proviso or agreement and all monies expended by the Chargee in so doing shall be payable forthwith by the Chargor and shall be secured by this Charge. For the purpose of performing or observing such covenant, proviso or agreement, the Chargee may enter upon the Property whenever and as often as may be requisite and shall not by reason thereof be deemed to be a mortgagee in possession.

32. **Notice to Chargor or Guarantor.** When any notice is given by the Chargee pursuant to or in connection with this Charge such notice may be given in any manner permitted or provided by the laws applicable thereto or, subject to the laws applicable thereto, may at the option of the Chargee be given by leaving it with an adult person on the Property if occupied, by placing it on some portion of the Property if unoccupied, by mailing it by prepaid registered post addressed to the Chargor and/or the Guarantor at the last known address of the Chargor and/or the Guarantor, or by publishing it once in some newspaper published or circulated in the city, town or county in which the Property is situate; and such notice shall be sufficient although not addressed to any person by name or designation and subject to the laws from time to time applicable thereto the giving of such notice in the manner aforesaid shall be as effectual as if it had been personally served upon all persons required to be served therewith.
33. **Subdivision, Release and Replacement of Property.** The Chargor hereby agrees with the Chargee 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 Indebtedness hereby secured and no person shall have any right to require the Indebtedness to be apportioned upon or in respect of any such part or lot;
 - (b) The rights of the Chargee hereunder shall not be prejudiced nor shall the liability of the Chargor 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 Charge or at any time hereafter; and
 - (c) The Chargee 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 Indebtedness payable hereunder for such consideration as the Chargee 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 Chargee 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 Chargee 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 Chargee against the Chargor or any other person or the loss or destruction of any security shall in any way release, diminish or prejudice the security of this Charge as against any part or parts of the Property remaining undischarged or release or prejudice any covenants herein contained or release or diminish the liability of the Chargor or any other person liable hereunder so long as any Indebtedness expressed by this Charge 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 Chargee.
34. **Judgments.** The obtaining of a judgment or judgments on any covenant, proviso or agreement herein contained shall not operate as a merger of such covenant, proviso or agreement or affect the Chargee's right to interest at the Interest Rate and times aforesaid. Further, any judgment shall provide that interest thereon be computed at the same rate and in the manner provided herein until the judgment shall have been fully paid and satisfied.
35. **Discharge.** The Chargee:
- (a) will have a reasonable period of time after full payment and satisfaction of the Indebtedness to prepare and execute a discharge of this Charge. All reasonable legal and other expenses for the preparation, execution, delivery and registration of the discharge will be paid by the Chargor; and
 - (b) may grant time, renewals, extensions, indulgences, releases and discharges, may take securities from and give the same up, may abstain from taking securities from or from perfecting securities, may accept compositions and proposals, and may otherwise deal with the Chargor and all other Persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under the Charge or otherwise pursuant to the Commitment.
36. **Interpretation and Headings.** The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to the whole of this Charge and not to any particular paragraph or other portion thereof and extend to and include any and every document supplemental or ancillary hereto or in implement hereof. Words in the singular include the plural and words in the plural include the singular. Words importing the masculine gender include the feminine and neuter genders where the context so requires. Whenever two or more persons are under a liability hereunder, such liability shall be both joint and several. The headings do not form part of this Charge and have been inserted for convenience of reference only. The covenants, agreements, stipulations and provisos herein stated shall be in addition to those granted or implied by statute. The Chargee's right to give or withhold any consent or approval, make any determination or exercise any discretion hereunder or under any Security Document shall be exercised by the Chargee acting reasonably unless otherwise expressly provided, except that following an Event of Default, the Chargee shall be entitled to exercise same in its sole and absolute discretion. Where any Person hereunder or under any Security Document shall have the right to be reimbursed for any costs or expenses, such costs and expenses shall be reasonable.
37. **Successors and Assigns.** Every reference in this Charge to a party hereto shall extend to and include the heirs, executors, administrators, successors and permitted assigns of such party. This Charge shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and permitted assigns of the parties hereto.

38. **Assignment by the Chargee.** The Commitment, this Charge and the Security Documents may be assigned by the Lender in whole or in part. The Borrower acknowledges and agrees that the Lender may be the lender in whole or in part or may be acting for an investor client or institution, in which case the Lender shall have the right to assign the Commitment, this Charge and the Security Documents to another party. The Lender further hereby reserves all its rights and claims it may have to any commissions and/or brokerage fees due and owing by the Borrower and Guarantor under the said Commitment, and this obligation of the Borrower/Guarantor shall survive and not merge on the closing of the Loan transaction.
39. **Appointment of Receiver.** Notwithstanding anything herein contained, it is declared and agreed that at any time and from time to time when there shall be an Event of Default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the Property or any part thereof and whether before or after such entry into possession, appoint in writing or apply to a court of competent jurisdiction for the appointment of a receiver or trustee (who may, if the Chargee elects, be an officer or employee of the Chargee and which term, when used herein, shall include a receiver and manager) of the Property or any part thereof and of the rents and profits thereof and with or without security, and may from time to time by similar writing or by application to court, as the case may be, remove any such receiver or trustee and appoint another in his place and stead and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of such receiver or trustee.

Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Property or any part thereof, and the Chargor hereby consents to a court order for the appointment of such receiver or trustee. If the Chargee, in its discretion, chooses to obtain such an order, it may be obtained on the terms and for such purposes as the Chargee, at its sole discretion, may require, including, without limitation, the power to manage, mortgage, pledge, lease and/or sell the Property and/or complete or partially complete any construction thereon and to receive advances of mortgage and other moneys pursuant to any mortgages, pledges and/or loans entered into by the receiver or trustee or the Chargor.

Upon the appointment of any such receiver or trustee from time to time, the Chargor covenants and agrees that the following provisions shall apply:

- (a) a statutory declaration of an officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (b) every such receiver or trustee shall be the irrevocable agent or attorney of the Chargor (whose appointment, as such, shall be revocable only by the Chargee) for the collection of all rents and other amounts falling due in respect of the Property or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto;
- (c) every such receiver or trustee may, in the discretion of the Chargee, be vested with all or any of the powers and discretions of the Chargee including, without limitation, the power to sell the Property;
- (d) the Chargee may from time to time fix the remuneration of every such receiver or trustee who shall be entitled to deduct same out of the Property or the proceeds thereof;
- (e) every such receiver or trustee shall, so far as concerns responsibility and liability for his acts and omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (f) the appointment of every such receiver or trustee by the Chargee shall not incur or create any liability on the part of the Chargee to the receiver or trustee or to the Chargor or to any other person, firm or corporation in any respect and such appointment or anything which may be done by any such receiver or trustee or the removal of any such receiver or trustee or the termination of any such receivership or trusteeship shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the Property or any part thereof;
- (g) the receiver or trustee shall have the power to rent any portion of the Property for such term and subject to such provisions as he may deem advisable or expedient, subject to the restrictions on leasing contained in any existing tenancy agreements affecting the Property and, in so doing, such receiver or trustee shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any tenancy agreement of any such premises in the name and on behalf of the Chargor, and the Chargor undertakes to ratify and confirm whatever acts such receiver or trustee may do in the Property;
- (h) every such receiver or trustee may make such arrangements at such time or times as it may deem necessary without the concurrence of any other persons for the repairing, finishing, adding to or putting in order the Property, including, without restricting the generality of the foregoing, for the completion of the construction of any building or buildings or other erections or improvements on the Property left by any Chargor in an unfinished state or award the same to others to complete, notwithstanding that the resulting cost exceeds the principal sum hereinbefore set forth, and, in any of such cases, shall have the right to take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances on the Property) and property of every kind and description. For the purposes thereof, the receiver or

trustee may borrow money on the security of the Property and to issue such certificates or charges as may be necessary or desirable to secure such borrowings;

- (i) every such receiver or trustee shall have full power to manage, operate, amend, repair or alter the Property and the buildings and improvements thereon or any part thereof in the name of the Chargor for the purpose of obtaining rental and other income from the Property or any part thereof;
- (j) no such receiver or trustee shall be liable to the Chargor to account for moneys or damages, other than moneys actually received by him in respect of the Property, and out of such moneys so received from time to time, every such receiver or trustee shall pay in the following order:
 - (i) his remuneration aforesaid;
 - (ii) all obligations, costs and expenses made or incurred by him, including, but not limited to, any expenditures in connection with the management, operation, amendment, repair, construction or alteration of the Property or any part thereof;
 - (iii) interest, principal and other moneys which may from time to time be or become charged upon the Property in priority to this Charge and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect of the Property or any part thereof;
 - (iv) to the Chargee all interest due or falling due under this Charge and the balance to be applied on account of the Principal Amount and other moneys due and payable to the Chargee and, at the option of the Chargee, to prepay the Principal Amount and all other unpaid monies due and owing under this Charge; and
 - (v) subject to the above, at the discretion of the receiver or trustee, interest, principal and other moneys which may from time to time constitute a charge or encumbrance on the Property subsequent in priority or subordinate to the interest of the Chargee under this Charge,

and that such receiver or trustee shall, in his discretion, retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing and, further, that any surplus remaining in the hands of every such receiver or trustee after payments made and such reasonable reserves retained as aforesaid shall be payable to the Chargor;

- (k) the Chargee may at any time and from time to time terminate any such receivership by notice in writing to the Chargor and to any such receiver or trustee; and
- (l) save as to moneys payable to the Chargor as set forth above, the Chargor hereby releases and discharges the Chargee and every such receiver or trustee from every claim of every nature, whether in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under the Chargor by reason or as a result of anything done by the Chargee or any such receiver or trustee under the provisions of this paragraph 38, unless such claim be the direct and proximate result of bad faith or gross negligence.

