

**SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY**

In the Matter of the Receivership of 11016946 Canada Inc. (the “Company”)

Between:

Business Development Bank of Canada

Applicant

and

11016946 Canada Inc.

Respondent

2nd SUPPLEMENTAL AFFIDAVIT OF MATTHEW J. GOLDING

I, Matthew J. Golding, CPA, CMA, CIRP, LIT, of the Halifax Regional Municipality, Nova Scotia, make oath and give evidence as follows:

1. I am a Director, Business Restructuring, at Business Development Bank of Canada (“**BDC**”), in Halifax, Nova Scotia, a holder of security over certain assets of 11016946 Canada Inc. (the “**Company**”), and the Applicant in the within proceeding.
2. I have personal knowledge of the evidence sworn in this affidavit except where otherwise stated to be based on information or belief.
3. I state, in this affidavit, the source of any information that is not based on my own personal knowledge, and I state my belief of the source.
4. I make this affidavit in addition to my affidavits sworn on October 19, 2020 and December 18, 2020.
5. A detailed background of the loans advanced by BDC to the Company and the events of default are set out in my affidavit of October 19, 2020.

UPDATE ON MATTERS

6. Since the parties last appeared before the Court on January 12, 2022, BDC has provided the Company with multiple extensions to accommodate the Company's refinancing attempts. To date, none of these attempts have been successful and the Company's plan to pay the amounts owing to BDC under its security remains uncertain and unlikely.
7. I am advised by counsel for BDC and do believe that on February 3, 2022, the Company provided a listing agreement for 123-125 Prince William Street and 60 Water Street in Saint John, New Brunswick (collectively, the "**Prince William Property**") for a purchase price of \$1.2 million. A copy of email correspondence dated February 3, 2022 and the listing agreement is attached as **Exhibit "A"**.
8. BDC agreed to allow the Company time to complete the proposed transaction, subject to the signing of a forbearance agreement. Any shortfall remaining after the close of the transaction would then be the responsibility of the guarantor, Ian J. Cousins ("**Mr. Cousins**").
9. On or about February 24, 2022, BDC extended a forbearance agreement to the Company, which included (but was not limited to) the following terms:
 - (a) the Company would provide a signed Receivership Order (the "**Consent Receivership Order**") to BDC to be held in escrow, which would appoint Deloitte Restructuring Inc. ("**Deloitte**") as receiver and manager of the assets, collateral and undertakings of the Company;
 - (b) the Company and Mr. Cousins would pay a forbearance fee of \$5,000, which would be applied towards ●;
 - (c) the Company would provide BDC with copies of any commitment letters, term sheets and appraisal reports upon receipt; and
 - (d) the Company and Mr. Cousins would arrange for a full repayment to BDC of all amounts owing by May 25, 2022.
10. Mr. Cousins accepted the forbearance agreement on behalf of himself and the Company on or about February 28, 2022 (the "**Forbearance Agreement**"). A copy of the executed Forbearance Agreement is attached as **Exhibit "B"**.

11. I am advised by counsel and do believe that on March 11, 2022, the Company advised that the appraisal of the Prince William Property was on track. On March 25, 2022, the Company advised that the appraisal was expected “early next week”. After follow-up by BDC’s counsel on April 29 and May 6, 2022, the Company provided a copy of the appraisal on May 9, 2022. A copy of email correspondence between March 11 and May 9, 2022 is attached as **Exhibit “C**. A copy of the appraisal dated April 22, 2022 (the “**Prince William Appraisal**”) is attached as **Exhibit “D”**.
12. The Prince William Appraisal attributed a value of \$1.043 million to the Prince William Property on an “as-is” basis, which was lower than the listed sale price of \$1.2 million.
13. I am advised by counsel and do believe that on May 9, 2022, the Company proposed a new plan to pay out BDC that involved a refinancing of the Company’s real property in New Brunswick, being the Prince William Property and six townhouses located at 20 Pokiok Road, 22 Pokiok Road, 24 Pokiok Road, 26 Pokiok Road, 28 Pokiok Road and 30 Pokiok Road (the “**Townhouse Properties**”). The Company advised that a mortgage commitment would be forthcoming and that the payout to BDC could then be completed. A copy of email correspondence dated May 9, 2022 is attached as **Exhibit “C**.
14. Given that the forbearance period was coming to an end and the proposed refinancing did not appear to be closing, BDC advised the Company on May 11, 2022 that BDC would only consider an extension of the forbearance period on receipt of a signed mortgage commitment and disclosure as to the existing mortgages on the Townhouse Properties. A copy of email correspondence dated May 11, 2022 is attached as **Exhibit “E**.
15. I am advised by counsel and do believe that on May 12, 2022, the Company provided a Conditional Term Sheet for a collateral mortgage to be advanced to the Company from Graysbrook Capital Ltd. (“**Graysbrook**”). A copy of email correspondence dated May 12, 2022 and the Graysbrook term sheet is attached as **Exhibit “F”**.
16. The Graysbrook term sheet provided for a refinancing of the Townhouse Properties and the Prince William Property, with approximately \$1.9 million to be advanced on closing.
17. As of May 21, 2022, the amount of property taxes outstanding on the Prince William Property was \$102,664.20, with the last payment being made on September 17, 2019. A copy of BDC’s property tax request is attached as **Exhibit “G”**.

18. On May 18, 2022, due to the outstanding property taxes and the value of the properties being less than the amount owing, BDC advised the Company that it would require additional security in the form of a collateral mortgage on the Townhouse Properties in order to extend any forbearance period. The collateral mortgage was to be held in escrow and registered against the Townhouse Properties in the event of any default on the terms of forbearance. BDC also requested a signed copy of the mortgage commitment from Graysbrook. A copy of email correspondence dated May 18, 2022 is attached as **Exhibit "H"**.
19. I am advised by counsel and do believe that on May 19, 2022, the Company advised that the mortgage commitment from Graysbrook was "expected any time". A copy of email correspondence dated May 19, 2022 is attached as **Exhibit "I"**.
20. I am advised by counsel and do believe that on May 27, 2022, the Company advised that the proposed transaction would close in six weeks. A copy of email correspondence dated May 27, 2022 is attached as **Exhibit "J"**.
21. On or about June 9, 2022, after some negotiation of the terms, BDC sent an amended forbearance agreement to the Company, which included (but was not limited to) the following terms:
 - (a) the Company would provide BDC with additional security in the form of mortgages in relation to the Townhouse Properties, to be held in escrow;
 - (b) the Company would sign an amending letter with BDC by June 10, 2022;
 - (c) the Company and Mr. Cousins would pay a forbearance fee of \$1,000;
 - (d) the Company would provide BDC with copies of any commitment letters and term sheets upon receipt;
 - (e) BDC would continue to hold the Consent Receivership Order in escrow unless there was a default during the forbearance period; and
 - (f) the Company and Mr. Cousins would arrange for a full repayment to BDC of all amounts owing by July 8, 2022.

22. Mr. Cousins accepted the forbearance agreement on behalf of himself and the Company on or about June 13, 2022 (the “**Amended Forbearance Agreement**”). A copy of the Amended Forbearance Agreement is attached as **Exhibit K**”.
23. The collateral mortgage for the Townhouse Properties was executed on June 20, 2022, a copy of which is attached as **Exhibit “L**”. Copies of the Certificates of Registered Ownership for each of the Townhouse Properties are attached as **Exhibit “M**”.
24. I am advised by counsel and do believe that on June 27, 2022, it was again requested that the Company provide a copy of a signed mortgage commitment from Graysbrook, as well as an update on the proposed refinancing. A copy of email correspondence dated June 27, 2022 is attached as **Exhibit “N**”.
25. I am advised by counsel and do believe that on July 4, 2022, the Company provided a mortgage commitment from Graysbrook, which identified the amount owing to BDC as \$950,000, significantly less than the actual amount owing. A copy of email correspondence dated July 4, 2022 and the mortgage commitment from Graysbrook is attached as **Exhibit “O**”.
26. A copy of the amending letter for Loan 156773-02 was signed and provided to BDC on July 4, 2022, a copy of which is attached as **Exhibit “P**”.
27. On July 7, 2022, BDC advised the Company that the forbearance period would be ending in one day and requested an update on the closing of the refinancing. A copy of email correspondence dated July 7, 2022 is attached as **Exhibit “Q**”.
28. I am advised by counsel and do believe that on July 8, 2022, the Company advised that it was awaiting mortgage instructions from Graysbrook and requested an extension of the forbearance period to July 29, 2022. A copy of email correspondence dated July 8, 2022 is attached as **Exhibit “R**”.
29. By email dated July 12, 2022, BDC agreed to a three-week extension of the forbearance period, on the condition that the Company provide ongoing updates about the status of the refinancing. On July 20, 2022, BDC requested an update on the refinancing. I am advised by counsel and do believe that the only responses received were from the guarantor, Mr. Cousins. A copy of email correspondence dated July 12 to 20, 2022 is attached as **Exhibit “S**”.

30. I am advised by counsel and do believe that on August 3, 2022, Mr. Cousins advised that the Townhouse Properties would need to be appraised before the refinancing could be complete. A copy of email correspondence dated August 3, 2022 is attached as **Exhibit “T”**.
31. As of August 2, 2022, the amount of property taxes outstanding on the Prince William Property was \$159,490.17. A copy of BDC’s property tax request is attached as **Exhibit “U”**.
32. I am advised by counsel and do believe that on August 26, 2022, after multiple follow up emails from BDC, the Company advised that the appraisal of the Townhouse Properties was lower than expected and requested another extension of the forbearance period to September 2, 2022 in order to get a second opinion. A copy of email correspondence dated August 15 to 26, 2022 is attached as **Exhibit “V”**.
33. I am advised by counsel and do believe that on August 26, 2022, BDC advised that it would be proceeding with registration of the collateral mortgage against the Townhouse Properties. A copy of email correspondence dated August 26, 2022 is attached as **Exhibit “W”**.
34. The collateral mortgage was registered against the Townhouse Properties on September 16, 2022. Copies of the Certificates of Registered Ownership are attached as **Exhibit “M”**.
35. I am advised by counsel and do believe that on September 23, 2022, Mr. Cousins advised that the Graysbrook term sheet had been pulled and advanced a new plan for refinancing, including listing the Townhouse Properties for sale and placing the balance of BDC’s debt into second position. A copy of email correspondence dated September 23, 2022 is attached as **Exhibit “X”**.
36. I am advised by counsel and do believe that on October 14, 2022, BDC advised Mr. Cousins that the proposal of September 23, 2022 was not acceptable and that BDC would allow a period of one week for the Company to provide a plan for BDC to consider, otherwise BDC would proceed to enforce the Consent Receivership Order. A copy of email correspondence dated October 14, 2022 is attached as **Exhibit “Y”**.

- 37. I am advised by counsel and do believe that on October 14, 2022, Mr. Cousins advised that he had listed the Townhouses Properties for sale. A copy of email correspondence dated October 14, 2022 is attached as **Exhibit "Z"**.
- 38. In or about October 2022, this file was transferred from the Business Restructuring Unit (BRU) of BDC to Special Accounts. I no longer have carriage of the matter.
- 39. On December 12, 2022, I was copied on an email from Jim Kennedy, indicating that an offer had been received for the sale of the Saint John Property. A copy of the December 12, 2022 email from Mr. Kennedy is attached as **Exhibit "AA"**. I forwarded a copy to my colleague, Linda Savoie, who is now handling the matter on behalf of Special Accounts.
- 40. I swear this affidavit in support of the motion to appoint Deloitte as Receiver and Manager over the assets, undertakings and properties of the Company, limited to the Prince William Property, and for no other or improper purpose.

SWORN before me at Halifax, Nova Scotia,)
this _____ day of January, 2023.)

Sara L. Scott)
A Barrister of the Supreme Court of Nova)
Scotia)

Matthew J. Golding)

2020

Hfx No. 501252

This is Exhibit "A" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

Laura M. Smith

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, February 3, 2022 12:14 AM
To: Sara L. Scott
Cc: Laura M. Smith
Subject: RE: 11016946 - Status Update
Attachments: _001601.pdf

This is an external email.

Sara,

Please find signed APS attached.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Mark Charles
Sent: February 2, 2022 5:08 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Status Update

Sara,

I have spoken with my client.

The listing expired last week, and our client is not moving to renew.

There will be no commission payable.

With regards to the APS:

- Para 1 – buyer is not defined or used elsewhere in the agreement; This is a typo and should be changed to ‘Purchaser’ for consistency;
- Para 2(a) – should this read the New Brunswick DOE; Yes, NS is a typo and should be NB;
- Para 6(c) – this seems incorrect; You are correct, this clause should be struck;
- Para 14 – should this be New Brunswick? Yes, NS is a typo and this should be NB.

I’ll make the corrections and forward along for signature.

Let me know if you have any more questions and if you are ree to schedule a call tomorrow.

We appreciate your time and attention to this matter.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

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From: Mark Charles
Sent: February 2, 2022 4:34 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Status Update

Sara,

I believe there will be no commission, but I will confirm.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 2, 2022 4:33 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Status Update

Mark – can you answer the questions about the realtor commission?

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Wednesday, February 2, 2022 4:32 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Status Update

This is an external email.

Sara,

Thank you for your follow-up.

We'll review with our client and advise further as soon as possible.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 2, 2022 2:54 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Status Update

Mark,

Thanks for the email. A couple of questions before BDC provides a more substantive response:

1. Has the listing expired?
2. Will there be realtor commissions?

We are assuming the listing has expired and that there will not be any realtor commissions on the proposed deal, but would ask for confirmation.

On the APS, a few things were noted on a quick review – can you advise if the following provisions are correct or if they will be cleaned up:

- Para 1 – buyer is not defined or used elsewhere in the agreement;
- Para 2(a) – should this read the New Brunswick DOE;
- Para 6(c) – this seems incorrect;
- Para 14 – should this be New Brunswick?

Please let me know as soon as possible.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, February 1, 2022 11:07 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Status Update

This is an external email.

Sara,

We apologize for the delay, but our client does have updates forthcoming. Please allow this email to serve as an update on our client's plans for the Prince William Building.

Our client is putting together a sale of the Property from 1101 to a NewCo with Mr. Kennedy and a new investor to complete the renovation of the building. I expect the fully signed APS tomorrow. I will provide the same to you once received. In the meantime, I am sending along the APS signed by Mr. Kennedy.

Our client is working with Bayview Credit Union in NB, but they do not have a commitment letter yet. Bayview is waiting on a revised construction budget from the builders, Iron Maple, and an as-built appraisal. Both are required to complete the financing.

Our client is awaiting a revised budget from Iron Maple. We expect to have an update on that as soon as possible as well. In the meantime I am attaching the previous working budget. The revisions only concern updating material costs to deal with any increases.