The Chargor hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required, in the sole discretion of the Chargee and/or its solicitors, so as to give effect to the foregoing provisions, and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the receiver or trustee and/or with respect to the Property in the same manner as if such documentation was duly executed by the Chargor himself.

- 40. **Permissible Interest Rate.** It is not the intention of this Charge to violate any provisions of the Interest Act (Canada), the Criminal Code (Canada) or any other statute dealing with permitted rates of interest in the Province of Ontario or in Canada. Notwithstanding any provisions set out herein, in no event shall the "interest" (as that term is defined in the Criminal Code) exceed the "criminal rate" (as defined therein) of interest on the "credit advanced" (as defined therein) lawfully permitted under the said legislation. In the event that it is determined at any time that, by virtue of the Commitment, this Charge or any other document given as security for the herein contemplated loan, the payments of interest required to be made by the Chargor exceed the "criminal rate", then the Chargor shall only be required to pay interest at the highest rate permitted by law. Nothing herein shall invalidate any requirements for payment pursuant to the Commitment, this Charge or such other security documents, and any excess interest paid to the Chargee shall be refunded to the Chargor and the provisions of this Charge shall in all respects be deemed to be amended accordingly.
- 41. **Blanket Mortgage.** The Chargor hereby acknowledges and agrees that this Charge is or will be given concurrently with several other charges/mortgages of land given to the Chargee over other properties (the "**Other Properties**") with other registered owners, all as set out or referred to in Schedule "B" attached hereto and in the Commitment, and that the Indebtedness secured herein shall be secured by all of the Other Properties and by all of the lands and premises described under Properties in this Charge to which this Schedule is attached.

For the purposes hereof each of the parcels of land described in the charges/mortgages of the Other Properties and herein shall be referred to as a "Parcel" and all of the Parcels of land shall be collectively referred to as the "Charged Lands".

and that:

- (a) The Charge herein shall be registered against the Charged Lands;
- (b) Each Parcel and all of the Charged Lands shall be charged with the whole of the Principal Amount secured herein together with all interest and costs payable hereunder and shall be security for the Indebtedness;
- (c) The Chargor agrees notwithstanding anything herein to the contrary, there is no right in the Charge nor shall the Chargor be entitled to require that the Principal Amount be apportioned in respect of any Parcel or the Charged Lands, except may be set out in the Commitment.

Any and all remedies pursued by the Chargee against any one Parcel shall not release, diminish, alter or exhaust the Chargee's rights against any other Parcel.

42. **Cross Default.** The occurrence of an Event of Default under this Charge and/or any one of the Security Documents held by the Lender relating to the Borrower and/or Guarantor or a company related to the Borrower and/or Guarantor, will constitute an event of default under all other security documents and loans to the Borrower and/or Guarantor, or a company related to the Borrower and/or Guarantor, held by the Lender, or in the name of any associated or affiliated corporation to the Lender. If the Lender takes any proceeding pursuant to the Loan or other security document by reason of the Borrower's default the Lender shall be entitled to add to the Loan debt a service and administrative fee equivalent to three (3) months interest and a Property inspection fee in addition to all other fees, cost, claims or demands to which the Lender is also entitled. The Lender shall be entitled to a fee of \$50.00 per day for administering the maintenance and security of any Property in its possession. In the event that the Lender is called upon to pay any payment in order to protect its security position, including but not limited to the payment of Realty Taxes, Insurance Premiums, condominium common expenses, principal, interest or costs under a prior mortgage, it is agreed that such payment shall bear interest at eighteen percent (18%) per annum, calculated and compounded monthly and that there shall be a Service Charge of not less than \$1,500.00 for making each such payment or payments.

SCHEDULE "B"

PROPERTY LIST

EACH OF THE CHARGORS LISTED BELOW HEREBY CHARGES ITS RESPECTIVE LANDS TO THE CHARGE

#	PIN/LRO#	CHARGOR	CHARGED PROPERTY
1.	58454-0029 (LT) Simcoe LRO #51 PT E1/2 LT 106 CON 1 WPR TINY; PT LT 107 CON 1 WPR TINY PT 3 & 4, 51R18477 & PT 4, 5, 6, 7 & 10 R1026 EXCEPT 51R3985; T/W & S/T RO1045345; MIDLAND	240 OLD PENETANGUISH HOLDINGS INC.	240 Old Penetanguishene Road, Midland, Ontario L4R 1Y1
2.	58650-0115 (LT) Simcoe LRO #51 PT LT 10-15, 17 BLK C PL 228 ORILLIA PT 3, 4 & 5, 51R10372; ORILLIA	100 COLBORNE HOLDINGS INC.	100 Colborne Street West, Orillia, Ontario L3V 2Y9
	58644-0014 (LT) Simcoe LRO #51 LT 16 BLK G PL 228 ORILLIA; PT LT 15 BLK G PL 228 ORILLIA AS IN RO1453448; ORILLIA	100 COLBORNE HOLDINGS INC.	77 Wyandotte Street, Orillia, Ontario L3V 5M8
3.	73584-0077 (LT) Sudbury LRO #53 LT 23 BLK A PL 3SA MCKIM; GREATER SUDBURY	65 LARCH HOLDINGS INC.	65 Larch Street, Sudbury, Ontario P3E 1B8
	73584-0078 (LT) Sudbury LRO #53 LT 20-22 BLK A PL 3SA MCKIM; GREATER SUDBURY	65 LARCH HOLDINGS INC.	65 Larch Street, Sudbury, Ontario P3E 1B8
	73584-0097 (LT) Sudbury LRO #53 PT N1/2 LT 5 CON 3 MCKIM AS IN S81426 (SECONDLY & THIRDLY); GREATER SUDBURY	65 LARCH HOLDINGS INC.	65 Larch Street, Sudbury, Ontario P3E 1B8
4.	73595-0102 (LT) Sudbury LRO #53 PCL 8259 SEC SES; PT LT 6 CON 1 MCKIM EXCEPT LT52588, LT53059, LT109847, PT 7 53R4520 & PT 4 53R13501; S/T LT25019; GREATER SUDBURY	2009 LONG LAKE HOLDINGS INC.	2009 Long Lake Road, Sudbury, Ontario P3E 6C3
	73595-0174 (LT) Sudbury LRO #53 PCL 39445 SEC SES; PT LT 6 CON 1 MCKIM PT 3 TO 7 & 12 TO 15 53R5036; PT LT 6 CON 1 MCKIM PT 5	2009 LONG LAKE HOLDINGS INC.	2009 Long Lake Road, Sudbury, Ontario P3E 6C3

#	PIN/LRO#	CHARGOR	CHARGED PROPERTY
	53R13501; S/T PT 2 & 3 53R13501 AS IN LT717184; S/T LT25019, LT735739; GREATER SUDBURY		
	73595-0333 (LT) Sudbury LRO #53 PCL 39000 SEC SES; PT LT 6 CON 1 MCKIM PT 9 TO 11 53R5036; T/W A ROW OVER PT 1 & 2 53R5036; S/T LT25019; GREATER SUDBURY	2009 LONG LAKE HOLDINGS INC.	2009 Long Lake Road, Sudbury, Ontario P3E 6C3
5.	28061-0157 (LT) Peterborough LRO #45 PT LTS 3 & 4, PL 23Q , PART 1&2 , 45R647 , NORTH MONAGHAN ; PETERBOROUGH	2478658 ONTARIO LTD.	849 Alexander Court, Peterborough, Ontario K9J 7J2
6.	17088-0748 (LT) Wentworth LRO #62 PT LT 25, CON 8 SALTFLEET, PART 7, PLAN 62R-18917; STONEY CREEK; TOGETHER WITH AN EASEMENT OVER PT LT 25, CON 8 SALTFLEET, PARTS 9, 11, 12 AND 13 ON 62R18917 AS IN WE749696; CITY OF HAMILTON	SOUTHMOUNT HEALTHCARE CENTRE INC.	35 Upper Centennial Parkway, Stoney Creek, Ontario L8J 3W2
	17088-0762 (LT) Wentworth LRO #62 PT LT 25 CON 8 SALTFLEET BEING PARTS 1, 2, 3, 4, 5 AND 10 ON 62R18917; S/T AN EASEMENT OVER PART 3 ON 62R18917 IN FAVOUR OF PARTS 1-5 INCL, 12-15 INCL, 18, 21, 30, 31, 32, 36, 38, 42, 48, 53 ON 62R14684 AS IN LT562193; T/W AN EASEMENT OVER PARTS 2, 4, 14, 21, 30, 31, 32, 36, 38, 48 ON 62R14684 AS IN LT562194; SUBJECT TO AN EASEMENT OVER PART 5 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; SUBJECT TO AN EASEMENT OVER PART 10 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41,43, 44, 45 , 46,	SOUTHMOUNT HEALTHCARE CENTRE INC.	35 Upper Centennial Parkway, Stoney Creek, Ontario L8J 3W2

#	PIN/LRO#	CHARGOR	CHARGED PROPERTY
	<p>47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; SUBJECT TO AN EASEMENT OVER PART 2 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; SUBJECT TO AN EASEMENT OVER PART 3 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; STONEY CREEK; TOGETHER WITH AN EASEMENT OVER PARTS 9, 11, 12 AND 13 ON 62R18917 AS IN WE749696; CITY OF HAMILTON</p>		
7.	<p>64323-0312 (LT) Niagara South LRO#59</p> <p>PT LT 77 STAMFORD PARTS 1, 2 & 3 59R5625, S/T ROW OVER PT 2 59R5625 AS IN RO87174 ASSIGNED BY RO469722;S/T RO561829 OVER PTS 3, 7, 8 & 9 ON 59R6437; & T/W RO523959 OVER PT CARROLL AVE PL 56 PTS 4 & 5 59R5625; NIAGARA FALLS</p>	<p>PORTAGE ROAD HOLDINGS LIMITED</p>	<p>4256 Portage Road, Niagara Falls, Ontario L2E 6A4</p>
	<p>64323-0313 (LT) Niagara South LRO#59</p> <p>PT LT 77 STAMFORD & PT CARROLL AVENUE PL 56 PTS 13, 14 & 15 59R6437; S/T RO578879 OVER PT 14 ON 59R6437; NIAGARA FALLS</p>	<p>PORTAGE ROAD HOLDINGS LIMITED</p>	<p>4256 Portage Road, Niagara Falls, Ontario L2E 6A4</p>
8.	<p>64310-0251 (LT) Niagara South LRO#59</p> <p>PT TWP LT 96 STAMFORD PT 1, 59R4214 ; NIAGARA FALLS</p>	<p>MORRISON STREET HOLDINGS LIMITED</p>	<p>6453 Morrison Street, Niagara Falls, Ontario L2E 205</p>

#	PIN/LRO#	CHARGOR	CHARGED PROPERTY
9.	63236-0017 (LT) Victoria LRO #57 PT PARKLT A PL 8P AS IN R234666; CITY OF KAWARTHA LAKES	86 ANGELINE STREET HOLDINGS INC.	86 Angeline Street South, Lindsay, Ontario K9V 6C5
	63236-0122 (LT) Victoria LRO #57 PT PARKLT A, PT PARKLT J PLAN 8P DESIGNATED PT 1 57R5672; EXCEPT PT 1 57R9230; CITY OF KAWARTHA LAKES	86 ANGELINE STREET HOLDINGS INC.	86 Angeline Street South, Lindsay, Ontario K9V 6C5
10	36024-0009 (LT) Frontenac LRO#13 PT FARM LT 21 CON 1 KINGSTON PT 1 13R1121 & AS IN FR384400 EXCEPT 13R8079; T/W FR258112; KINGSTON; THE COUNTY OF FRONTENAC	800 PRINCESS STREET HOLDINGS LIMITED	800 Princess Street, Kingston, Ontario K7L 5E4
11	51078-0317 (LT) (LT) Northumberland LRO#39 LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE	249 ONTARIO STREET HOLDINGS INC.	249 Ontario Street, Port Hope, Ontario L1A 3Y9

This is Exhibit "W" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

Request ID: 025205899
 Transaction ID: 77042539
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/10/29
 Time Report Produced: 14:29:48
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1592106	CANNECT INTERNATIONAL MORTGAGE CORPORATION	2003/10/21
		Jurisdiction
		ONTARIO
		Former Jurisdiction
		NOT APPLICABLE
Corporation Type	Corporation Status	
ONTARIO BUSINESS CORP.	ACTIVE	
Registered Office Address		Date Amalgamated
83 NAVY WHARF COURT		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
83 NAVY WHARF COURT		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
		Number of Directors
		Minimum
		Maximum
		00001
		00006
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 025205899
 Transaction ID: 77042539
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/10/29
 Time Report Produced: 14:29:48
 Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1592106	CANNECT INTERNATIONAL MORTGAGE CORPORATION

Corporate Name History	Effective Date
CANNECT INTERNATIONAL MORTGAGE CORPORATION	2019/05/27
1592106 ONTARIO INC.	2003/10/21

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	YES - SEARCH REQUIRED FOR DETAILS

Administrator: Name (Individual / Corporation)	Address
MARCUS TZAFERIS	68 BRULE GARDENS TORONTO ONTARIO CANADA M6S 4J2

Date Began	First Director	
2003/10/21	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	

Request ID: 025205899
Transaction ID: 77042539
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/10/29
Time Report Produced: 14:29:48
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

1592106

Corporation Name

CANNECT INTERNATIONAL MORTGAGE CORPORATION

Administrator:**Name (Individual / Corporation)**

MARCUS
TZAFERIS

Address

68 BRULE GARDENS

TORONTO
ONTARIO
CANADA M6S 4J2

Date Began

2003/10/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian**Administrator:****Name (Individual / Corporation)**

MARCUS
TZAFERIS

Address

83 NAVY WHARF COURT

Suite # 1
TORONTO
ONTARIO
CANADA M5V 3S3

Date Began

2003/10/21

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Request ID: 025205899
Transaction ID: 77042539
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/10/29
Time Report Produced: 14:29:48
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

1592106

Corporation Name

CANNECT INTERNATIONAL MORTGAGE CORPORATION

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2019	1C	2020/08/09 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "X" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

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

yyyy mm dd Page 1 of 17

Properties

PIN 51078 - 0317 LT
Description LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE
Address 249 ONTARIO STREET
 PORT HOPE

Consideration

Consideration \$2.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name 249 ONTARIO STREET HOLDINGS INC.
Address for Service 200 Ronson Drive, Suite 201
 Toronto, Ontario M9W 5Z9
 Attention: Mark C. Gross, President

I, Mark C. Gross, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name 1592106 ONTARIO INC.
Address for Service 83 Navy Wharf Court
 Toronto, Ontario M5V 3S3

I, Marcus Tzaferis, an authorized signing officer, have the authority to bind the corporation

This document is not authorized under Power of Attorney by this party.

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, ND184437 registered on 2019/07/19 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration number(s)ND184438

Signed By

Deanna Elizabeth Wehby 77 King Street West Suite 3000 PO acting for Signed 2019 08 28
 Box 95 TD Centre Applicant(s)
 Toronto
 M5K 1G8

Tel 416-864-9700

Fax 416-941-8852

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

Submitted By

FOGLER, RUBINOFF LLP 77 King Street West Suite 3000 PO 2019 08 28
 Box 95 TD Centre
 Toronto
 M5K 1G8

Tel 416-864-9700

Fax 416-941-8852

Fees/Taxes/Payment

Statutory Registration Fee \$64.40
Total Paid \$64.40

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

File Number

Party To Client File Number : 193137 INK

AGREEMENT AMENDING CHARGES

This Agreement made as of the 30th day of August, 2019.