I am also attaching renderings of the rental units to be completed to provide further information on the renovation project.

Our client is awaiting the as-built appraisal from Turner Drake. Unfortunately Turner Drake has reported needing approximately 6 weeks, to March 15th, to complete the appraisal. I am attaching an email confirming the same.

Unfortunately we do not have a previous appraisal to provide. You will recall there is no appraisal on this building as BDC did not require one at the time of it's purchase.

I would suggest we are at least 6 weeks from a commitment letter from Bayview Credit Union. I would request we appear on the call and set some further times for updates. Hopefully your client will appreciate our client is moving the process forward, but is simply experiencing the same delays all real estate developers are.

We appreciate your clients understanding and willingness to work towards an amicable resolution in this matter.

Please let me know if you have time tomorrow for a call to review.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
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Dartmouth, NS B2Y 1C5

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Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 1, 2022 11:18 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: 11016946 - Status Update

Good morning Mark,

At the last status update call with Justice Jamieson, 1101 was to provide two main pieces of information to BDC by Friday, January 28:

- What lenders is 1101 having discussions with, for a potential refinancing?
- What is the status of these discussions?

The deadline has passed without any update being provided to BDC. It is unclear why 1101 has failed to meet the Court imposed deadline and the logical conclusion for the silence is that there is simply no information to share.

BDC has been left with no choice but to ask the Court to set a date for the receivership motion, without any further delay. If 1101 can provide an update that is satisfactory to BDC, BDC may choose to not seek a receivership order, but such information must be provided by **Wednesday, February 2nd at 10 am.**

The continued lack of engagement by 1101 is inexplicable.

Sara



Sara L. Scott*

Partner
She/Her
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sscott@stewartmckelvey.com
stewartmckelvey.com

*Law Corporation

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AGREEMENT OF PURCHASE AND SALE

The Purchaser (s) JIM KENNEDY OR ASSIGNEE, of Halifax Regional Municipality, in the Province of Nova Scotia, hereinafter called the "Purchaser", hereby offer to purchase from **11016946 Canada Inc.**, a body corporate, hereinafter called the "Vendor", the property known as:

125 Prince William St., Saint John, New Brunswick (the Property"), at the purchase price of:

One Million Two Hundred Thousand Dollars (\$1,200,000) Dollars (the "Purchase Price") plus HST on the following terms:

1. This Agreement shall be completed on or before the **2nd** day of **May, 2022**. (Hereinafter called the closing date). Upon completion, vacant possession [Tenancies excluded] of the property shall be given to the Buyer unless specified otherwise in writing.
2. This Agreement of Purchase and Sale is subject to the following conditions, which shall be completed within **60** Days of Acceptance of this Agreement, all of which are for the sole benefit of the Purchaser and subject to the Purchaser's satisfaction. Should the Vendor receive no notice to the contrary in writing, during the **60 Day Conditional Period**, the Purchaser will have been deemed to be satisfied with its investigations and ready to finalize this transaction. Conditions are as follows:
 - (a) **Environmental Audit:** The Purchaser shall perform a Phase I Environmental Audit of the Property. If the said audit does not meet the standards established by the Nova Scotia Provincial Department of the Environment, or is not acceptable to the Purchaser or Purchaser's lender, then this Offer shall become null and void and the deposit shall be returned to the Purchaser in full without interest.
 - (b) **Deliveries:** The Vendor shall provide to the Purchaser, if in its possession or control, within five (5) business days of execution of this Agreement, the following for the Property:
 - (i) As built plans and specifications;
 - (ii) Copies of all tax bills, including, but not limited to property, taxes and special assessment;
 - (iii) Copies of all non-cancellable service contracts, including a list of vendors and addresses;
 - (iv) Copies of all environmental reports or audits;
 - (v) Historical utility (water, electricity, fuel, etc.) and operating costs (i.e. snow plowing, landscaping, maintenance, etc.) for the last 2 years;
 - (vi) Relevant Financial Information including Income & Expense Statement, Rent Roll, etc.

- (c) Inspections: Any inspections and investigations it deems advisable with respect to the Property, including title search, zoning, related financial matters, physical and structural condition of the buildings;
- (e) Financing: First mortgage financing satisfactory to the Purchaser;
- (f) Legal: Satisfactory legal review by the Purchaser's and Vendor's Lawyer;
- (g) Tenant Renewal: The Purchaser shall endeavor to negotiate a lease directly with the current Tenant to their mutual satisfaction. The Tenant shall not be contacted by the Purchaser until all other conditions have been satisfied.

Each of the conditions precedent set forth in this Agreement has been included for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser. The parties agree that all conditions herein set forth are conditions of obligation of the Purchaser.

3. This Agreement shall be completed on or before the Closing Date. Upon completion, vacant possession of the property shall be given to the Purchaser.
4. The conveyance (of the property which is subject of this Agreement) shall be by Warranty Deed, executed by an officer or director of the Vendor under seal, drawn at the expense of the Vendor, to be delivered on payment of the Purchase Price on the Closing Date. The said Property is to be conveyed free from all registered restrictions, charges, liens and encumbrances except as otherwise specifically provided in this Agreement and save and except for:
 - (a) Any minor easements for the supply of domestic utility or telephone services to the Property or adjacent properties and provided same shall not interfere with the Purchaser's intended use of the Property; and
 - (b) Any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the intended use of the Property.
5. The Purchaser confirms that it is an HST registrant and the Purchaser will provide the Vendor, on closing, their HST registration number. The Vendor confirms that it is an HST Registrant and the Vendor will provide the Purchaser, on Closing, their HST registration number. The Vendor and Purchaser shall comply with applicable HST legislation regarding the payment of HST, and if applicable will file joint elections with respect to HST.

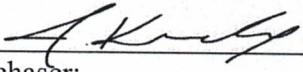
6. The Vendor represents and warrants to the Purchaser, the following, which covenants, representations and warranties contained in this Agreement shall survive the Closing Date:
 - (a) The Vendor is not and will not be on the Closing Date, a non-resident of Canada or the purposes of the Income Tax Act (Canada).
 - (b) To the best of the Vendor's knowledge and belief, the Vendor has not received any notice of expropriation of the Property or any part or parts thereof, and is not aware of any proposed expropriation by the authorities having jurisdiction.
 - (c) To the best of the Vendor's knowledge and belief, there are not now and the Vendor has no knowledge and has received no notice of any pending or threatened litigation or other judicial or administrative proceeding affecting the Property.
 - (d) To the best of the Vendor's knowledge and belief, the Property is serviced with all necessary municipal services, including storm and sanitary sewers, water mains, electricity and paved roadways. All such services have been fully paid for and the Purchaser will not be liable to pay any connection charges and there are no local improvements, levies or charges outstanding against the Property.
8. All lands, buildings, fixtures and all other property being purchased hereby, shall be and remain at the risk of the Vendor. Pending completion of the sale, the Vendor will hold all insurance policies and the proceeds thereon in trust for the parties as their interest may appear and in the event of damage to the said premises, the Purchaser may either have the proceeds of the insurance and complete the purchase, or may cancel the Agreement and have all moneys theretofore paid returned without interest.
9. Interest, rentals, leases, taxes, rates, repairs, fuel on the premises and assessments are to be adjusted to the date of closing. All local improvement charges levied against the Property are to be paid by the Vendor on or before closing.
10. The Purchaser shall be entitled to assign the benefit of this Agreement of Purchase and Sale to a company to be incorporated that is controlled by the Purchaser.
11. The Vendor consents and agrees to allow the Purchaser, its agents, engineers, surveyors, consultants, governmental authorities or any of them, to enter upon the Property at any reasonable time and from time to time for the purposes of inspecting the Property. The Purchaser shall have the right to any relevant information concerning the Property as provided by the aforementioned individuals and governmental authorities.
12. Time shall in all respects be of the essence of the Agreement. In the event of a written agreement of extension, time shall continue to be of the essence.

13. All parties agree that this Agreement of Purchase and Sale may be transmitted by facsimile machine, e-mail and that the reproduction of signatures by way of this facsimile machine or e-mail will be treated as though such reproductions were executed originals.
14. This Agreement and the interpretation and enforcement of the same shall be governed by and construed in accordance with the laws of the Province of Nova Scotia.

This Offer shall be open for acceptance until 5:00 p.m. on the 4th day of February, 2022.

Dated at Halifax, in the Province of Nova Scotia, this 24th day of January, 2022.

Witness



Purchaser:

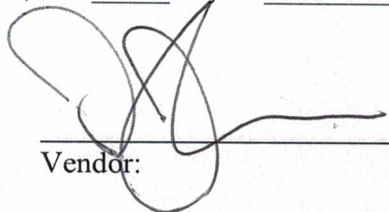
Witness

Purchaser:

The "Purchaser(s)"

Dated at Ottawa, in the Province of Ontario, this ____ day of _____, 2020.

Witness



Vendor:

The "Vendor"

2020

Hfx No. 501252

This is Exhibit "B" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia

February 24, 2022

VIA ELECTRONIC MAIL & REGISTERED MAIL

11016946 Canada Inc.
c/o Ian J. Cousins
1606 Tucker Road
Rockland, ON K4K 1K7

Attention: Ian J. Cousins

Dear Mr. Cousins:

Re: Business Development Bank of Canada (the “Bank”) – Credit Facilities Provided to 11016946 Canada Inc. (the “Company”) – Forbearance Agreement

The Bank makes reference to its previous demand for payment issued September 17, 2020 (the “**Demand Letter**”) and the various recent discussions with Company representatives and legal counsel during which the Bank outlined its continuing concerns with the financial performance of the Company.

The Bank’s expectations have been clearly laid out in its letters dated August 10, 2020 and September 1, 2020 and while there has been some progress made in the resolution of the issues facing the Company, significant issues remain and continue to concern the Bank in relation to various breaches of the terms and conditions in the letter of offer dated August 23, 2019 on Loan 156773-02 (the “**Letter of Offer**”).

Based on these concerns, the Bank has demanded repayment of its loan and commenced an application to have Deloitte Restructuring Inc. appointed as receiver and manager over the assets, undertakings and property of the Company, in Hfx No. 501252 (the “**Receivership Application**”).

Notwithstanding these concerns, the Bank is prepared to forego the resumption of the Receivership Application and to forego immediate legal action in relation to the guarantees provided in respect of these loans by you, Ian J. Cousins (the “**Guarantor**”) on the following conditions:

1. The Company and the Guarantor acknowledge that the Company remains in default in relation to its obligations to the Bank and that the Bank is entitled to the immediate enforcement of its security interests and mortgages contained in the Loan Documents (defined below). The defaults include, but are not limited to, the breaches as described in the letters of August 10, 2020 and September 1, 2020, the Demand Letter and subsequent correspondence.
2. The Company and the Guarantor acknowledge that the security held by the Bank has not been discharged, waived or varied and that it is valid and enforceable in accordance with its terms, except as it relates to the real property located at 73 Tacoma Drive in Dartmouth, Nova Scotia, 3600 Kempt Road in Halifax, Nova Scotia and 22 Waddell Avenue in Dartmouth, Nova Scotia.

3. The Company and the Guarantor acknowledge that the indebtedness owed to the Bank, is not subject to any set-off, defence or counterclaim on the part of the Company or the Guarantor. The Company and the Guarantor further acknowledge that there are no claims against the Bank (which shall include the Bank's successors, officers, directors, agents, employees, solicitors and assigns) arising from the Loan Documents or otherwise.
4. The Company and the Guarantor confirm they are not disputing their liability to pay the remaining indebtedness owing to the Bank.
5. The Company shall, until the date of full payment to the Bank, comply in all respects with all terms and conditions set out in this forbearance agreement ("**Forbearance Agreement**") and as necessary, with the various loan agreements with the Bank and the various related security documents (collectively, the "**Loan Documents**").
6. The Company acknowledges that the mortgage with the Bank covers the loan owing by the Company under the Loan Documents and continues to apply to the property mortgaged to the Bank, such property being located at 123-125 Prince William Street in Saint John, New Brunswick (the "**Property**"). The Company further acknowledges that the general security agreement with the Bank applies to the property of the Company.
7. The Company agrees to meet the following terms of forbearance and the failure by the Company to meet any of the terms of forbearance shall constitute an event of default under this Forbearance Agreement and such default shall be determined at the Bank's sole discretion.

Conditions Precedent

8. The Company will comply with the terms and conditions in the Letter of Offer, with the exception of any changes made in this Forbearance Agreement.
9. The Company and the Guarantor will pay a forbearance fee to the Bank of \$5,000, to be paid by the Company. The fee shall be due and fully earned on the execution of this Forbearance Agreement.
10. The Company shall provide a signed copy of the Consent Receivership Order (defined below) to the Bank by February 23, 2022.

Conditions Subsequent

11. The Company shall deliver the following information to the Bank:
 - (a) copies of all remittance accounts with the Canada Revenue Agency (the "**CRA**") in relation to source deductions and Harmonized Sales Tax, including a current copy of the Company's "My Account" statement from the CRA on or before April 15, 2022;
 - (b) copies of any commitment letters and term sheets, on receipt;

- (c) copies of any environmental reports, on receipt, if required by the lender in the term sheet or commitment letters;
- (d) copies of any property appraisals, on receipt;
- (e) a bi-weekly status update on the transaction, including reporting on any impediments to the scheduled closing and estimated delivery of the requested documentation, with the first bi-weekly status update to be provided on the signing of this Forbearance Agreement.

Additional Terms of Forbearance

- 12. The Company and the Guarantor will arrange for full payment of the balance of all amounts owing to the Bank no later than May 15, 2022.
- 13. The Company shall consent to the appointment of Deloitte Restructuring Inc. as receiver and manager over the assets, undertakings and property of the Company, in the event of default under this Forbearance Agreement. In particular:
 - (a) the Company shall consent to the form of the Order in the Receivership Application, as attached to this Forbearance Agreement at Schedule “A” (the “**Consent Receivership Order**”); and
 - (b) the Bank shall hold the Consent Receivership Order in escrow unless there is a default under this Forbearance Agreement, such default which will be determined in the Bank’s sole discretion.
- 14. All costs, charges and expenses to the Bank (including legal, appraisal and other professional fees and the forbearance fees) associated with this Forbearance Agreement and any other matter or thing relating to the loans of the Company shall be for the account of the Company and the Guarantor.
- 15. The Bank is at liberty to terminate this Forbearance Agreement if, in the opinion of the Bank, its security position becomes jeopardized in any way.
- 16. The Company and the Guarantor agree that discussions with the Bank, whether as referenced in this Forbearance Agreement or at all, shall remain confidential, except as may be necessary for any court filing in the Receivership Application.
- 17. The Company and the Guarantor acknowledge and confirm that they have been provided with the opportunity to obtain legal advice prior to the execution of this Agreement.
- 18. The Company and the Guarantor acknowledge receipt of a copy of this Agreement and acknowledge the terms herein. The Guarantor acknowledges the terms set out in this Agreement and confirms that such terms shall not in any way affect the Guarantor’s liability pursuant to any guarantees given to the Bank.