BETWEEN:

1592106 ONTARIO INC.

(hereinafter referred to as the "**Chargee**")

OF THE FIRST PART

- and -

**240 OLD PENETANGUISH HOLDINGS INC.
65 LARCH HOLDINGS INC.
2009 LONG LAKE HOLDINGS INC.
100 COLBORNE HOLDINGS INC.
2478658 ONTARIO LTD.
SOUTHMOUNT HEALTHCARE CENTRE INC.
800 PRINCESS STREET HOLDINGS LIMITED
PORTAGE ROAD HOLDINGS LIMITED
MORRISON STREET HOLDINGS LIMITED
86 ANGELINE STREET HOLDINGS INC.
249 ONTARIO STREET HOLDINGS INC.**

(hereinafter collectively referred to as the "**Chargors**")

OF THE SECOND PART

- and -

**MARK GROSS
and
SHELDON GROSS**

(hereinafter collectively referred to as the "**Existing Covenantors**")

OF THE THIRD PART

WHEREAS by second mortgages registered in the Land Registry Offices listed in Schedule "A" attached hereto (collectively, the "**Land Registry Offices**") on the 19th day of July, 2019, particulars of which are set out in Schedule "B" attached hereto (collectively, the "**Existing Charges**"), the Chargors mortgaged the lands and premises as more particularly described in Schedule "A" attached hereto including, without limitation, the properties described in the "**Properties**" section on Page 1 of the Notice to which this Agreement is annexed as Schedule, together with any buildings or structures now or hereafter erected thereon (collectively, the "**Properties**") in favour of the Chargee to secure payment of the original principal amount of SIX MILLION TWO HUNDRED AND FIFTY THOUSAND (\$6,250,000.00) DOLLARS, with interest as therein set out upon the terms therein mentioned (the "**Existing Loan Facility**") pursuant to a commitment letter issued by the Chargee dated July 15, 2019 (the "**Original Commitment**") in favour of the borrowers (collectively, the "**Borrowers**") listed in Schedule "A" attached hereto;

AND WHEREAS by Notices of General Assignment of Rents registered on the 19th day of July, 2019 as instruments noted on the attached Schedule "B" (collectively, the "**General Assignments of Rents**"), the Chargors assigned to the Chargee all rents relating to the Properties as collateral security for the repayment of the amount secured under the Existing Charges;

AND WHEREAS the Chargors and/or the Existing Covenantors further delivered to the Chargee those additional security and supporting documents set out in Schedule "C" attached hereto (the "**Additional Collateral Documents**");

AND WHEREAS the Existing Loan Facility has been amended and renewed pursuant to the terms of a commitment amending letter dated August 26, 2019 (the "**Amending Commitment**")

(the Original Commitment and the Amending Commitment are hereinafter collectively referred to as the "**Commitment**");

AND WHEREAS by a guarantee (the "**Original Guarantee**"), the Existing Covenantors guaranteed the obligations of the Chargor under the Original Commitment, the Existing Charges, the General Assignments of Rents, and the other Additional Collateral Documents;

AND WHEREAS by an additional guarantee (the "**New Guarantee**"), the Existing Covenantors agreed to guarantee the obligations of the Chargor under the Amended Commitment and the other additional collateral documents contemplated by the Amending Commitment, including, without limitation, this Agreement Amending Charge;

AND WHEREAS the parties hereto signing as Chargors, and the Chargee have agreed to vary certain terms of the Existing Charges as hereinafter set out in accordance with the Amending Commitment, which terms have been agreed and consented to by the Existing Covenantors (the Existing Charges as amended by this Agreement Amending Charges are collectively referred to as the "**Charges**");

NOW THEREFORE WITNESSETH THAT in consideration of the premises and the sum of TWO (\$2.00) DOLLARS now paid by each of the parties hereto to the other (the receipt and sufficiency whereof is hereby acknowledged), it is agreed by the parties hereto that in accordance with the Amending Commitment the Existing Charges are hereby amended from and including the date herein, as follows:

1.
 - (a) the amount of the Existing Loan Facility is increased to the sum of Seven Million Dollars (\$7,000,000.00) bearing interest at the rate contemplated by the Amending Commitment;
 - (b) the principal sum secured by the Charges is increased to the sum of Eight Million Seven Hundred and Fifty Thousand Dollars (\$8,750,000.00) bearing interest at the rate of 22% per annum calculated monthly;
 - (c) commencing on the 1st day of September, 2019, the Chargor shall make in monthly payments on account of interest in the amount of \$70,000.00 due monthly, not in advance, payable on the 1st day of each and every month, from and including the 1st day of September, 2019 to and including the 1st day of August, 2020.
2. The Chargors and the Existing Covenantors acknowledge and agree that the Existing Charges, as amended herein, the General Assignments of Rents and the Additional Collateral Documents previously executed and delivered to the Chargee as collateral security to the Charge, are in full force and effect and are valid and enforceable in accordance with their terms and shall continue as security for the repayment of any and all indebtedness due and owing by the Chargors to the Chargee and further agree to be bound by the terms and agreements contained therein.
3. The Existing Covenantors acknowledge and agree that the Existing Guarantee previously executed and delivered by the Existing Covenantors to the Chargee is in full force and effect and is valid and enforceable in accordance with its terms and will remain in force throughout the term of this Agreement Amending Charges and any renewal or extension thereof and until such time as the indebtedness secured by the Charges is repaid in full.
4. As set out in the Special Conditions of the Amending Commitment, the Chargors and the Existing Covenantors acknowledge and agree to pay down the Existing Charges, as follows:
 - (a) \$2,000,000 mortgage pay down upon sale of all of the following properties: 800 Princess Street Kingston, ON K7L 5E4, 4256 Portage Road Niagara Falls, ON L2E 6A4 and 6453 Morrison Street Niagara Falls, ON L2E 2G5; and
 - (b) another \$1,500,000.00 mortgage pay down upon the sale of 86 Angeline Street South Lindsay, ON K9V 3L5.

Nothing herein contained shall create any merger or alter the rights of the Chargee as against any subsequent encumbrancer or other person interested in the Properties, nor affect the liability of any person not a party thereto who may be liable to pay the monies secured by the Charges or the rights of any such person, all of which are hereby reserved.

The Chargors do hereby covenant with the Chargee to pay to the Chargee the principal money, interest and all other amounts now or at any time hereafter owing under or secured by the Charges at the time and in the manner provided as herein amended.

ADDITIONAL PROVISIONS

1. The registration of this Agreement Amending Charges, pursuant to the terms of the Amending Commitment, shall not cause the Commitment to merge but rather the Commitment shall survive and all the terms therein shall be binding upon the Chargors and the Existing Covenantors as if fully incorporated herein both before and after all advances have been made and all of the requirements of the Commitment shall continue in full force and effect notwithstanding the registration of this Agreement Amending Charges. It is acknowledged by the Chargor and the Existing Covenantors that all of the Chargee's rights under this Agreement Amending Charges shall in no way merge or be affected by any proceedings that the Chargee may commence under the Charge, the General Assignments of Rents, the Additional Collateral Documents and the Commitment (collectively, the "**Security Documents**") and no proceedings commenced by the Chargee under this Agreement Amending Charges shall in any way affect the rights of the Chargee under the Security Documents. A default under any of the Commitment or the Security Documents shall constitute a default under this Agreement Amending Charges, and shall permit the Chargee to immediately enforce all of its remedies.
2. In the event that the Chargors default with respect to any covenant contained in these additional provisions, such default will be an event of default under this Agreement Amending Charges and entitle the Chargee to all of its remedies including the acceleration of the principal without further notice to the Chargors.
3. The Chargors covenant and agree that the General Mortgage Loan Conditions set out as Schedule "A" to the Amended Commitment including the defined terms set out therein form part of this Agreement Amending Charges.
4. It is understood and agreed that a default or event of default under any covenant, term or condition in any of the Charges set out in Schedule "B" registered in the Land Registry Offices in favour of the Chargee shall constitute an event of default under all of the Charges and an event of default under this Agreement Amending Charges shall constitute an event of default under all of the Charges and whereupon the Chargee may, at its option, exercise any or all of its rights and powers in its favour contained in any or all of the Charges or under any and all collateral security from time to time granted pursuant to the Commitment including the General Assignments of Rents, the Additional Collateral Documents, the Original Guarantee and the New Guarantee and may exercise such rights and powers either separately or concurrently as it may see fit, with the intent that the exercise by the Chargee herein of any right, power or remedy as it may have, shall not prevent, alter or prejudice the subsequent exercise by the Chargee of any other rights, powers and remedies it may have. It is further understood and agreed that the Chargee may pursue its remedies under any of the Charges or hereunder concurrently or successively in its sole and absolute discretion.
5. This Agreement Amending Charges shall be read and construed with the Charges and be treated as a part thereof, and for such purpose and so far as may be necessary to effectuate the true intent and meaning of this Agreement, the Charges are hereby amended. Except as specifically amended or varied hereby, this Agreement does not and shall not be construed as revoking, amending, limiting, restricting or otherwise varying any other terms or provisions of the Charges, which, except as specifically amended or varied hereby, shall remain in full force and effect; and for greater clarity, in on event shall this Agreement be construed so as in any way restrict or limit the rights given to the Chargee to enforce payment under the Charges as hereby amended and/or realized upon the Properties charged thereby.
6. In construing this document, the words "Chargor", "Chargee" and "Guarantor", all personal pronouns shall be read as the number and gender of the party or parties referred to herein requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.
7. This Agreement may be executed in counterparts, each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

8. The provisions of this Agreement shall enure to and be binding upon the successors and assign of each party and all covenants, liabilities and obligations shall be joint and several.

[Remainder page intentionally left blank; signing page follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

Chargee:

1592106 ONTARIO INC.

Per: _____

Name: *Marcus Tretenis*

Title: *President*

Per: _____

Name:

Title:

I/We have authority to bind the Corporation

Chargors:

240 OLD PENETANGUISH HOLDINGS INC.

Per: _____

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

65 LARCH HOLDINGS INC.

Per: _____

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

2009 LONG LAKE HOLDINGS INC.

Per: _____

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

100 COLBORNE HOLDINGS INC.

Per: _____

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

2478658 ONTARIO LTD.

Per: _____

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

Chargee: 1592106 ONTARIO INC.

Per: _____

Name:

Title:

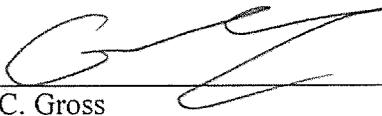
Per: _____

Name:

Title:

I/We have authority to bind the Corporation

Chargors: 240 OLD PENETANGUISH HOLDINGS INC.

Per:  _____

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

65 LARCH HOLDINGS INC.

Per:  _____

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

2009 LONG LAKE HOLDINGS INC.

Per:  _____

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

100 COLBORNE HOLDINGS INC.

Per:  _____

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

2478658 ONTARIO LTD.

Per:  _____

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

**SOUTHMOUNT HEALTHCARE CENTRE
INC.**

Per: 

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

**800 PRINCESS STREET HOLDINGS
LIMITED**

Per: 

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

PORTAGE ROAD HOLDINGS LIMITED

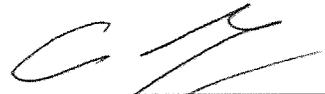
Per: 

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

MORRISON STREET HOLDINGS LIMITED

Per: 

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

86 ANGELINE STREET HOLDINGS INC.

Per: 

Name: Mark C. Gross

Title: President

I have authority to bind the Corporation

249 ONTARIO STREET HOLDINGS INC.

Per: 

Name: Mark C. Gross

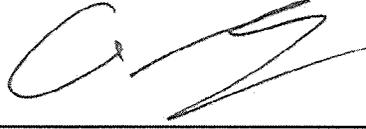
Title: President

I have authority to bind the Corporation

WITNESS:



Name:



Mark Gross

WITNESS:



Name:



Sheldon Gross

SCHEDULE "A"

#	PIN/LRO# LEGAL DESCRIPTION	CHARGORS/ BORROWERS	PROPERTIES
1.	58454-0029 (LT) Simcoe LRO #51 PT E1/2 LT 106 CON 1 WPR TINY; PT LT 107 CON 1 WPR TINY PT 3 & 4, 51R18477 & PT 4, 5, 6, 7 & 10 R1026 EXCEPT 51R3985; T/W & S/T RO1045345; MIDLAND	240 OLD PENETANGUISH HOLDINGS INC.	240 Old Penetanguishene Road, Midland, Ontario L4R 1Y1
2.	58650-0115 (LT) Simcoe LRO #51 PT LT 10-15, 17 BLK C PL 228 ORILLIA PT 3, 4 & 5, 51R10372; ORILLIA	100 COLBORNE HOLDINGS INC.	100 Colborne Street West, Orillia, Ontario L3V 2Y9
	58644-0014 (LT) Simcoe LRO #51 LT 16 BLK G PL 228 ORILLIA; PT LT 15 BLK G PL 228 ORILLIA AS IN RO1453448; ORILLIA	100 COLBORNE HOLDINGS INC.	77 Wyandotte Street, Orillia, Ontario L3V 5M8
3.	73584-0077 (LT) Sudbury LRO #53 LT 23 BLK A PL 3SA MCKIM; GREATER SUDBURY	65 LARCH HOLDINGS INC.	65 Larch Street, Sudbury, Ontario P3E 1B8
	73584-0078 (LT) Sudbury LRO #53 LT 20-22 BLK A PL 3SA MCKIM; GREATER SUDBURY	65 LARCH HOLDINGS INC.	65 Larch Street, Sudbury, Ontario P3E 1B8
	73584-0097 (LT) Sudbury LRO #53 PT N1/2 LT 5 CON 3 MCKIM AS IN S81426 (SECONDLY & THIRDLY); GREATER SUDBURY	65 LARCH HOLDINGS INC.	65 Larch Street, Sudbury, Ontario P3E 1B8
4.	73595-0102 (LT) Sudbury LRO #53 PCL 8259 SEC SES; PT LT 6 CON 1 MCKIM EXCEPT LT52588, LT53059, LT109847, PT 7 53R4520 & PT 4 53R13501; S/T LT25019; GREATER SUDBURY	2009 LONG LAKE HOLDINGS INC.	2009 Long Lake Road, Sudbury, Ontario P3E 6C3
	73595-0174 (LT) Sudbury LRO #53 PCL 39445 SEC SES; PT LT 6 CON 1 MCKIM PT 3 TO 7 & 12 TO 15 53R5036; PT LT 6 CON 1 MCKIM PT 5 53R13501; S/T PT 2 & 3 53R13501 AS IN LT717184; S/T LT25019, LT735739; GREATER SUDBURY	2009 LONG LAKE HOLDINGS INC.	2009 Long Lake Road, Sudbury, Ontario P3E 6C3

#	PIN/LRO# LEGAL DESCRIPTION	CHARGORS/ BORROWERS	PROPERTIES
	<p>73595-0333 (LT) Sudbury LRO #53</p> <p>PCL 39000 SEC SES; PT LT 6 CON 1 MCKIM PT 9 TO 11 53R5036; T/W A ROW OVER PT 1 & 2 53R5036; S/T LT25019; GREATER SUDBURY</p>	<p>2009 LONG LAKE HOLDINGS INC.</p>	<p>2009 Long Lake Road, Sudbury, Ontario P3E 6C3</p>
<p>5.</p>	<p>28061-0157 (LT) Peterborough LRO #45</p> <p>PT LTS 3 & 4, PL 23Q, PART 1&2, 45R647, NORTH MONAGHAN; PETERBOROUGH</p>	<p>2478658 ONTARIO LTD.</p>	<p>849 Alexander Court, Peterborough, Ontario K9J 7J2</p>
<p>6.</p>	<p>17088-0748 (LT) Wentworth LRO #62</p> <p>PT LT 25, CON 8 SALTFLEET, PART 7, PLAN 62R-18917; STONEY CREEK; TOGETHER WITH AN EASEMENT OVER PT LT 25, CON 8 SALTFLEET, PARTS 9, 11, 12 AND 13 ON 62R18917 AS IN WE749696; CITY OF HAMILTON</p>	<p>SOUTHMOUNT HEALTHCARE CENTRE INC.</p>	<p>35 Upper Centennial Parkway, Stoney Creek, Ontario L8J 3W2</p>
	<p>17088-0762 (LT) Wentworth LRO #62</p> <p>PT LT 25 CON 8 SALTFLEET BEING PARTS 1, 2, 3, 4, 5 AND 10 ON 62R18917; S/T AN EASEMENT OVER PART 3 ON 62R18917 IN FAVOUR OF PARTS 1-5 INCL, 12-15 INCL, 18, 21, 30, 31, 32, 36, 38, 42, 48, 53 ON 62R14684 AS IN LT562193; T/W AN EASEMENT OVER PARTS 2, 4, 14, 21, 30, 31, 32, 36, 38, 48 ON 62R14684 AS IN LT562194; SUBJECT TO AN EASEMENT OVER PART 5 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; SUBJECT TO AN EASEMENT OVER PART 10 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN</p>	<p>SOUTHMOUNT HEALTHCARE CENTRE INC.</p>	<p>35 Upper Centennial Parkway, Stoney Creek, Ontario L8J 3W2</p>