Please execute and arrange for return of a signed copy of this Agreement no later than end of day on February 23, 2022 in order to confirm your acceptance of the foregoing.

Yours truly,

Matthew J. Golding

Matthew Golding
Director, Business Restructuring


Miguel Rodrigues

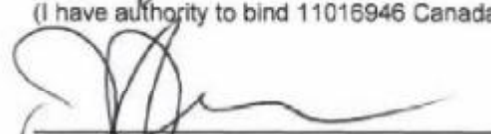
Miguel Rodrigues
Assistant Vice President, Business
Restructuring

We agree to the foregoing terms and conditions.

DATED: February ____, 2022.

11016946 Canada Inc.
(as borrower)

Per: 
Name: _____
Title: _____
(I have authority to bind 11016946 Canada Inc.)


Ian J. Cousins
(as guarantor)

Schedule A

2020

Hfx No. 501252

**SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY**

In the Matter of the Receivership of 11016946 Canada Inc. (the "Company")

Between:

Business Development Bank of Canada

Applicant

and

11016946 Canada Inc.

Respondent

Consent Receivership Order

Before the Honourable _____ in chambers:

The Applicant started this proceeding for an order, under both subsection 243(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and the equitable jurisdiction of this Court as partially codified by s. 43(9) of the *Judicature Act*, to appoint Deloitte Restructuring Inc. as receiver and manager (in such capacities, the "**Receiver**") without security, of the assets, collateral and undertakings of the Respondent and certain real property of the Respondent.

The Receiver satisfies the requirement for appointment without security in Rule 73.07(a).

On motion of the Applicant the following is ordered:

Service

1. The time for service of the Notice of Application and the supporting materials is hereby abridged and validated so that the application is properly returnable today and further service thereof is hereby dispensed with.

Appointment

2. Pursuant to the equitable jurisdiction, subsection 43(9) of the *Judicature Act*, Rule 73 – Receiver, and subsection 243(1) of the BIA, the Receiver is hereby appointed receiver and manager, without security, of all of the assets, undertakings, and properties of the Respondent acquired for, or used in relation to a business carried on by the Respondent, including all proceeds thereof (the "**Property**").

Receiver's Powers

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without limiting the generality of the foregoing, the Receiver is hereby empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession and control of the Property and any proceeds or receipts arising from the Property but, while the Receiver is in possession of any of the Property, the Receiver must preserve and protect it;
 - (b) to change locks and security codes, relocate the Property to safeguard it, engage independent security personnel, take physical inventories, and place insurance coverage;
 - (c) to manage, operate, and carry on the business of the Respondent, including the powers to enter into any agreements, incur and pay 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 Respondent;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, 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 Respondent, or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Respondent and to exercise all remedies of the Respondent in collecting such monies, including, without limitation, to enforce any security held by the Respondent;
 - (g) to settle, extend, or compromise any indebtedness owing to the Respondent;
 - (h) 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 Respondent, for any purpose pursuant to this Order;
 - (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Respondent;
 - (j) to initiate, prosecute, and continue the prosecution of any proceedings and to defend proceedings now pending or hereafter instituted with respect to the Property or the Receiver, and to settle or compromise any such proceedings, which authority extends to appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (k) to make payment of any and all costs, expenses, and other amounts that the Receiver determines, in its sole discretion, are necessary or advisable to

preserve, protect, or maintain the Property, including, without limitation taxes, municipal taxes, insurance premiums, repair and maintenance costs, costs or charges related to security, management fees, and any costs and disbursements incurred by any manager appointed by the Receiver;

- (l) 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;
- (m) 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 \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (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 section 60 of the *Personal Property Security Act* shall not be required.

- (n) to sell the right, title, interest, property, and demand of the Respondent in and to the Property at the time the Respondent granted a security interest or at any time since, free of all claims including the claims of subsequent encumbrancers bound as named respondents, bound as parties joined as unnamed respondents, or bound under Rule 35.12;
- (o) 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;
- (p) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property;
- (q) to apply for any permits, licences, approvals, or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondent;
- (r) to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondent including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Respondent;
- (s) to exercise any shareholder, partnership, joint venture, or other rights which the Respondent may have; and
- (t) 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 authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Respondent, and without interference from any other Person.

Duty to Provide Access and Co-Operation to the Receiver

4. The Respondent, all of its current and former directors, officers, employees, agents, accountants, legal counsel, and shareholders, and all other persons acting on its instructions or behalf, and 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 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. 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 Respondent, 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, subject to their right to seek a variation of this Order, 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. 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, subject to their right to seek a variation of this Order, 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, 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. 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 Respondent or the Property

8. No Proceeding against or in respect of the Respondent or 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 Respondent or the Property are hereby stayed and suspended pending further order of this Court.

No Exercise of Rights or Remedies

9. All rights and remedies of any individual, firm, corporation, governmental body or agency or any other entities against the Respondent, 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 Respondent to carry on any business which the Respondent is not lawfully entitled to carry on; (ii) exempt the Receiver or the Respondent 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 and the related filing of an action to preserve the right of a lien holder, provided that the Applicant shall not be required to file a defence to same as the further prosecution of any such claim is stayed except with the written consent of the Applicant or the Receiver, or leave of this Court.

Personal Property Lessors

10. All rights and remedies of any Person pursuant to any arrangement or agreement to which any of the Respondent is a party for the lease or other rental of personal property of any nature or kind are hereby restrained except with consent of the Receiver in writing or leave of this Court. The Receiver is authorized to return any Property which is subject to a lease from a third party to such Person on such terms and conditions as the Receiver, acting reasonably, considers appropriate and upon the Receiver being satisfied as to the registered interest of such Person in the applicable Property. The return of any item by the Receiver to a Person is without prejudice to the rights or claims of any other Person to the property returned or an interest therein.

No Interference with the Receiver

11. Subject to paragraph 16 of this Order related to the Respondent's employees, 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 Respondent, without written consent of the Receiver or leave of this Court.

Continuation of Services

12. All Persons having oral or written agreements with the Respondent or statutory or regulatory mandates for the supply of goods 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 Respondent 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 the Receiver shall be entitled to the continued use of the Respondent's current telephone numbers, facsimile numbers, internet addresses, and domain names, 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 Respondent 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.

13. The Receiver, in its sole discretion, may, but shall not be obligated to, establish accounts or payment on delivery arrangements with suppliers in its name on behalf of the Respondent for the supply of goods 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 Respondent, or any of them, if the Receiver determines that the opening of such accounts is appropriate.
14. No creditor of the Respondent shall be under any obligation as a result this Order to advance or re-advance any monies or otherwise extend any credit to the Respondent.

Receiver to Hold Funds

15. 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, 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

16. All employees of the Respondent shall remain the employees of the Respondent until such time as the Receiver, on the Respondent's behalf, may terminate the employment of such employees or they resign in accordance with their employment contract. The Receiver shall not be liable as a result of this Order for any employee-related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, such amounts as may be determined by a court or tribunal of competent jurisdiction.
17. Pursuant to paragraph 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver may 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**") as permitted at law. 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. A prospective purchaser or bidder requesting the disclosure of personal information shall execute such documents to confirm the agreement of such Person to maintain the confidentiality of such information on terms acceptable to the Receiver. 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 Respondent, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitation on Environmental Liabilities

18. Nothing herein contained shall require or obligate the Receiver to occupy or to take control, care, charge, occupation, possession, or management (separately or collectively, "**Possession**") of any of the Property that might, or any part thereof, which may 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 legislation, statute, regulation or, rule of law or equity respecting the protection, conservation, enhancement, remediation, or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, *Canadian Environmental Protection Act, 1999* or the *Nova Scotia Environment Act* (collectively, 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.

Limitation on Liability

19. The Receiver, Deloitte Restructuring Inc., and, without limitation, a director, officer, or employee of the Receiver, shall incur no liability or obligation as a result of its appointment as the Receiver or the carrying out the provisions of this Order, or in the case of any party acting as a director, officer, or employee of the Receiver so long as acting in such capacity, save and except for any negligence, breach of contract, or actionable misconduct on the part of such party, or in respect of the Receiver's obligations under subsections 81.4(5) and 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

20. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge to a maximum of \$100,000 (the "**Administrative 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 the Administrative 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 subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
21. The Receiver and its legal counsel shall pass its accounts from time to time before a judge of this Court or a referee appointed by a judge.

22. 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, expenses and disbursements, including legal fees and disbursements, incurred at the normal 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.

Receiver's Indemnity Charge

23. The Receiver shall be entitled to and is hereby granted a charge (the "**Receiver's Indemnity Charge**") upon all of the Property as security for all of the obligations incurred by the Receiver including obligations arising from or incident to the performance of its duties and functions under this Order including the management, operation, and carrying on of all or part of the business of a Respondent, under the *Bankruptcy and Insolvency Act*, or otherwise, saving only liability arising from negligence or actionable misconduct of the Receiver.
24. The Receiver's Indemnity Charge shall form a second 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 subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA and subordinate in priority to the Administrative Charge.

Allocation of Costs

25. The Receiver shall file with the Court for its approval a report setting out the costs, fees, expenses, and liabilities of the Receiver giving rise to the Administrative Charge, the Receiver's Indemnity Charge, and the Receiver's Borrowings Charge, as defined below, and, unless the Court orders otherwise, all such costs, fees, expenses, and liabilities shall be paid in the following manner:
 - (a) Firstly, applying the costs incurred in the receivership proceedings specifically attributable to an individual asset or group of assets against the realizations from such asset or group of assets;
 - (b) Secondly, applying the costs *pro rata* against all of the assets based on the net realization from such asset or group of assets; and
 - (c) Thirdly, applying non-specific costs incurred in the receivership proceedings *pro rata* against the assets based on the net realization from such asset or group of assets.

Funding of the Receivership

26. 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, 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 making payments, including interim payments, required or permitted to be made by this Order, including, without limitation, payments of amounts secured by the Administrative Charge and the Receiver's Indemnity Charge. 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 Indemnity Charge, the Administrative Charge and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

27. 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 on seven days' notice to the Receiver and the Applicant.
28. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
29. 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.

General

30. The Receiver may from time to time make a motion for advice and directions in the discharge of its powers and duties hereunder.
31. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondent.
32. The aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction outside Nova Scotia is hereby requested 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, and regulatory or 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
33. The Receiver is hereby authorized and empowered to apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and 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.
34. 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 Respondent's estate with such priority and at such time as this Court may determine.
35. Any interested party may make a motion to vary or amend this Order upon such notice required by the *Civil Procedure Rules* or on such notice as this Court may order.

36. Any Person affected by this Order which did not receive notice in advance of the hearing may make a motion to vary or amend this Order within five days of such Person being served with a copy of this Order.
37. In addition to the reports to be filed by the Receiver under legislation, the Receiver shall file a report of its activities with the Court when the Receiver determines that a report should be made, when the Court orders the filing of a report on the motion of an interested party or on the Court's own motion, and at the conclusion of the receivership.
38. The Receiver shall not be discharged without notice to such secured creditors and other parties as the Court directs.

Issued _____, 2022

Deputy Prothonotary

Consented to:

Sara L. Scott
Stewart McKelvey
Queen's Marque
600-1741 Lower Water Street
Halifax, NS B3J 0J2
Telephone: 902.420.3363
Facsimile: 902.420.1417
Counsel for the Applicant,
Business Development Bank of Canada



Mark J. Charles
Heritage House Law Office
92 Bchterloney Street
Dartmouth, NS B2Y 1C5
Telephone: 902.465.6669
Facsimile: 902.466.4412
Counsel for the Respondent,
11016946 Canada Inc

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

Schedule "A"

CERTIFICATE NO. _____ **AMOUNT \$** _____

THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver and manager (the "Receiver") of the assets, undertakings and properties of 11016946 Canada Inc. (the "Company"), acquired for, or used in relation to the business carried on by the Company, including all proceeds thereof (collectively, the "Assets"), appointed by Order of the Nova Scotia Supreme Court (the "Court") dated the ____ day of _____, 2022 (the "Order") in the matter having court file number Hfx No. 501252, 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.

The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded daily after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

Such principal sum with interest thereon is, by the terms of this 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 Assets in priority to the secured 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 Assets in respect of its remuneration and expenses.

All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.

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.

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

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 this Order.

DATED the ____ day of _____, 2022.

Deloitte Restructuring Inc., solely in its capacity
as Receiver and Manager of the Company and
not in its personal capacity

Per: _____
Name: **James Foran, CPA, CA, CIRP, LIT**
Title: Senior Vice President

2020

Hfx No. 501252

This is Exhibit "C" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia

Laura M. Smith

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, May 9, 2022 9:46 AM
To: Sara L. Scott
Cc: Laura M. Smith
Subject: RE: 1101 - Appraisal Update - Expected Next Week
Attachments: Appraisal - 2022 - 123-125 Prince William.pdf

This is an external email.

Sara,

By way of update, we have just received the Appraisal. It is attached for your review.

Although it notes the dates of the site visit, our client has just received it late last week.

While favourable on the "as-built" value, it is lower than hoped on the "as-is" value. It is appraised at \$1.043M "as-is". The Property is listed for sale at \$1.2M.

As a result, it will be difficult for our client to complete the sale of the building on its own, without completing the renovation project.

However, our client has a new plan that can bring this matter to resolution and have your client paid in full.

Our client is pursuing the refinance of the entire remaining NB property holdings of 1101, which is both the Prince William building and a group of 6 residential townhouses. The townhouses have appreciated well since this matter began.

The townhouses appraised well at @\$1.8M and are only presently at a 55% LTV.

Our client is expecting a Mortgage Commitment from Graysbrook Capital shortly (anytime).

We suggest once the Mortgage Commitment is issued the refinance and payout can be completed quickly. We have worked with Frank Hamm, Gorman Nason as a Saint John, NB Property Lawyer in the past and expect he and his firm will be able to complete the refinance in a timely manner.

We'll forward along any further updates once received, and the mortgage commitment as soon as we receive them.

Let me know if you want to schedule a call for review.

We appreciate your time and attention to this matter.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 6, 2022 12:51 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – is there an update? The forbearance period ends on May 15th.

The lack of an update is concerning.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Friday, April 29, 2022 3:32 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – what is the update?