#	PIN/LRO# LEGAL DESCRIPTION	CHARGORS/ BORROWERS	PROPERTIES
	<p>WE749696; SUBJECT TO AN EASEMENT OVER PART 2 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; SUBJECT TO AN EASEMENT OVER PART 3 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; STONEY CREEK; TOGETHER WITH AN EASEMENT OVER PARTS 9, 11, 12 AND 13 ON 62R18917 AS IN WE749696; CITY OF HAMILTON</p>		
7.	<p>46272-0086 (LT) Niagara North LRO#30</p> <p>PT LT 7, 9-10 BLK D CY PL 46 GRANTHAM; PT BLK A CY PL 79 GRANTHAM; PT BLK A, B CY PL 80 GRANTHAM; PT UNNAMED ST CY PL 46 GRANTHAM, CLOSED BY RO407053, PT 1 30R2209 EXCEPT PT 1 30R3734, PT 1 30R6493, & PT 1 30R7456; ST. CATHARINES</p>	180 VINE INC.	180 Vine Street South, St. Catharines, Ontario L2R 7P3
8.	<p>64323-0312 (LT) Niagara South LRO#59</p> <p>PT LT 77 STAMFORD PARTS 1, 2 & 3 59R5625, S/T ROW OVER PT 2 59R5625 AS IN RO87174 ASSIGNED BY RO469722; S/T RO561829 OVER PTS 3, 7, 8 & 9 ON 59R6437; & T/W RO523959 OVER PT CARROLL AVE PL 56 PTS 4 & 5 59R5625; NIAGARA FALLS</p>	PORTAGE ROAD HOLDINGS LIMITED	4256 Portage Road, Niagara Falls, Ontario L2E 6A4

9.	64323-0313 (LT) Niagara South LRO#59 PT LT 77 STAMFORD & PT CARROLL AVENUE PL 56 PTS 13, 14 & 15 59R6437; S/T RO578879 OVER PT 14 ON 59R6437; NIAGARA FALLS	PORTAGE ROAD HOLDINGS LIMITED	4256 Portage Road, Niagara Falls, Ontario L2E 6A4
10	64310-0251 (LT) Niagara South LRO#59 PT TWP LT 96 STAMFORD PT 1, 59R4214; NIAGARA FALLS	MORRISON STREET HOLDINGS LIMITED	6453 Morrison Street, Niagara Falls, Ontario L2E 205
11	63236-0017 (LT) Victoria LRO #57 PT PARKLT A PL 8P AS IN R234666; CITY OF KAWARTHA LAKES	86 ANGELINE STREET HOLDINGS INC.	86 Angeline Street South, Lindsay, Ontario K9V 6C5
	63236-0122 (LT) Victoria LRO #57 PT PARKLT A, PT PARKLT J PLAN 8P DESIGNATED PT 1 57R5672; EXCEPT PT 1 57R9230; CITY OF KAWARTHA LAKES	86 ANGELINE STREET HOLDINGS INC.	86 Angeline Street South, Lindsay, Ontario K9V 6C5
12	36024-0009 (LT) Frontenac LRO#13 PT FARM LT 21 CON 1 KINGSTON PT 1 13R1121 & AS IN FR384400 EXCEPT 13R8079; T/W FR258112; KINGSTON; THE COUNTY OF FRONTENAC	800 PRINCESS STREET HOLDINGS LIMITED	800 Princess Street, Kingston, Ontario K7L 5E4
13	51078-0317 (LT) (LT) Northumberland LRO#39 LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE	249 ONTARIO STREET HOLDINGS INC.	249 Ontario Street, Port Hope, Ontario L1A 3Y9
14		GROSS CAPITAL INC.	

SCHEDULE "B"
EXISTING CHARGES

**REGISTRATION PARTICULARS
OF
Second Charges/Mortgages
and Notices of General Assignment of Rents
registered on July 19, 2019**

1. 240 Old Penetanguishene Road, Midland, Ontario
100 Colborne Street West, Orillia, Ontario
77 Wyandotte Street, Orillia, Ontario
 - (a) Charge/Mortgage as Instrument No. SC1609813
 - (b) Notice of General Assignment of Rents as Instrument No. SC1609814
2. 65 Larch Street, Sudbury, Ontario
 - (a) Charge/Mortgage as Instrument No. SD379370
 - (b) Notice of General Assignment of Rents as Instrument No. SD379371
3. 2009 Long Lake Road, Sudbury, Ontario
 - (a) Charge/Mortgage as Instrument No. SD379372
 - (b) Notice of General Assignment of Rents as Instrument No. SD379373
4. 849 Alexander Court, Peterborough, Ontario
 - (a) Charge/Mortgage as Instrument No. PE314057
 - (b) Notice of General Assignment of Rents as Instrument No. PE314058
5. 35 Upper Centennial Parkway, Stoney Creek, Ontario
 - (a) Charge/Mortgage as Instrument No. WE1368411
 - (b) Notice of General Assignment of Rents as Instrument No. WE1368412
6. 180 Vine Street South, St. Catharines, Ontario
[Refer to the Undertaking by the Borrowers dated July 19, 2019]
7. 800 Princess Street, Kingston, Ontario
 - (a) Charge/Mortgage as Instrument No. FC285164
 - (b) Notice of General Assignment of Rents as Instrument No. FC285165
8. 4256 Portage Road, Niagara Falls, Ontario
 - (a) Charge/Mortgage as Instrument No. SN595685
 - (b) Notice of General Assignment of Rents as Instrument No. SN595686
9. 6453 Morrison Street, Niagara Falls, Ontario
 - (a) Charge/Mortgage as Instrument No. SN595689
 - (b) Notice of General Assignment of Rents as Instrument No. SN595690
10. 86 Angeline Street South, Lindsay, Ontario
 - (a) Charge/Mortgage as Instrument No. KL153806
 - (b) Notice of General Assignment of Rents as Instrument No. KL153807
11. 249 Ontario Street, Port Hope, Ontario
 - (a) Charge/Mortgage as Instrument No. ND184437
 - (b) Notice of General Assignment of Rents as Instrument No. ND184438

SCHEDULE "C"**LIST OF ADDITIONAL COLLATERAL DOCUMENTS**

1. General Security Agreement made by the Chargors in favour of 1592106 Ontario Inc.
2. Acknowledgement of Receipt of Standard Charge Terms No. 200033 dated July 19, 2019
3. PPSA Acknowledgement of the Borrowers and Financing Statement under File No. 753537384; Registration No. 20190719 1357 1590 1461
4. PPSA Acknowledgement of the Guarantors and Financing Statement under File No. 753537411; Registration No. 20190719 1358 1590 1462
5. Beneficial Owner's Agreement between Portage Road Holdings Limited, Morrison Street Holdings Limited and 800 Princess Street Holdings Limited, as trustees, and Gross Properties Inc., as beneficial owner (Re: 4256 Portage, 6453 Morrison and 800 Princess)
6. Beneficial Owner's Agreement between 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc., 240 Old Penetanguish Holdings Inc., 86 Angeline Street Holdings Inc. and 249 Ontario Street Holdings Inc., as trustees, and Gross Properties Inc. and 2413667 Ontario Inc., as beneficial owners (Re: 849 Alexander, 2009 Long Lake, 65 Larch, 100 Colborne, 77 Wyandotte, 240 Old Penetanguishene, 86 Angeline and 249 Ontario Street)
7. Original Guarantee by the Existing Covenantors
8. Assignment of Insurance
9. Environmental Indemnity
10. Acknowledgement, Warranty, Authorization, Direction/Non-Merger/Interest
11. Undertaking and Agreement Re: 180 Vine Inc. Revival

This is Exhibit "Y" referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

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

yyyy mm dd Page 1 of 2

Properties

PIN 51078 - 0317 LT *Interest/Estate* Fee Simple
Description LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE
Address 249 ONTARIO ST
 PORT HOPE

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 249 ONTARIO STREET HOLDINGS INC.
Address for Service c/o Gross Properties
 200 Ronson Drive
 Toronto, Ontario
 M9W 5Z9

I, MARK C. GROSS, PRESIDENT, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name GROSS CAPITAL INC.
Address for Service 200 Ronson Drive
 Toronto, Ontario
 M9W 5Z9

Provisions

Principal \$1,300,000.00 *Currency* CDN
Calculation Period
Balance Due Date
Interest Rate 10.0%
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount See standard charge terms
Guarantor

Signed By

Melissa Sue McNally 77 King Street West Suite 3000 PO acting for First 2017 05 09
 Box 95 TD Centre Chargor(s) Signed
 Toronto
 M5K 1G8

Tel 416-864-9700

Fax 416-941-8852

Melissa Sue McNally 77 King Street West Suite 3000 PO acting for Last 2017 05 19
 Box 95 TD Centre Chargor(s) Signed
 Toronto
 M5K 1G8

Tel 416-864-9700

Fax 416-941-8852

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

Submitted By

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

Submitted By

Box 95 TD Centre
Toronto
M5K 1G8

Tel 416-864-9700
Fax 416-941-8852

Fees/Taxes/Payment

Statutory Registration Fee	\$63.35
Total Paid	\$63.35

File Number

Chargor Client File Number : 15/5723

This is Exhibit “Z” referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

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

yyyy mm dd Page 1 of 1

Properties

PIN 51078 - 0317 LT
Description LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE
Address 249 ONTARIO ST
 PORT HOPE

Source Instruments

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
ND149103	2017 05 09	Charge/Mortgage

Party From(s)

Name GROSS CAPITAL INC.
Address for Service 200 Ronson Drive, Suite 201
 Toronto, Ontario M9W 5Z9

Attention: Mark C. Gross, President

I, Mark C. Gross, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name 1592106 ONTARIO INC.
Address for Service 83 Navy Wharf Court
 Toronto, Ontario M5V 3S3

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number ND184437 registered on 2019/07/19

Schedule: The applicant also postpones the rights under the selected instrument to the rights under an instrument registered as Notice of General Assignment of Rents No. ND184438

Signed By

Edna Rioveros Tienzo 77 King Street West Suite 3000 PO acting for Signed 2019 07 19
 Box 95 TD Centre Party From(s)
 Toronto
 M5K 1G8

Tel 416-864-9700

Fax 416-941-8852

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

Submitted By

FOGLER, RUBINOFF LLP 77 King Street West Suite 3000 PO 2019 07 19
 Box 95 TD Centre
 Toronto
 M5K 1G8

Tel 416-864-9700

Fax 416-941-8852

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$64.40
<i>Total Paid</i>	\$64.40

File Number

Party To Client File Number : 193137 INK

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

yyyy mm dd Page 1 of 1

Properties

PIN 51078 - 0317 LT
Description LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16 E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT HOPE
Address 249 ONTARIO ST
 PORT HOPE

Source Instruments

Registration No.	Date	Type of Instrument
ND149103	2017 05 09	Charge/Mortgage

Party From(s)

Name GROSS CAPITAL INC.
Address for Service 200 Ronson Drive, Suite 201
 Toronto, Ontario M9W 5Z9
 Attention: Mark C. Gross, President
 I, Mark C. Gross, President, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name 1592106 ONTARIO INC.
Address for Service 83 Navy Wharf Court
 Toronto, Ontario M5V 3S3

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number ND186449 registered on 2019/08/28

Signed By

Deanna Elizabeth Wehby 77 King Street West Suite 3000 PO acting for Signed 2019 08 28
 Box 95 TD Centre Party From(s)
 Toronto
 M5K 1G8

Tel 416-864-9700

Fax 416-941-8852

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

Submitted By

FOGLER, RUBINOFF LLP 77 King Street West Suite 3000 PO 2019 08 28
 Box 95 TD Centre
 Toronto
 M5K 1G8

Tel 416-864-9700

Fax 416-941-8852

Fees/Taxes/Payment

Statutory Registration Fee	\$64.40
Total Paid	\$64.40

File Number

Party To Client File Number : 193137 INK

This is Exhibit “AA” referred to in the Affidavit of Savvas Pallaris sworn by Savvas Pallaris at the City of Toronto, in the Province of Ontario, before me on February 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

(SHAREHOLDER)
CERTIFICATE OF OFFICER
OF
GROSS CAPITAL INC.
 (the “Corporation”)

TO: ADDENDA CAPITAL INC. (THE “LENDER”)

AND TO: CASSELS BROCK & BLACKWELL LLP

RE: 249 Ontario Street Holdings Inc. assumption of mortgage loan from GT Port Hope Holding Inc. in favour of the Lender on the security of 249 Ontario Street, Port Hope, Ontario (the “Property”)
 Loan No. 0101093

The undersigned, Mark C. Gross, as President of the Corporation, in such capacity and not in his personal capacity, certifies for and on behalf of the Corporation, intending that the same may be relied upon by you without further inquiry, that:

1. The undersigned has knowledge of the matters hereinafter certified.
2. The Corporation is the sole corporate shareholder of Gross Properties Inc. and 249 Ontario Street Holdings Inc.
3. Each of the following persons is an officer of the Corporation:

<u>Name</u>	<u>Office</u>	<u>Address</u>
Mark C. Gross	President	110 Kilbarry Road, Toronto, ON M5P 1K9
Sheldon Gross	Secretary	628 Big Bay Point Road, Innisfil, ON L9S 2P8

4. Each of the following persons is a director of the Corporation:

<u>Name</u>	<u>Occupation</u>	<u>Address</u>
Mark C. Gross	Real Estate Developer President	110 Kilbarry Road, Toronto, ON M5P 1K9
Sheldon Gross	Real Estate Developer Manager	628 Big Bay Point Road, Innisfil, ON L9S 2P8

5. The shareholders of the Corporation that hold, whether directly or indirectly, 25% or more of the shares are as follows:

<u>Name</u>	<u>% of Share Held</u>	<u>Occupation</u>	<u>Address</u>
Mark C. Gross	50%	Real Estate Developer, President	110 Kilbarry Road, Toronto, ON M5P 1K9
Sheldon Gross	50%	Real Estate Developer, Manager	628 Big Bay Point Road, Innisfil, ON L9S 2P8

DATED this day of January, 2016.



Name: Mark C. Gross
Title: President

TAB 3

Court File No. CV-21-00656098-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

**IN THE MATTER OF SECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, C. B-3 AS AMENDED**

B E T W E E N:

ADDENDA CAPITAL INC.

Applicant

- and -

**249 ONTARIO STREET HOLDINGS INC.,
GROSS PROPERTIES INC.
and 2413667 ONTARIO INC.**

Respondents

CONSENT OF DELOITTE RESTRUCTURING INC.

Deloitte Restructuring Inc. hereby consents to act as Court-appointed interim receiver of certain property held by the Respondent 249 Ontario Street Holdings Inc., as registered owner and nominee for the Respondent Gross Properties Inc., as to an 80% interest, and the Respondent 2413667 Ontario Inc., as to a 20% interest, municipally known as 249 Ontario Street, in Port Hope, Ontario, pursuant to an Order issued by the Ontario Superior Court of Justice, should such an Order be granted by the Court.

DATED at Toronto, Ontario this 2nd day of February, 2021.

DELOITTE RESTRUCTURING INC.

Per:



Hartley Bricks, MBA, CA, CPA, CIRP
Senior Vice President

TAB 4

Revised: January 21, 2014
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

Court File No. —

Court File No.

**ONTARIO
 SUPERIOR COURT OF JUSTICE
 COMMERCIAL LIST**

THE HONOURABLE —)	WEEKDAY, THE #
)	
JUSTICE —)	DAY OF MONTH, 20YR

PLAINTIFF[†]

Plaintiff

**IN THE MATTER OF SECTION 47(1) OF THE
 BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

<u>THE HONOURABLE</u>)	<u>THE</u>
)	
<u>JUSTICE</u>)	<u>DAY OF , 2021</u>

B E T W E E N:

ADDENDA CAPITAL INC.

Applicant

- and -

DEFENDANT

Defendant

**249 ONTARIO STREET HOLDINGS INC.,
 GROSS PROPERTIES INC.
 and 2413667 ONTARIO INC.**

[†]—The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

Respondents

APPOINTMENT ORDER
(~~appointing~~Interim Receiver)

~~THIS MOTION made by the Plaintiff~~²APPLICATION made by Addenda Capital Inc.
 (the "Applicant") for an Order pursuant to section ~~243~~7(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the "~~BIA~~") ~~and section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended (the "CJA")~~ appointing [RECEIVER'S NAME] as receiver [and manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of [DEBTOR'S NAME] (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor") appointing Deloitte Restructuring Inc. ("Deloitte") as interim receiver of certain property held by the Respondent 249 Ontario Street Holdings Inc., as registered owner and nominee for the Respondent Gross Properties Inc., as to an 80% interest, and the Respondent 2413677 Ontario Inc., as to a 20% interest, municipally known as 249 Ontario Street, in Port Hope, Ontario and legally described in Schedule "A" hereto (the "Property"), was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ by Zoom videoconference due to the Covid-19 pandemic.