We note the deadline is fast approaching.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, April 19, 2022 9:44 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

Unfortunately the appraisers have already missed their promised completion date.

I'll circle back with our clients to get an updated ETA.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: April 19, 2022 9:42 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Hi Mark,

Thanks for this. Is there an ETA on the completion date?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, April 19, 2022 9:38 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

Just a quick email update on the file.

We are still awaiting the commercial appraisal. Our clients continue to push the appraiser for completion.

We'll let you know once the appraisal is received.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 28, 2022 8:14 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Thanks Mark. We look forward to the next update on how things are progressing.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, March 25, 2022 3:23 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

By way of update, the appraisal is a few days behind, but we have heard from the appraisal Company and they have advised we should the appraisal to be completed early next week.

We'll let you know once received.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

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Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Mark Charles

Sent: March 11, 2022 4:07 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Sara,

By way of update, the appraiser (Adam) attended the Property yesterday to do the walk-through. Our client has advised they have provided the appraisers with all information requested.

It looks like the appraisal is on track.

We'll continue to keep you updated on our client's progress on this matter.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 10, 2022 10:18 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Excellent – thanks Mark.

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, March 10, 2022 10:17 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Thank you for sending this along.

We'll provide you an update on the appraisal tomorrow.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 10, 2022 9:23 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Hi Mark,

Please find attached a signed copy of the forbearance agreement, for your records.

Regards, Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Monday, March 7, 2022 11:41 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Thanks Mark.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, March 7, 2022 11:39 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Yes. We have received the 2nd installment payment.

I'll have my paralegal Tracy forward payment on to you and confirm when the payment has been made.

We'll keep you updated.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 7, 2022 11:36 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Good morning Mark,

Thank you for the update.

Do you still anticipate having the funds available today for the forbearance fee?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, March 4, 2022 4:17 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Please allow this email to serve as an update.

I have signed 3 copies of the Consent Order and will forward to your office by courier on Monday.

We have had an error in the EMT receipt of funds. We have received the first installment of \$3K, but the 2nd installment of \$2K does not appear to have been received. It appears the first EMNT was sent in duplicate by the issuing bank. We will investigate further, but we have requested further funds from our client to complete the \$5K.

We expect the complete funds on Monday and will keep you updated.

Please let us know if you are in agreement with proceeding this way.

Also, by way of update on the NB transaction our client has had to change appraisal companies. They were with Turner Drake, but Turner Drake contacted them to advise they were incurring more delays. It would push the date of the completion of the appraisal back considerably.

Our client was able to hire a new Appraisal Company, De Stater, who have committed to completing the Appraisal by March 25, 2022. De Stater has scheduled for their appraiser to attend the Property on Thursday March 10 to complete the walk through.

We'll let you know if they keep their scheduled appointment.

There is no new update on the financing as it is dependent upon the appraisal results.

We'll keep you updated as we progress.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: March 2, 2022 10:27 AM

To: Mark Charles <mark@heritagelaw.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Mark – attached are the Stewart McKelvey wiring instructions for the forbearance fee. Can you let us know when the wire has been sent?

Is there an update on the term sheet and appraisal status?

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>

Sent: Monday, February 28, 2022 11:38 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

This is an external email.

Sara,

Certainly. I'll send those over tomorrow morning.

Do you still want the update call to go ahead? It is probably too short notice to cancel.

I let my clients know it will likely go forward and they should attend.

Let me know how you want to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office

92 Ochterloney Street

Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 28, 2022 6:22 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Thank you Mark – received, with thanks.

Could you send over 3 original copies of the consent order?

No need for an original copy of the forbearance.

As mentioned, BDC will need to obtain formal credit approval of the forbearance, but this should not be an issue.

I will send wiring instructions tomorrow.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 28, 2022 4:53 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

This is an external email.

Sara,

Signed documents attached.

Please let us know how you would like to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Mark Charles
Sent: February 28, 2022 4:26 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Sara,

By way of update, our client and Mr. Cousins are in agreement with signing the Forbearance Agreement and Consent Order.

I have 1 of 2 signatures required and am just awaiting the final signature. I am expecting it shortly. I have received these electronically.

I have signed the Consent Order.

Please let me know if you require original signed copies, and if so how many.

I have the \$5K in my Trust account and can forward along to you.

Please send along your Trust account information.

I understand we have the update call tomorrow morning.

We will need to attend, but hopefully we can update the Court that we have a signed Forbearance Agreement.

Let me know if you want to arrange a time to discuss further prior to the update call.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Mark Charles
Sent: February 25, 2022 9:43 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

Sara,

Thank you for sending these along.

I'll review and keep you updated to signing.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 24, 2022 4:35 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

Mark,

Attached is a copy of the forbearance agreement and consent order, both for signature.

Kindly advise when the documents are signed.

Sara

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, February 24, 2022 2:28 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

This is an external email.

Sara,

Thank you for sending this along.

I have reviewed with our client and Mr. cousins and both are in agreement with signing the Forbearance Agreement under its current terms.

Please let us know how you would like to proceed from here.

Perhaps you can send a raft forbearance agreement along for review and then execution?

Let me know if you want to schedule a time for a call to review.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 24, 2022 8:32 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101

Mark,

Please provide an update on whether the forbearance will be signed.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 21, 2022 1:45 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101

This is an external email.

Sara,

Thank you for sending this along.

I believe Mr. Kennedy and Mr. Cousins just wanted clarity on the fee increase.

I'll confirm, but believe we will be signing the Forbearance this week.

Thank you for your time and attention throughout.

Thanks,

Mark J. Charles LL.B

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 18, 2022 4:39 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: 1101

Mark, I have your voicemail.

The increase in the forbearance fee is the trade-off for agreeing to forbear from taking any further actions against 1101, while no monthly payments are being made. As you are aware, the amount owing continues to grow as interest accumulates.

We have a draft agreement that will be expected to be signed next week. If this happens, we can cancel the next appearance before Justice Jamieson; however, if “negotiations” remain on-going, we will have to appear and an explanation can be provided to the Court as to the on-going delay.

Sara



Sara L. Scott*

Partner

She/Her

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2020

Hfx No. 501252

This is Exhibit "D" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

APPRAISAL OF REAL PROPERTY

Property of: 11016946 Canada Inc.
123-125 Prince William Street & 60 Water Street
Saint John, New Brunswick



As of April 22, 2022

Prepared For:

Jim Kennedy

Prepared By:

de Stecher Appraisals Ltd.
506-133 Prince William Street
Saint John, NB
E2L 2B5



**Real Estate Appraisers
& Consultants**



506-133 Prince William Street, Saint John, N.B. E2L 2B5 Telephone: (506) 634-8423 Fax: (506) 634-0530

April 25, 2022

Jim Kennedy

**Re: 11016946 Canada Inc. Property
123-125 Prince William Street & 60 Water Street, Saint John, NB**

As requested, de Stecher Appraisals Ltd. is pleased to forward our appraisal report in which we estimate the current market value of the leased fee in the referenced real property. The value opinions reported below are qualified by certain assumptions, limiting conditions, certifications, and definitions, which are set forth in the report.

The property was inspected by, and the report was prepared by the undersigned. This report was prepared for **Jim Kennedy** and is intended only for the specified use of this client. It may not be distributed to or relied upon by other persons or entities without the written permission of de Stecher Appraisals Ltd.

As a result of our analysis, we have concluded that the current market value of the leased fee in the referenced property, subject to the assumptions, limiting conditions, certifications, and definitions, as of April 22, 2022, is:

As Is	One Million Forty-Three Thousand Dollars	\$1,043,000
As If Renovated	One Million Seven Hundred Seventy Thousand Dollars	\$1,770,000

The "as if renovated" value estimate is based on the extraordinary assumptions/ hypothetical conditions outlined in Section 2.11. If these were shown to be false, the value estimate would be subject to change.

By accepting this report, the client or the intended user/authorized user accepts that:

1. The hypothetical condition (that renovations are 100% complete) and assumptions identified in this report have not been independently verified or are items that are assumed to be true as part of this assignment;
2. This report may not be reasonably relied on as proof that any of the hypothetical conditions or assumptions are true and accurate or that they will be true and accurate at any point in the future;
3. In the event that any hypothetical condition or assumption in this report is discovered not to be true and accurate, it may impact the estimate of market value provided in this report; and
4. The author disclaims any liability arising from any hypothetical condition or assumptions not being true and accurate as at the date of this report or in the future, and this report may not be relied upon as if the report was providing an estimate of market value without the hypothetical conditions that were assumed to be true as part of this assignment.

Note, the value estimate includes appliances (as outlined in Section 15.4).

Based on our research and analysis, we have estimated that the exposure time implicit in the estimate of market value is 6 months.

Real Estate Appraisers & Consultants

David D. Babineau, AACI, Fellow • Adam G. Dickinson, BBA, AACI • Colin D. Boyne, BBA, AACI
Gary L. Tobin, BA, CRA • Kelly D. Parker, CRA

Jim Kennedy
April 25, 2022
Page 2

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,
de Stecher Appraisals Ltd.

A handwritten signature in black ink that reads "Adam Dickinson" with a long horizontal flourish extending to the right.

Adam G. Dickinson, AACI, P.App.

File No.: B/22/105

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Renovation Floor PlanAppendix A

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Client:	Jim Kennedy	
Property Owner:	11016946 Canada Inc.	
Location:	123-125 Prince William Street & 60 Water Street Saint John, NB	
Property Identification:	PID 55176598	
Interest Appraised:	Leased Fee	
Effective Date:	April 22, 2022	
Inspection Date:	March 10, 2022 (interior); April 22, 2022 (exterior)	
Land Area:	5,640 square feet ±	
Improvements		
Type:	The site is improved with a 4-level commercial building (brewery, bar and unoccupied space).	
Building Condition:	Average (as is); Above Average (as if renovated)	
Gross Floor Area:	17,694 square feet	
Assessment (2022):	\$1,012,700 (PAN 4486923)	
Property Taxes (2022):	\$48,816.19 (PAN 4486923)	
Zoning:	CU - Uptown Commercial	
Existing Use:	The building is currently being used as a bar (axe throwing) and a brewery.	
Highest and Best Use		
As If Vacant:	Holding for future mixed-use development.	
As Improved:	Continued use as commercial building, with future redevelopment of top floor.	
As If Renovated:	Mixed use (commercial and apartments).	
Indicated Market Value	As Is	As If Renovated
Cost Approach:	N/A	N/A
Income Approach:	N/A	\$1,770,000
Direct Comparison Approach:	\$1,043,000	\$1,769,000
Estimated Market Value:	\$1,043,000 (as is) \$1,770,000 (as if renovated)	
Estimated Exposure Time:	6 months	

The “as if renovated” value estimate is based on the extraordinary assumptions/hypothetical conditions outlined in Section 2.11. If these were shown to be false, the value estimate would be subject to change.

1.0 ASSUMPTIONS AND LIMITING CONDITIONS

"Appraisal" means the appraisal report and opinion of value stated therein to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Appraisal.

"Appraiser(s)" means the employee(s) of de Stecher Appraisals Ltd. who prepared and signed the Appraisal.

The certification that appears in this report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP") and the following conditions:

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.

6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.

7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.

9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.

10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.

11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.

12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.

13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.

14. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.

15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.

16. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

See Section 2.11 for extraordinary assumptions/hypothetical conditions.

2.0 INTRODUCTION

2.1 Identification of Property

The subject property is identified by civic addresses 123-125 Prince William Street and 60 Water Street, Saint John, NB and by Service New Brunswick Land Registry as Property Identification Number (PID) 55176598 and Property Account Number (PAN) 4486923.

2.2 Client/Intended User






This report was prepared for **Jim Kennedy** and is intended only for the specified use of this client.

2.3 Property Ownership and Recent History

The current owner is 11016946 Canada Inc. who purchased the property for \$1,200,000 in 2019 from 11016946 Canada Inc.

There are two commercial tenants. These leases are described in detail later in this report. The property was listed for sale for an asking price of \$1,200,000, from May 17, 2021 to December 31, 2021.

Recent MLS® listing history is reproduced below:

NB058039 Prop. Type: COM 125 Prince William St 	DOM: 229	Change Type	DOM	Price	Change Details	When Changed	Eff. Date	
		Expired	229	\$1,200,000.	A->X	01/01/22 @ 12:11 AM	31-Dec-2021	
NB031242 Prop. Type: COM 125 Prince William St 	DOM: 142	Change Type	DOM	Price	Change Details	When Changed	Eff. Date	
		Leased	142	\$13,800.00.	A->L	01/09/20 @ 04:10 PM	31-Aug-2019	
NB031242 Prop. Type: COM 125 Prince William St 		New Listing		\$1,600.00.	->A	08/20/19 @ 03:25 PM	20-Aug-2019	
	DOM: 234	Change Type	DOM	Price	Change Details	When Changed	Eff. Date	
SJ175309 Prop. Type: COM 125 Prince William St 		Expired	234	\$22.00.	A->X	06/30/18 @ 12:10 AM	29-Jun-2018	
		New Listing			->A	01/05/18 @ 09:23 PM	08-Nov-2017	
SJ163002 Prop. Type: COM 125 Prince William St 	DOM: 295	Change Type	DOM	Price	Change Details	When Changed	Eff. Date	
		Sold			(\$525,000)	01/05/18 @ 09:23 PM	25-Sep-2017	
		Expired				A->X	01/05/18 @ 09:23 PM	17-Apr-2017
		Price Decrease			\$749,000.00	\$899,000->\$749,000	01/06/18 @ 01:23 AM	17-Jan-2017
		Back On Market				X->A	01/05/18 @ 09:23 PM	17-Jan-2017
		Expired				A->X	01/05/18 @ 09:23 PM	31-Dec-2016
	New Listing				->A	01/05/18 @ 09:23 PM	09-Jun-2016	

Jim Kennedy shared an Agreement of Purchase and Sale, showing that he has agreed to purchase the property for \$1,200,000.

2.4 Purpose and Intended Use

The purpose of this appraisal is to estimate the current market value of the leased fee interest in the subject property, as of April 22, 2022.

The appraisal will be used as a measure of value for **seeking first mortgage financing**.

2.5 Interest Appraised

The “leased fee” interest is considered instead of the “fee simple” interest, as leases are in place.

2.6 Pertinent Definitions

According to the Canadian Uniform Standards of Professional Appraisal Practice, “market value” is defined as follows:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

- Source: *The Appraisal of Real Estate, Third Canadian Edition, ed. Dybvig, (University of British Columbia, Real Estate Division, 2010), p. 2.8*

Writing about market value, The Appraisal of Real Estate, Third Canadian Edition, includes:

“Implicit in this definition are the consummation of a sale as of the specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;*
- (2) both parties are well informed or well advised, and acting in what they consider their best interests;*
- (3) a reasonable time is allowed for exposure in the open market;*
- (4) payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and*
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.” (p 2.10)*

According to the Dictionary of Real Estate Appraisal, Fourth Edition, “leased fee interest” is defined as follows:

“An ownership interest held by a landlord with the rights of use and occupancy conveyed by others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.”