ON READING the Affidavit of [NAME] Savvas Pallaris sworn [DATE] February 1, 2021 and the Exhibits thereto ~~and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME]~~

²Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

~~sworn~~ ~~[DATE]~~, and on reading the Consent of ~~[RECEIVER'S NAME]~~ Deloitte to act as the interim receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of MotionApplication and the MotionApplication Record is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section ~~243~~71(1) of the *BIA* ~~and section 101 of the CJA,~~ ~~[RECEIVER'S NAME]~~, Deloitte is hereby appointed ~~Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "~~interim receiver (in such capacity, the "Receiver")~~) of the~~ Property").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the

³ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

~~relocating of Property to safeguard it, the~~ engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

~~(e) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;~~

(c) ~~(d)~~ to engage to engage contractors, tradespersons, quantity surveyors, consultants, appraisers, agents, experts, auditors, accountants, managers, including a property manager, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

~~(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;~~

(d) to undertake any renovations and make any repairs to the Property necessary to ensure the Property is well maintained and rentable and is in compliance with the applicable laws and building codes;

(e) to market available rental units, enter into new rental agreements or renew expiring rental agreements where applicable;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~ Respondents in respect of the Property and to exercise all remedies of the

~~Debtor~~Respondents in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Respondents in respect of the Property;

~~(g) to settle, extend or compromise any indebtedness owing to the Debtor;~~

(g) ~~(h)~~ to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver⁴'s name or in the name and on behalf of the ~~Debtor~~Respondents, for any purpose pursuant to this Order;

(h) ~~(i)~~ to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the ~~Debtor, the Property or the Receiver~~, and to settle or compromise any such proceedings;⁴ and the authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

~~(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;~~

~~(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business;~~

~~(i) without the approval of this Court in respect of any transaction not exceeding \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; and~~

⁴-This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.

-6-

~~(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;~~

~~and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,]⁵ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.~~

~~(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;~~

(i) ~~(m)~~ to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(j) ~~(n)~~ to register a copy of this Order ~~and any other Orders in respect of the Property~~ against title to ~~any of~~ the Property;

(k) ~~(o)~~ to apply for any permits, licences, approvals or permissions as may be required by any governmental authority in respect of the Property and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the ~~Debtor~~Respondents;

~~(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the~~

⁵ If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.

~~-7-~~

~~ability to enter into occupation agreements for any property owned or leased by the Debtor;~~

~~(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and~~

(l) ~~(+)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the ~~Debtor~~Respondents, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the ~~Debtor~~Respondents, (ii) all of ~~its~~their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on ~~its~~their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons") and each being a "Person") shall forthwith advise the Receiver of the existence of any aspect(s) or portion(s) of the Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the ~~Debtor~~Respondents in respect of the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information

(the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

~~7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have~~

~~a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

NO PROCEEDINGS AGAINST THE RECEIVER

7. ~~8.~~ **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE ~~DEBTOR~~RESPONDENTS OR THE PROPERTY

8. ~~9.~~ **THIS COURT ORDERS** that no Proceeding against or in respect of the ~~Debtor~~ or Respondents in relation to the Property or against the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the ~~Debtor or~~ Respondents in relation to the Property or against the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. ~~10.~~ **THIS COURT ORDERS** that all rights and remedies against the ~~Debtor~~ Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in

the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the ~~Debtor~~Respondents to carry on any business which the ~~Debtor is~~Respondents are not lawfully entitled to carry on, (ii) exempt the Receiver or the ~~Debtor~~Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. ~~11.~~ **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Debtor~~Respondents in respect of the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. ~~12.~~ **THIS COURT ORDERS** that all Persons having oral or written agreements with the ~~Debtor~~Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the ~~Debtor~~Respondents in respect of the Property are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the ~~Debtor's~~Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names in respect of the Property, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the ~~Debtor~~Respondents or

such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. ~~13.~~ **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part in respect of the Property, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the **"Post Receivership Accounts"**) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. ~~14.~~ **THIS COURT ORDERS** that all employees of the ~~Debtor~~ Respondents shall remain the employees of the ~~Debtor~~ Respondents until such time as the Receiver, on the ~~Debtor's~~ Respondents' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the *BIA*, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the *BIA* or under the *Wage Earner Protection Program Act*.

PIPEDA

~~15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their~~

~~advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.~~

LIMITATION ON ENVIRONMENTAL LIABILITIES

14. ~~16.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the Canadian *Environmental Protection Act*, the Ontario *Environmental Protection Act*, the Ontario *Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession

of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

15. ~~17.~~ **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the *BIA* or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the *BIA* or by any other applicable legislation.

RECEIVER'S ACCOUNTS

16. ~~18.~~ **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the *BIA*.⁶

17. ~~19.~~ **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass ~~its~~their accounts from time to time, and for this purpose the accounts of the Receiver and its legal

⁶ ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

counsel are hereby referred to a judge of the Commercial List of ~~the~~ Ontario Superior Court of Justice.

18. ~~20.~~ **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

19. ~~21.~~ **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~500,000.00~~ 500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the *BIA*.

20. ~~22.~~ **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

21. ~~23.~~ **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "~~A~~"B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

22. ~~24.~~ **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a pari passu basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

23. ~~25.~~ **THIS COURT ORDERS** that the ~~E-service Protocol of the Commercial List of documents shall be made by way of an HTML link to the documents as posted by the serving party on either the Case Website (set out below) or if time does not permit, on the serving party's own website, or as a PDF attachment where the party serving the documents is unable to create an HTML link, with HTML Links to the website for cross-referenced documents already posted there~~ (the "**Protocol**") ~~is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/sej/practice/practice-directions/toronto/e-service-protocol/>), and such service~~ shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* ~~and paragraph 21 of the Protocol~~, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '[@www.insolvencies.deloitte.ca/en-ca/](http://www.insolvencies.deloitte.ca/en-ca/)'.

24. ~~26.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Debtor's~~Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Debtor~~Respondents and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

25. ~~27.~~ **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

26. ~~28.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the ~~Debtor~~Respondents.

27. ~~29.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

28. ~~30.~~ **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory ~~or~~of administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

29. ~~31.~~ **THIS COURT ORDERS** that the ~~Plaintiff~~Applicant shall have its costs of this ~~motion~~application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Applicant's security or, if not so provided by the ~~Plaintiff's~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's~~Respondents' estates, with such priority and at such time as this Court may determine.

30. ~~32.~~ **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

31. **THIS COURT ORDERS** that notwithstanding the commencement of the within Application and the appointment of the Receiver, the Applicant shall be deemed to be protecting its security, shall not be deemed to have resorted to realizing upon its security over the Property, and the equitable right of redemption in respect of the Applicant's mortgage over the Property shall not be triggered.

DOCSTOR:17717428

SCHEDULE "A"

THE PROPERTY

PIN 51078-0317 LT

Description LT 15 E/S ONTARIO ST PL 11 PORT HOPE; PT LT 14 E/S ONTARIO ST, 16
E/S ONTARIO ST, 17 E/S ONTARIO ST, 12 W/S WELLINGTON ST, 13 W/S
WELLINGTON ST PL 11 PORT HOPE PT 1 9R2679; S/T PH75108; PORT
HOPE.

Address 249 ONTARIO ST
PORT HOPE

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, Deloitte Restructuring Inc., the interim receiver (the "Receiver") of certain property held by 249 Ontario Street Holdings Inc., as registered owner and nominee for Gross Properties Inc., as to an 80% interest, and 2413677 Ontario Inc., as to a 20% interest, municipally known as 249 Ontario Street, in Port Hope, Ontario (the "Property"), pursuant to the the~~ Appoint~~ment~~ by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the day of , ~~20~~2021 (the "Order") made in an ~~action~~application having Court file number ~~CL~~ , has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$, being part of the total principal sum of \$ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded ~~[daily]~~ monthly not in advance on the 1st day of each month ~~+~~ after the date hereof at a notional rate per annum equal to the rate of two per cent above the prime commercial lending rate of Royal Bank of Canada from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the day of , ~~20~~ , 2021.

~~[RECEIVER'S NAME]~~DELOITTE
RESTRUCTURING INC., solely in its capacity
- as Receiver of the Property, and not in its
personal or corporate capacity

Per: _____

Name:

Title:

Per: _____

Name:

Title:

ADDENDA CAPITAL INC.
Applicant

-and-

249 ONTARIO STREET HOLDINGS INC., et al
Respondents

Court File No. CV-21-00656098-00CL

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

PROCEEDING COMMENCED AT
TORONTO

APPLICATION RECORD

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