According to the Dictionary of Real Estate Appraisal, Fourth Edition, “lease” is defined as follows:

“A written contract in which the rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.”

According to the Canadian Uniform Standards of Professional Appraisal Practice, “inspection” is defined as follows:

An observation, site visit, walk through, viewing or non-invasive visual examination of a property.

2.7 Effective Date

The effective date of this appraisal is April 22, 2022, the date that the property was inspected.

2.8 Scope of Appraisal

Adam G. Dickinson, AACI, visited the subject property and completed an appraisal inspection, on March 10, 2022 (interior) and April 22, 2022 (exterior).

Note, this inspection is not the equivalent of an inspection by others such as an architect, a professional engineer, a licensed home inspector, plumber, electrician, carpenter, heating/cooling experts or other licensed trade specialists. The scope of inspection is recognized as a ‘visual observation by walk through’ or ‘site visit’.

The appraisal inspection did **not** include:

- the viewing of crawlspaces;
- viewing of attic spaces;
- removal of ceiling tiles;
- removal of any wallcoverings;
- window coverings;
- access to rooftops;
- confirmation of off-season systems as operational;
- access to infrastructure/underground installations;
- removal of shrubbery against or material of any kind placed against interior/exterior walls;
- testing of capacity/flow/pressure rate capacities;
- removal of electrical panels and or cover plates;
- moving of furniture and appliances to view wall or floor areas;
- viewing of locked or secured private areas;
- and viewing for termite, insect or other vermin presence or penetration.

Jim Kennedy, property manager and prospective purchaser, provided an overview of the condition. An owner of Woodchuck’s (tenant) was present and provided information about condition.

The interior was viewed by the appraiser. Measurements were taken for a previous appraisal assignment. The exterior was viewed. The roof was viewed from adjacent buildings.

Jim Kennedy provided leases, and limited information about operating expenses. This information was reviewed in context of market data collected by the appraiser.

Jim Kennedy provided an Agreement of Purchase and Sale. This was read by the appraiser.

Jim Kennedy provided a proposed floor plan and some details of planned renovations. These were considered by the appraiser.

Information about similar property sales was obtained and reviewed. Each of the properties was viewed from the street, or in more detail, for this appraisal or previous assignments.

Various municipal and provincial resources were reviewed to confirm property details.

The Income Approach and Direct Comparison Approach were both employed in estimating current market value.

2.9 Audits and Technical Investigations

We did **not** complete technical investigations such as:

- Detailed inspections or engineering review of the structure, roof or mechanical systems;
- An environmental review of the property;
- A site or building survey;
- Investigations into the bearing qualities of the soils; or
- Audits of financial and legal arrangements reported by Jim Kennedy.

2.10 Verification of Third-Party Information

The analysis set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we believed to be correct. The mandate for the appraisal did not require a report prepared to the standard appropriate for court purposes or for arbitration, so we did not fully document or confirm by reference to primary sources all information herein.

2.11 Limiting Conditions and Critical Assumptions

A list of “standard” limiting conditions and critical assumptions is in Section 1.0 of this report.

Extraordinary Assumptions/Hypothetical Conditions: The appraisal is based on the hypothetical conditions and extraordinary assumptions outlined below:

- That all renovations are completed, in accordance with the floorplan included in Appendix A, and that the apartments are finished with high quality flooring, fixtures and cabinetry;
- That all permits and approvals are in places; and
- That the apartments are rented up and occupancy has been stabilized.

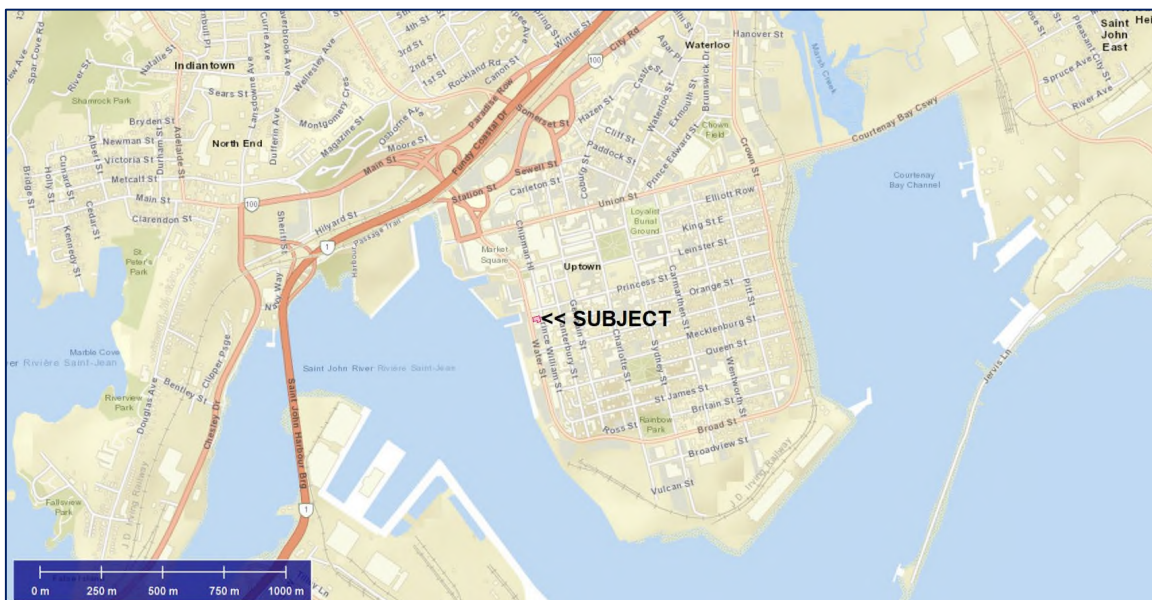
3.0 LOCATION AND NEIGHBOURHOOD DATA

3.1 Location

The subject property is located at 123-125 Prince William Street & 60 Water Street in Saint John, NB. The subject is on the north side of Water Street and the south side of Prince William Street. The subject neighbourhood is in the central part of the city, known locally as the “uptown” or “south end.”

3.2 Location Map

A map is included below to show the approximate location of the subject.



3.3 Municipal Data

Saint John, with a 2021 population of 69,895, is the second largest of eight New Brunswick cities. The 2021 population was 3.4% greater than the 2016 population. The 2016 population was down 3.6% from 2011, when the population was 70,063. The 2011 population was 3.0% higher than 2006.

The change in population during the same period for the Province of New Brunswick was an increase of 3.8%, compared to growth of 5.2% for Canada as a whole.

The population of the Saint John Census Metropolitan Area (CMA) was 130,613 in 2021 (up 3.5% from 126,202 in 2016), which is second to the Moncton CMA with a population of 157,717 (up 8.9% from 144,810 in 2016).

The City of Saint John is generally regarded as the industrial centre of the Province of New Brunswick, with access to the major markets of New England providing an impetus for continued growth in this sector. However, the importance of the industrial sector notwithstanding, the city has seen an increase in the technology and service sector in recent years. Major employers in the area include several enterprises owned by local owners. These enterprises include an oil refinery, a paper mill, a pulp mill, and a tissue mill. Together, these industries employ thousands of local inhabitants.

Other major employers include Bell, the Atlantic Health Sciences Centre, and TD Insurance. “Back office” and “contact centre” employment is also common in the region. In addition, there are several other enterprises in both the industrial and service sector that provide stable sources of employment.

3.4 Neighbourhood

The subject neighbourhood is in the city centre, sometimes referred to as the uptown or the south end. The subject neighbourhood features a mix of commercial store fronts, office properties and apartments. Over the last decade, led primarily by private developers, the neighbourhood has seen the development of higher quality apartments in repurposed commercial buildings. The subject location allows for harbour views from the subject. Significant site work has been occurring on a property on Water Street, making way for a large-scale multi-use development.

North of subject – Offices, retail, and apartments.

South of subject – Office buildings.

East of subject – Retail, offices, and apartments (across Prince William Street).

West of subject – Parking lot and Port of Saint John (across Water Street)

3.5 Services

The subject property is located on Water Street, a paved 2-way public street with sidewalks and Prince William Street a paved 1-way public street with sidewalks. The subject has municipal sewerage and water services. The neighbourhood is serviced by below ground electrical and telephone services.

Policing and fire protective services are provided by the City of Saint John.

The subject has some on-street parking; parking is available across Water Street for a fee.

The subject is 220 metres from the nearest bus stop that connects with the rest of the Saint John Transit network.

The nearest elementary school is about 1.1 km from the subject (St. John the Baptist/King Edward School); and the nearest high school is about 600 m from the subject. These distances are based on Google Maps walking directions.

4.0 MARKET DATA – RENTAL MARKET

4.1 Recent Market Activity & Impact of COVID-19

There have been substantial increases in market values/sale prices of many apartment properties in 2020 and 2021. This appears to be a response to changes in national investment behaviour, and appears to be mostly driven by out-of-region investors. This level of growth is not necessarily tied to local economic conditions, and may not be sustained in coming months and years.

This trend was concurrent with travel and business restrictions related to COVID-19. As restrictions continue to evolve across Canada and the world, investment behaviours may change.

4.2 New Brunswick

The following rental market statistics were published by CMHC, based on their Rental Market Survey for New Brunswick:

Number of Private Apartment Units

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	1,501	1,486	1,470	1,476
1 Bedroom	8,542	8,622	8,917	8,938
2 Bedroom	20,864	21,579	22,489	23,261
3 Bedroom +	3,007	3,068	3,434	3,308
Total	33,914	34,755	36,310	36,983

Private Apartment Vacancy Rates (%)

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	4.3 b	4.1 b	5.8 b	2.5 c
1 Bedroom	3.4 b	3.0 a	3.0 b	3.0 a
2 Bedroom	2.8 a	2.2 a	2.9 a	1.3 a
3 Bedroom +	4.5 c	3.8 c	2.6 b	0.9 a
Total	3.2 a	2.6 a	3.1 a	1.7 a

Private Apartment Average Rents (\$)

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	553 a	579 a	613 a	663 a
1 Bedroom	661 a	696 a	724 a	784 a
2 Bedroom	801 a	842 a	893 a	969 a
3 Bedroom +	933 a	959 a	1,011 a	1,074 a
Total	765 a	805 a	849 a	924 a

Private Apartment Availability Rates (%)

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	**	**	**	**
1 Bedroom	**	**	**	**
2 Bedroom	**	**	**	**
3 Bedroom +	**	**	**	**
Total	**	**	**	**

4.3 Vacancy By Building Age

The following table shows the CMHC recorded vacancy rate for October 2021, based on year of building construction:

	BEFORE 1960	1960 - 1979	1980 - 1999	2000 OR LATER	TOTAL
Bathurst	**	**	0.7 b	0.6 b	1.9 c
Campbellton	0.0 d	**	0.0 d	**	0.3 b
Edmundston	3.5 d	3.3 d	0.0 d	**	2.5 c
Fredericton	2.1 c	2.5 b	2.1 c	0.6 a	1.7 a
Miramichi	0.0 d	**	0.8 d	0.0 d	0.3 b
Moncton	3.3 d	2.4 c	1.1 a	0.8 a	1.5 a
Saint John	2.2 c	2.1 b	**	1.1 d	2.1 b
New Brunswick	2.4 b	2.3 a	1.4 a	0.8 a	1.7 a

4.4 Saint John (CMA)

The Saint John CMA includes the City of Saint John, the towns of Grand Bay-Westfield, Rothesay, Quispamsis, Hampton, the Village of St. Martins and other proximate rural areas, illustrated by the CMHC map below.

The following rental market statistics were published by CMHC, based on their Rental Market Survey for Saint John CMA:



Number of Private Apartment Units

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	386	391	393	393
1 Bedroom	2,494	2,534	2,597	2,611
2 Bedroom	5,127	5,189	5,370	5,612
3 Bedroom +	1,251	1,270	1,543	1,403
Total	9,258	9,384	9,903	10,019

Private Apartment Vacancy Rates (%)

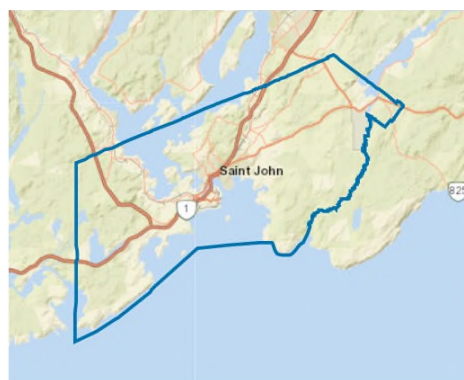
	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	2.8 c	4.1 d	4.6 d	**
1 Bedroom	3.7 d	3.8 c	3.1 d	3.9 d
2 Bedroom	3.5 c	2.6 a	2.8 c	1.4 a
3 Bedroom +	5.1 d	4.6 d	3.5 d	0.8 d
Total	3.7 c	3.3 b	3.1 c	2.1 b

Private Apartment Average Rents (\$)

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	526 b	546 b	567 b	591 a
1 Bedroom	648 a	698 b	701 a	753 a
2 Bedroom	755 a	797 a	825 a	888 a
3 Bedroom +	810 a	810 a	854 a	978 a
Total	725 a	764 a	788 a	857 a

4.5 Saint John (City)

The following rental market statistics were published by CMHC, based on their Rental Market Survey for the city of Saint John:



Number of Private Apartment Units

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	383	388	390	390
1 Bedroom	2,394	2,434	2,487	2,501
2 Bedroom	4,399	4,439	4,548	4,730
3 Bedroom +	1,219	1,238	1,497	1,357
Total	8,395	8,499	8,922	8,978

Private Apartment Vacancy Rates (%)

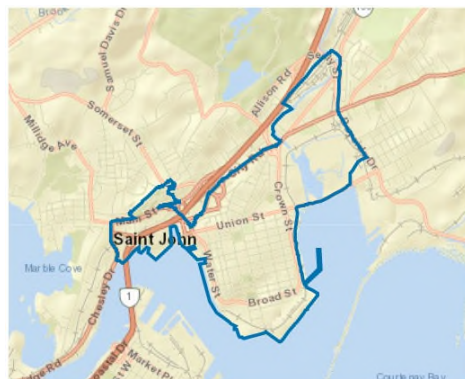
	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	2.9 c	4.1 d	4.6 d	**
1 Bedroom	3.6 d	4.0 c	2.9 c	3.9 d
2 Bedroom	3.5 c	2.5 a	2.7 c	1.4 a
3 Bedroom +	5.0 d	4.8 d	3.3 d	0.9 d
Total	3.7 c	3.3 b	2.9 b	2.2 b

Private Apartment Average Rents (\$)

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	530 b	546 b	567 b	591 a
1 Bedroom	651 a	702 b	703 a	754 a
2 Bedroom	770 a	805 a	826 a	875 a
3 Bedroom +	809 a	813 a	857 a	975 a
Total	732 a	767 a	787 a	847 a

4.6 Survey Zone – Saint John South

The following rental market statistics were published by CMHC, based on their Rental Market Survey for the Survey Zone “Saint John South”:



Number of Private Apartment Units

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	253	253	255	253
1 Bedroom	1,069	1,058	1,073	1,062
2 Bedroom	1,030	1,015	1,025	1,026
3 Bedroom +	310	304	499	309
Total	2,662	2,630	2,852	2,650

Private Apartment Vacancy Rates (%)

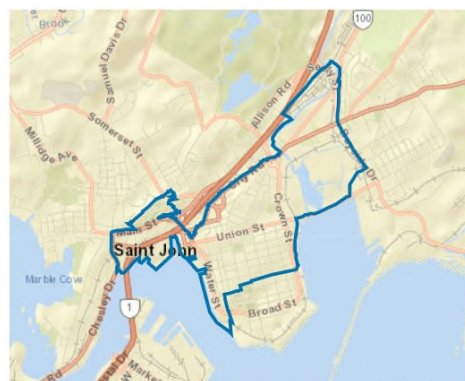
	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	**	1.7 c	**	**
1 Bedroom	**	2.8 c	**	**
2 Bedroom	**	0.6 b	**	**
3 Bedroom +	**	**	**	**
Total	4.1 d	2.6 c	3.5 d	2.3 c

Private Apartment Average Rents (\$)

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	524 c	540 b	563 b	578 b
1 Bedroom	658 a	679 a	721 a	768 b
2 Bedroom	814 b	814 a	876 a	909 b
3 Bedroom +	966 b	921 c	1,059 c	1,087 c
Total	730 a	743 a	798 a	843 a

4.7 Neighbourhood – Uptown Saint John

The following rental market statistics were published by CMHC, based on their Rental Market Survey for the Neighbourhood “Uptown”:



Number of Private Apartment Units

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	175	175	177	175
1 Bedroom	907	892	902	893
2 Bedroom	876	855	859	864
3 Bedroom +	229	223	228	228
Total	2,187	2,145	2,166	2,160

Private Apartment Vacancy Rates (%)

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	**	0.6 b	**	0.6 b
1 Bedroom	**	3.4 d	**	**
2 Bedroom	**	0.7 b	1.5 c	**
3 Bedroom +	**	**	**	**
Total	3.1 d	2.9 c	2.3 c	**

Private Apartment Average Rents (\$)

	OCT-18	OCT-19	OCT-20	OCT-21
Bachelor	583 b	585 c	617 b	602 b
1 Bedroom	663 a	685 a	726 a	763 b
2 Bedroom	836 b	824 a	887 a	908 b
3 Bedroom +	1,024 c	943 c	1,049 c	1,045 c
Total	750 a	760 a	816 a	842 a

4.8 2021 (Full Year) – Multi-family MLS® Activity - City Centre & South (901)

The following is based on monthly MLS® data collected by de Stecher Appraisals Ltd.

From January, 01, 2021 to December, 31, 2021 the Saint John Real Estate Board MLS® recorded 73 multi-family property sales closing in the "City Centre & South" district.

The average unit count within this data set was 4.3 apartments per property.

Overall sale prices ranged from \$40,000 to \$825,000.

The average list price for these sales was \$351,407, with the average sale price being about 2.9% greater at \$361,445.

On a "per apartment" basis, the average list price for these sales was \$117,136 per apartment, with the average sale price per apartment being about 2.9% greater at \$120,482 per apartment.

The average days on market for these 73 properties was 55 days.

4.9 2022 Quarter 1 - Multi-family MLS® Activity - City Centre & South (901)

The following is based on monthly MLS® data collected by de Stecher Appraisals Ltd.

From January 1, 2022 to March 31, 2022 the Saint John Real Estate Board MLS® recorded 15 multi-family property sales closing in the "City Centre & South" district.

The average unit count within this data set was 3.9 apartments per property.

Overall sale prices ranged from \$145,000 to \$956,000.

The average list price for these sales was \$352,233, with the average sale price being about 8.6% greater at \$382,683.

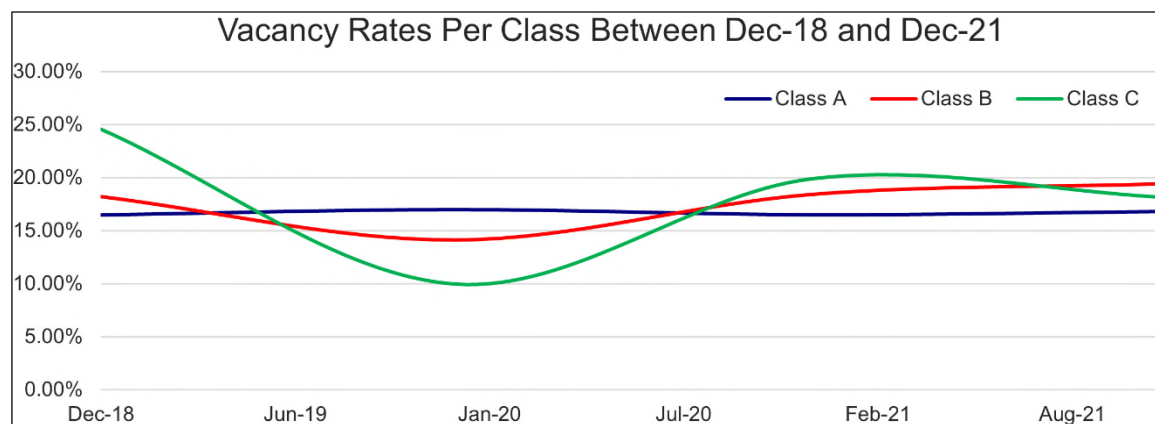
On a "per apartment" basis, the average list price for these sales was \$95,810 per apartment, with the average sale price per apartment being about 11.4% greater at \$106,772 per apartment.

The average days on market for these 15 properties was 63 days.

4.10 Office Market Statistics

Turner Drake and Partners Limited publishes results of a market survey about office rents. The following data is reproduced from that survey:

Vacancy					Net Rents				
	Dec-18	Dec-19	Dec-20	Dec-21		Dec-18	Dec-19	Dec-20	Dec-21
Class A	16.46%	16.97%	16.48%	16.79%	Class A	\$15.83	\$15.17	\$14.86	\$14.53
Class B	18.20%	14.10%	18.40%	19.41%	Class B	\$12.87	\$12.76	\$13.09	\$13.45
Class C	24.58%	9.96%	19.89%	18.14%	Class C	\$9.75	\$10.66	\$10.70	\$11.92
Overall	19.10%	14.07%	18.16%	18.38%	Overall	\$13.03	\$12.81	\$13.06	\$13.38
Uptown	21.08%	18.91%	21.53%	22.17%	Uptown	\$12.43	\$12.34	\$12.51	\$12.18



5.0 ZONING AND USE RESTRICTIONS

5.1 Zoning

Land use in Saint John is regulated by the 2014 City of Saint John zoning by-law (By-Law CP-111). Based on City mapping, the subject property is zoned ***Uptown Commercial***.

The zone allows for a variety of commercial uses, including bars, restaurants, micro-breweries, offices, retail and artist studios. The zone allows for upper floor apartments. The zone requires minimum lot area of 370 square metres (3,983 square feet), minimum frontage of 12 metres (39.4 feet) and minimum depth of 30 metres (98.4 feet).

5.2 Heritage Conservation

The property is also subject to the municipal Heritage Preservation By-law. This by-law regulates exterior renovations, to ensure heritage style and materials are utilized. An owner needs to obtain a certificate of appropriateness, before proceeding with exterior renovations (facing the street), or new construction.

5.3 Rental Regulations

The Province of New Brunswick requires tenants be given notice of rental increases of 3 months (fixed term lease) or 6 months (non-fixed term lease). Rents can only be increased once every 12 months during a tenancy, though rents can be increased when an apartment becomes vacant.

Tenants can request that rent increases be reviewed by a Provincial body that can set aside rental increases that are deemed to be inappropriate in the market.

The Province of New Brunswick has announced an annual rent increase limit of 3.8% for 2022 (during a tenancy).

5.4 Other Land Use Controls

To our best knowledge and belief, the property is not subject to any other forms of land use restrictions that would impact its utility or value.

5.5 Analysis of Land Use Controls

Continued use of the subject property as a bar and a micro-brewery is understood to be legally permissible.

The proposed addition of apartments to the upper floor is concluded to be legally permissible.

6.0 REAL PROPERTY TAXES AND ASSESSMENTS

6.1 Assessment and Taxes

The subject property is identified for tax purposes by property account number (PAN) 4486923.

The 2022 assessment for PAN 4486923 is \$1,012,700. Taxes for 2022 are \$48,816.19.

Assessments for most classes of properties in New Brunswick are intended to represent "real and true value" (usually considered to be market value), as at January 1 in the tax year. However, due to mass appraisal methods, various anomalies sometimes occur.

6.2 Assessment History

The following assessment history is reproduced from Property Assessment Online:

Property Information		
PAN	04486923	
Location	119-125 PRINCE WM ST	
Taxing	550 - THE CITY OF SAINT JOHN	
Authority		
Description	BUILDING & LOT	
Assessment	2022	
Year		
Assessment	1,012,700	
Tax Levy	48,816.19	
Assessments		
Year	Assessment	Tax Levy
2022	1,012,700	48,816.19
2021	901,000	45,436.53
2020	1,012,700	51,069.44
2019	525,000	26,475.23
2018	525,000	26,475.23
Sales		
Sale Date	Amount	
2019-09-17	1,200,000	
2017-10-17	525,000	
<i>Sale amount reflects the sale price documented at the time of registration – including real estate sales, private sales, mortgage sales, family transfers, government acquisition or disposal, and others. Sale transactions in the amount of \$1 are not included or displayed.</i>		

6.3 Relationship Between Assessment and Market Value

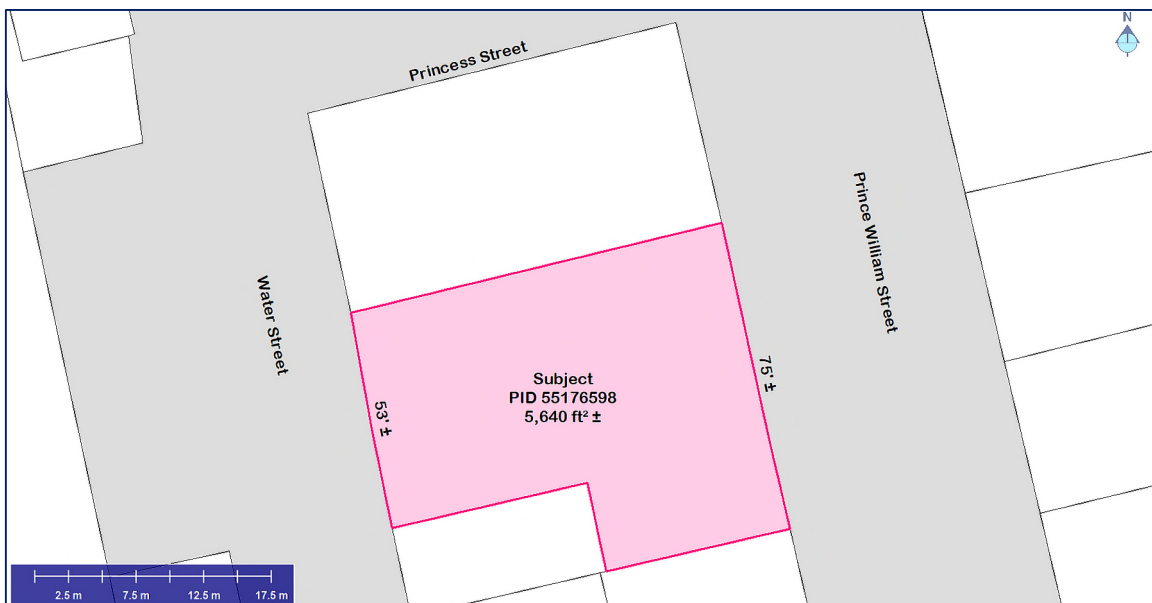
The subject is significantly under-assessed relative to sale prices of many properties in the neighbourhood. As more properties continue to sell in the neighbourhood, it becomes more likely that assessments will be adjusted to better reflect market values.

It is worth noting that renovations to a property can also trigger an updated assessment.

7.0 LAND DESCRIPTION

7.1 Site Illustration

The following property line illustration is based on information from GeoNB map data:



7.2 Site Imagery

The following map outlines and highlights the subject on Google Earth imagery:



7.3 General

The subject site, PID 55176598, contains an approximate area of 5,640 square feet.

The site is irregular in shape, with an approximate road frontage of 75 feet on Prince William Street and 53 feet on Water Street.

7.4 Terrain

The site is mostly occupied by the building; the foundation lays on bedrock that has been chiseled into two steps where natural terrain would have sloped down towards the waterfront. The lower step has been brought down to the same level as Water Street while the upper step is one floor level below the Prince William Street entrance.

7.5 Access

The site is accessed from the sidewalks on Water Street and Prince William Street.

7.6 Soil Conditions

Although no soils test data was available for review, it is assumed that there is sufficient bearing capacity to support the existing improvements, although it is beyond our expertise to warrant that this is the case.

7.7 Easements

We have not performed a title search to verify the presence (or absence) of easements, as this is outside of the scope of this assignment.

Document 34841966 describes an easement that benefits the property to the north. This easement allows for a fire escape from the building to the north to extend into the subject property near the northern boundary of the subject property.

No other easements were identified from the research done for this file. It is beyond the scope of this appraisal to ascertain whether any other easements are in effect.

7.8 Improvements

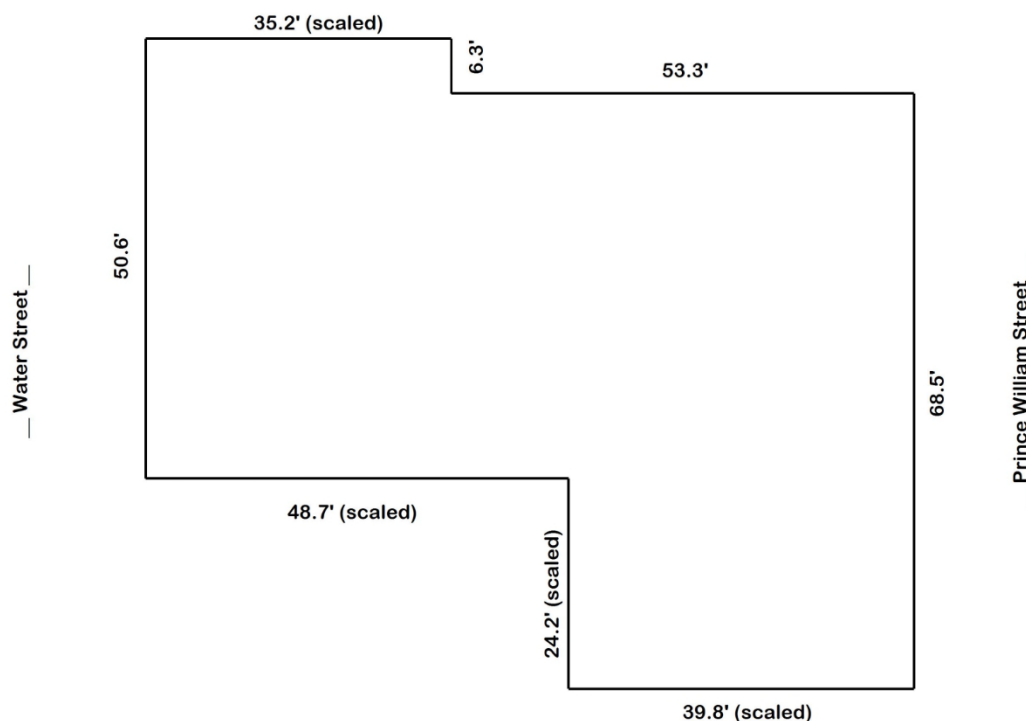
The subject is improved with a commercial building, which is described in Section 8.0, and small paved alleyway.

7.9 Environmental Conditions

Although no environmental audit data was available for review, it is assumed that the property is not subject to any environmental hazard such as contaminated soil, etc. No specific investigations have been undertaken to verify this assumption. It is beyond the scope of this report and the expertise of the appraiser to ascertain whether the site is subject to environmental hazards.

8.0 BUILDING DESCRIPTION

8.1 Building Sketch



8.2 Age

According to *Canada's Historic Places* (<http://www.historicplaces.ca/en/rep-reg/place-lieu.aspx?id=12142>) the subject building was constructed in 1879.

8.3 Areas

Above Grade Levels	Area (ft ²)
First	5,105
Second / Mezzanine	963
Third	5,105
Total Above Grade Area	11,173
Below Grade Levels	Area (ft ²)
Lowest Level (Water Street)	2,379
Level below Prince William Street	4,142
Total Below Grade Area	6,521
Total (Above & Below) Grade	17,694

8.4 Style

The subject property was constructed to be a bank and has since been used for several alternative uses, most recently as a meeting hall, restaurant, microbrewery and offices.

The building has a main level, mezzanine, upper floor and two levels below the grade of Prince William Street.

8.5 Exterior

Foundation	Masonry foundation on stone base.
Frame	Masonry construction.
Walls	Freestone (Prince William Street elevation) and brick. Stone pillars.
Roof	Flat style roof with tar and gravel finish. Simulated peaked roof visible from Prince William Street.
Windows	Mostly wood framed windows.
Doors	Wooden and steel doors. Wooden overhead door to Water Street.
Decks/Balconies	Older metal fire escapes.

8.6 Interior

Floors	Concrete floor to lowest level. Wooden floors to upper levels. Mix of floor coverings (mostly laminate and carpet, with some tile and wood). Some uncovered floors to lowest level and to top floor.
Walls	Mostly painted gypsum board and painted plaster. Some wooden finishes and wood panels.
Ceilings	Painted gypsum board, painted plaster, and acoustical tile.

8.7 Services

Plumbing	PVC, copper and flexible poly piping where visible. Adequate bathroom fixtures for tenant requirements, kitchen plumbing to restaurant level and plumbing for brewery to lowest level.
Heating/AC	Natural gas burning furnace. Hot water radiators.
Electrical	Circuit breakers. 400 Amp entrance.
Sprinklers	Water sprinkler system.
Lighting	Mix of lighting.
Alarms	Alarm system.

8.8 Condition

The opinion of condition is based on visual observation.

Exterior - The exterior shows signs of age/wear and tear. There is some damage to the stone finish and some graffiti on the brick wall in the north alley. Some windows are covered with boards.

Interior - Parts of the interior appear to be well maintained. Other areas show signs of damage/wear and tear. Some areas are not finished to a level that would allow for office occupancy (no floor covering, no wall finishes, and minimal ceiling finish).

Overall - On balance, the property appears to be in average condition.

8.9 Remaining Economic Life

Based on observed condition, the remaining economic life is estimated to be 25 years.

This assumes regular maintenance. The economic life might be extended by capital investment over the lifespan.

8.10 Accommodation

Lowest Level: Brewery, entryway to restaurant level, utility room.

Level below Prince William St: Former restaurant (with dining rooms, washrooms, preparation kitchen and secondary kitchen area. Utility area. This area is rented as storage and workspace for the brewery and axe throwing bar.

First Floor: Entry, office with private washroom, axe throwing bar, 2 washrooms and storage.

Second Level: Bar area.

Third Level: 6 offices, washroom, meeting room, lunchroom, storage areas, unfinished space. This level is currently unused.

8.11 As If Renovated

The “as if renovated” analysis is based on the upper floor being converted to 5 apartments, each with an open kitchen/living room area, 2 bedrooms and a washroom. The apartments will have electric baseboard heaters. The entrance that leads to the apartments from the ground level will be upgraded, otherwise the remainder of the building will be unchanged. Jim Kennedy indicates that the preliminary budget for these renovations is \$700,000.

The apartments will be finished with vinyl composite flooring, painted gypsum board walls and ceilings, mid-range bathroom fixtures, cabinetry, and appliances (refrigerator, oven/stove, dishwasher and clothes washer/dryer to each apartment).

This level will be in good condition, making the overall building condition above average. The remaining economic life will increase to 30 years.

9.0 HIGHEST AND BEST USE

9.1 Definition

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

(The Dictionary of Real Estate Appraisal, 4th Edition)

9.2 Existing Use

The subject is being used as a commercial building. The current tenants are an axe throwing bar and a brewery.

9.3 Highest and Best Use - As if Vacant

Physical Possibility – The subject appears to be able to physically support development.

Legal Permissibility – Various commercial uses are permissible. Upper floor apartments would be allowed.

Financial Feasibility – Based on the pace of development in the neighbourhood, it is not clear that immediate development would be financially feasible. Holding for future mixed-use development is concluded to be financially feasible.

Maximal Productivity – Based on the pace of development in the neighbourhood, holding for future mixed-use development is concluded to be maximally productive.

Taking the above into consideration, it is concluded that the highest and best use of the subject property, as if vacant, would be holding for future mixed-use development.

9.4 Highest and Best Use - As Improved

Physical Possibility – Continued use as a commercial property is physically possible. Redevelopment of the upper floor into apartments appears to be physically possible.

Legal Permissibility – Continued use as a commercial property is legally permissible. Redevelopment of the upper floor into apartments is understood to be legally permissible.

Financial Feasibility – Continued use as a commercial property is concluded to be financially feasible. While development costs have increased in recent years, redevelopment of the upper floor into apartments is concluded to be financially feasible.

Maximal Productivity – Continued use as a commercial property and redevelopment of the top floor as apartments is concluded to be maximally productive.

Taking the above into consideration, it is concluded that the highest and best use of the subject property, as improved, is continued use as commercial space and redevelopment of the top floor as apartments.

9.5 Highest and Best Use - As If Renovated

Physical Possibility – Continued use as a mixed-use property appears to be physically possible.

Legal Permissibility – Continued use as a mixed-use property is understood to be legally permissible.

Financial Feasibility – Continued use as a mixed-use property is concluded to be financially feasible.

Maximal Productivity – Continued use as a mixed-use property is concluded to be maximally productive.

Taking the above into consideration, it is concluded that the highest and best use of the subject property, as if renovated, is continued use as a mixed-use property.

9.6 Effect of Assemblage on Value

The subject site is worth more “as if renovated” than the underlying land value and possible assemblage does not appear to impact its value.

10.0 METHOD OF VALUATION

Ideally, there are three approaches that can be employed in order to estimate the market value of the leased fee interest in a particular property. All should be applied where possible, depending upon the availability of adequate data and the relevance to the appraisal problem. Briefly, these are:

10.1 Cost Approach

This approach to value is based on the depreciated value of the building and improvements plus the estimated land value.

10.2 Income Approach

The Income Approach to value is based on the theory, that value is the present worth of the income stream that a property is capable of producing when developed to its highest and best use.

10.3 Direct Comparison Approach

This approach is based on comparison of historical sales to the subject property. The appraiser attempts to find the most comparable sales available; however, every property is unique and some adjustment may be required for passage of time, location, physical characteristics or motivation etc.

10.4 Method Selection

Each of the above methods has its own particular advantages and disadvantages. In order to estimate the market value of the leased fee interest, the appraiser has considered the three approaches and selected the appropriate methodology as indicated below.

The Cost Approach is most relevant with the valuation of a new property and has less significance as the property ages. In this instance, the Cost Approach is not regarded as a reliable indicator and has been omitted because the age of the building makes it so that this approach is not generally considered by market participants.

The Income Approach is considered appropriate for “as if renovated” analysis as prospective purchasers might consider the income generating potential of a property like the subject. The approach is not used for the “as is” analysis, because of the top floor being vacant and not being ready to rent.

The Direct Comparison Approach is considered appropriate (when considering as is and as if renovated), as prospective purchasers consider property sales and competing listings.

As Is – Based on the above, the valuation of the subject property considers the Direct Comparison Approach.

As If Renovated - Based on the above, the valuation of the subject property considers the Income Approach and the Direct Comparison Approach.

“As Is”

11.0 DIRECT COMPARISON APPROACH – AS IS

11.1 Method – As Is

The theory, upon which the Direct Comparison Approach is based, is the assumption that if the subject had been offered for sale, it would have competed with comparable properties, as it would attract the same prospective purchasers.

Since the comparable properties are usually different in various aspects from the subject, adjustments to the comparables may be required to compensate for these differences.

11.2 Unit of Comparison – As Is

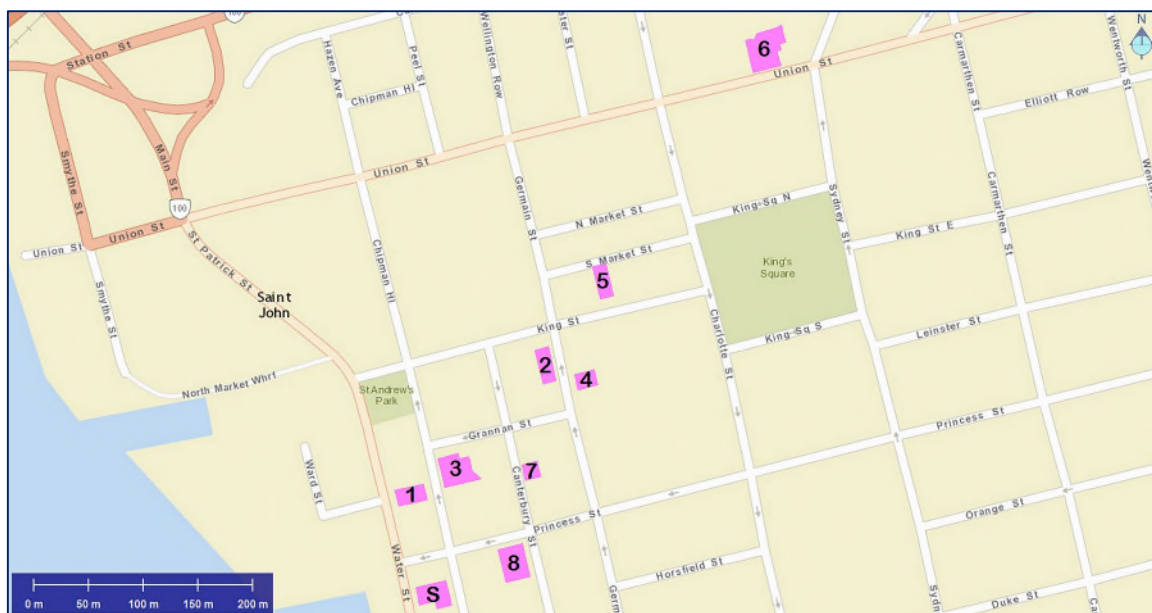
The sales are compared based on “price per square foot” as this is the unit of measure often used by market participants.

11.3 Comparable Indices – As Is

Eight relevant comparable property transactions were identified and are described in the table on the next page. While other properties have sold in the last few months, these sales are concluded to be most relevant.

11.4 Map of Comparable Properties – As Is

On the following map, the subject is shown as “S” and the comparable sales are shown as their Index numbers:



Index	Subject	1	2	3	4	5	6	7	8
Location	123-125 Prince William St & 60 Water Street	85-87 Prince William Street & 28 Water Street	40 King Street	80-88 Prince William Street	72-76 Germain Street	69-71 King Street	199-201 Union Street	52-54 Canterbury Street	46-54 Princess St & 57-61 Canterbury St
PID	55176598	11361	12120	11296, 11288 & 11270	10850	37077	55108997	11072	8029
Sale		42473513	42504374	41917544	41865875	41517195	41420911	41222812	41134017
Deed Document		W Damery	Apogee Investments Ltd.	Riedle Urban Spaces Inc.	Ammon Bay Ventures Inc.	MAR-JO LIMITED	7532709 Canada Inc.	Enty Holdings Ltd.	O'Leary Entertainment Ltd.
Vendor									
Purchaser		Cahan Saint John Inc.	729875 N.B. Inc.	1331 1848 CANADA INC.	Asor Investments Inc.	Ocean Equities Limited	724745 NB Inc.	722422 N.B. LTD Inc.	2753272 Ontario Inc.
Sale Date		30-Mar-22	3-Mar-22	22-Oct-21	27-Sep-21	7-Jul-21	14-Jun-21	28-Apr-21	1-Apr-21
Sale Price		\$1,200,000	\$1,180,000	\$1,270,000	\$751,000	\$1,375,000	\$825,000	\$535,000	\$800,000
Property									
MLS® #		N/A	N/A	NB053881	NB062042	N/A	NB052033	NB053106	N/A
Days on Market		N/A	N/A	332	48	N/A	90	49	N/A
Property									
Land Area (ft²)	5,640	4,361	4,319	8,018	2,887	3,261	108,369	2,285	7,720
Above Grade Area (ft² ±)	11,173	17,644	21,650	25,370	8,556	9,438	21,780	6,855	21,990
Basement Area (ft² ±)	6,521	4,411	4,353 (below grade)	6,429 (below grade)	2,852 (below grade)	4,719 (below grade)	5,089	2,285 (below grade)	None
Building Area (ft²); incl. above grade basement	17,694	22,055	21,650	25,370	8,556	9,438	21,780	6,855	21,990
Construction	Masonry	Masonry	Steel, wood & masonry	Masonry	Masonry	Masonry	Masonry	Masonry	Masonry
Condition	Average	Average	Good	Above Average	Good	Very Good	Average	Good	Average
Year Built	1879	Late 1800s	1870s	Late 1900s	Late 1800s	Late 1800s	Late 1800s	Late 1800s	Late 1800s
Stories	4	4	5	4	3	2	3 & 4	3	3
Elevators	No	Full (included in building area)	Yes	Service elevator	No	Yes	No	Service elevator	No
Parking	On Street	On Street	On Street	On Street	On Street	On Street	Unpaved on site parking lot	On Street	On Street
Use	Food & Beverage & vacant area	Restaurant, office space and storage	Offices	Offices, retail, apartments	Retail and apartments	Bank and offices	Retail, apartments and unfinished space	Offices & retail; upper floor mostly unfinished	Bar to lower level and vacant upper levels
Price/ft² (including basement)		\$54.41	\$54.50	\$50.06	\$87.77	\$145.69	\$37.88	\$78.05	\$36.38
Time Adjustment		148.2	148.2	143.9	143.1	141.7	141.0	140.0	140.0
CPI (seasonally adjusted)		1.00000	1.00000	1.02988	1.03564	1.04587	1.05106	1.05857	1.05857
Factor		\$54.41	\$54.50	\$51.55	\$90.90	\$152.37	\$39.81	\$82.62	\$38.51
Building Area Comparison		4,361	3,956	7,676	9,138	8,256	4,086	10,839	4,296
Building Area Difference (incl. basement)		25%	22%	43%	52%	47%	23%	61%	24%
Comparability Motivation		Larger	Larger	Larger	Smaller	Smaller	Larger	Smaller	Larger
Location		Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Condition		Similar	Similar	Superior	Superior	Superior	Superior	Superior	Similar
Utility		Similar	Superior	Superior	Superior	Superior	Superior	Superior	Similar
Additional Basement Utility		Similar	Superior	Superior	Superior	Superior	Superior	Superior	Similar
Leases		Inferior	Inferior	Inferior	Superior	Superior	Superior	Inferior	Superior
Other		Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Overall		Inferior	Similar	Similar	Superior	Superior	Inferior	Similar	Inferior

11.5 Adjustments – As Is

To refine the unit value indication, the following adjustments/comparability factors have been considered:

Time – The indices, which are arranged in chronological order (from newest to oldest), cover a time spectrum, from April 2021 to March 2022. The effective date of this appraisal is April 22, 2022. It is necessary to adjust for the element of time in some fashion.

While a time adjustment would ideally be made through a time/value analysis of sales, sufficient data does not exist for this analysis. In the absence of sufficient direct market evidence, we have adjusted each sale based on the relative change in the consumer price index (CPI, seasonally adjusted), from the sale date to the appraisal date. While this is a less than ideal substitute for a market derived adjustment, this offers the benefit of reflecting each sale price in terms of constant dollars. In economic theory, any purchase involves "opportunity cost," that is, a dollar expended to purchase a commodity is not available to purchase other goods, thus the importance of recognizing the time value of money.

The most recent CPI data is from March 2022 and is used as the basis of "Current" CPI and for Index 1 and Index 2.


11.6 Building Area – As Is

The "Law of Diminishing Marginal Utility," is defined by Microeconomics, Principles and Tools (1998), as: "As the consumption of a particular good increases, marginal utility decreases."




Applied to real estate, this could mean that the "marginal utility" (which could be measured as value per square foot) of a property would decrease, as the size of a property increases. Put another way, the value of each additional square foot of a building area would be lower, than the previous square foot (all else being equal). Basically, very small buildings may over-estimate the value applicable to the subject and very large buildings may underestimate the value applicable to the subject. Building area should be considered in considering relevance of the comparable properties.

11.7 Comparability Analysis – As Is

Beyond factor of time/market conditions, variations in the comparable properties must be considered in this analysis. Factors, such as physical characteristics and location, would ideally be adjusted for using paired analysis; however, there is a lack of relevant data in this market for such adjustments to be calculated. Instead, these issues are considered in judging which indices are inferior, superior, and similar to the subject.

<p style="text-align: center;">Index 1</p> <p style="text-align: center;">85-87 Prince William Street & 28 Water Street</p> 	<p>This index is similar regarding motivation.</p> <p>This index is similar regarding location quality.</p> <p>This index is similar regarding building condition.</p> <p>This index is inferior regarding building utility, due to level of finish.</p> <p>This index is similar regarding additional basement utility.</p> <p>This index is inferior regarding lease quality.</p> <p>This index is similar in other regards.</p> <p>This index is inferior overall, supporting a subject value greater than \$54.41 per square foot.</p>
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<p>Index 2 40 King Street</p> 	<p>This index is similar regarding motivation. This index is similar regarding location quality. This index is superior regarding building condition. This index is superior regarding building utility. This index is superior regarding additional basement utility. This index is inferior regarding lease quality. This index is similar in other regards. This index is similar overall, supporting a subject value around than \$54.50 per square foot.</p>
<p>Index 3 80-88 Prince William Street</p> 	<p>This index is similar regarding motivation. This index is similar regarding location quality. This index is superior regarding building condition. This index is superior regarding building utility. This index is superior regarding additional basement utility. This index is inferior regarding lease quality. This index is similar in other regards. This index is similar overall, supporting a subject value around \$51.55 per square foot.</p>
<p>Index 4 72-76 Germain Street</p> 	<p>This index is similar regarding motivation. This index is similar regarding location quality. This index is superior regarding building condition. This index is superior regarding building utility. This index is superior regarding additional basement utility. This index is superior regarding lease quality. This index is similar in other regards. This index is superior overall, supporting a subject value less than \$90.90 per square foot.</p>
<p>Index 5 69-71 King Street</p> 	<p>This index is similar regarding motivation. This index is similar regarding location quality. This index is superior regarding building condition. This index is superior regarding building utility. This index is superior regarding additional basement utility. This index is superior regarding lease quality. This index is similar in other regards. This index is superior overall, supporting a subject value less than \$152.37 per square foot.</p>

<p>Index 6 199-201 Union Street</p> 	<p>This index is similar regarding motivation. This index is inferior regarding location quality. This index is similar regarding building condition. This index is inferior regarding building utility, due to level of finish. This index is similar regarding additional basement utility. This index is inferior regarding lease quality. This index is similar in other regards. This index is inferior overall, supporting a subject value greater than \$39.81 per square foot.</p>
<p>Index 7 52-54 Canterbury Street</p> 	<p>This index is similar regarding motivation. This index is similar regarding location quality. This index is superior regarding building condition. This index is superior regarding building utility. This index is superior regarding additional basement utility. This index is inferior regarding lease quality. This index is similar in other regards. This index is similar overall, supporting a subject value around than \$82.62 per square foot.</p>
<p>Index 8 46-54 Princess St & 57-61 Canterbury St</p> 	<p>This index is similar regarding motivation. This index is similar regarding location quality. This index is similar regarding building condition. This index is inferior regarding building utility, due to level of finish. This index is similar regarding additional basement utility. This index is inferior regarding lease quality. This index is similar in other regards. This index is inferior overall, supporting a subject value greater than \$38.51 per square foot.</p>

11.8 Analysis and Conclusion – As Is

The inferior indices indicate values of \$38.51 to \$54.41 per square foot, supporting a subject value greater than \$54.41 per square foot.

The superior indices indicate values of \$90.90 to \$152.37 per square foot, supporting a subject value less than \$90.90 per square foot.

The “similar” sales indicate values of \$54.50 (Index 2), \$51.55 (Index 3), and \$82.62 (Index 7) per square foot. Based on size and the recency of the sales, Indices 2 and 3 are each given 40% weight, and Index 7 is given 20% weight, supporting a subject value of \$58.94 per square foot. Based on this the subject value is estimated based on \$58.94 per square foot.

Applying this unit rate of \$58.94 per square foot to the subject's 17,694 per square foot, indicates a value of \$1,043,000 as follows:

$$\begin{aligned} &\mathbf{\$58.94 / \text{square foot} \times 17,694 \text{ square feet} = \$1,042,884} \\ &\mathbf{\text{Rounded to } \$1,043,000} \end{aligned}$$

“As If Renovated” Analysis

12.0 INCOME APPROACH – AS IF RENOVATED

12.1 Method – As If Renovated

The Income Approach or capitalization method of valuation is the test whereby the estimated annual net income, which can be produced by a property, is capitalized at an appropriate rate into an indication of the property's capital value. Capital value, usually considered synonymous with market value, is the estimated price, which an investor would pay for the property having regard to the net income flow that a property is capable of producing, and the required rate of interest expected on the capital to be invested. An investor who purchases income producing real estate is essentially trading present dollars for the right to receive future dollars, that is, the net income produced by the property, during their term of ownership, plus any reversion at the end of this period.

The Income Approach involves the following basic steps:

- 1. Estimate the Potential Gross Income of the property at full occupancy, before deduction for vacancy and operating expenses.*
- 2. Estimate the Vacancy and Collection Loss to be deducted, providing an estimate of the Effective Gross Income. This allowance provides for reductions in potential income attributable to vacancies, tenant turnover, and nonpayment of rent.*
- 3. Estimate Operating Expenses to be deducted, providing an estimate of the Net Operating Income which may be anticipated.*
- 4. Convert the Net Operating Income using an appropriate capitalization technique and rate to an indication of the present value of the property.*

Income estimates may be for a single year or a series of years depending on the data available and the capitalization method employed. In this appraisal, a capitalization of a single year's income has been performed. This type of capitalization is presently preferred by most appraisers and lending institutions in usual circumstances; however, this technique is dependent upon the ability to estimate a stable annual income that is indicative of the expected future performance of the property.

12.2 Applicability to Subject – As If Renovated

In the case of the subject, the potential net income is based on existing leases and estimated market rents and expenses, after considering the subject property history. As this income is based on recent market activity, capitalization of the projected net income for a typical year of operation is possible.

12.3 Income – Current Leases – As If Renovated

The commercial leases are summarized below:

Level	Tenant	Leasable Area (ft ² ±)	Monthly Rent	End	Annual Rent / ft ²
Prince William Street	Woodchucks Axe Throwing Inc.	3,450	\$4,600	30-Sep-24	\$16.00
Prince William Street	Woodchucks Axe Throwing Inc. Natural Gas Recovery	3,450	\$450	30-Sep-24	\$1.57
Between Prince William Street & Water Street	Woodchucks Axe Throwing Inc., Storage and Office	unknown	\$1,150	30-Sep-24	unknown
Water Street	Loyalist City Brewing Co.	967	\$1,208.75	30-Apr-23	\$15.00
Between Prince William Street & Water Street	Loyalist City Brewing Co.	unknown	750	30-Apr-23	unknown

12.4 Comparable Market Rents – As If Renovated

The following leases are for spaces on surrounding blocks:

Index	Type	Area (ft ² ±)	Rent/ft ² ±	Start	End
L1	Retail	3,200	\$14.80	2021	2031
L2	Office	2,473	\$21.00	2020	2023
L3	Office	2,605	\$19.50	2020	2023
L4	Office	3,376	\$20.50	2020	2023
L5	Office	3,918	\$21.00	2020	2024
L6	Office	5,474	\$18.00	2020	2022
L7	Food/Beverage	1,046	\$28.68	2020	2025
L8	Food/Beverage	2,935	\$24.36	2020	2025
L9	Retail	1,116	\$16.13	2020	2022
L10	Food/Beverage	1,500	\$22.00	2019	2024
L11	Food/Beverage	1,990	\$22.01	2019	2024
L12	Food/Beverage	4,279	\$18.21	2016	2026
L13	Storage	414	\$11.59	Month to month	
L14	Storage	303	\$15.01	2016	2026

Rents, in a similar quality building on the block, range from \$900 to \$1,250 per month for 1-bedroom units. These rents do not include heat or electricity.

Rents, in another similar quality building on the block, range from \$1,230 to \$1,270 per month for 1-bedroom units. These rents do not include heat or electricity.

Rents, for 2-bedroom apartments in a similar building a few blocks from the subject, range from \$1,600 to \$2,500 per month. The highest rent does not include heat or electricity.

12.5 Stabilized Rents and Analysis of Impact of Leases – As If Renovated

The existing commercial rents are in line with market norms. As the leases are in place, and the rents are within the range typical within the market, these rents are used in the analysis.

Based on market analysis, the apartment rents are estimated to be \$2,000 per apartment per month.

12.6 Vacancy and Collection Loss Allowance – As If Renovated

Based on the subject's rents and condition, and the overall market, an allowance for vacancy and collection loss of 7.5% is utilized for commercial space.

Based on the subject's rents and condition, and the overall market, an allowance for vacancy and collection loss of 1.5% is utilized for apartments.

12.7 Income and Expense History – As If Renovated

Jim Kennedy provided details of the natural gas expense. From April 2021 to March 2022 the expense was \$12,935.

No other expense details were provided.

12.8 Operating Expenses – As If Renovated

Operating expenses are estimated based on the reported subject history and market norms.

Property taxes – The 2022 expense is \$48,816.19. While property tax rate reductions are anticipated in coming years, the assessment could increase to better reflect value. As such, the property tax expense is stabilized based on \$50,000.

Insurance – This expense is estimated after considering market comparables.

Natural Gas – This expense is estimated based on the expense for the most recent 12 months.

Electricity – This expense is estimated based on \$250 per month and covers common areas and occasionally vacant tenant space.

Water & Sewerage – This expense is estimated based on market comparables and includes only the apartments.

Garbage removal – This expense is estimated based on market comparables and includes only the apartments.

Repairs & Maintenance – Considering observed condition, this expense is estimated based on 5.0% of gross effective income.

Structural Reserve – Considering observed condition, and the unique ornate stone exterior that is subject to heritage conservation regulations, this allowance is based on 4.0% of gross effective income.

Management – Based on rates typical for commercial space and apartments space, this allowance is made based on 4.5% of gross effective income.

12.9 Capitalization Rate – As If Renovated

High-end multi-family residential sales in the neighbourhood show capitalization rates of 3.3% to 6.3%. Commercial transactions in the uptown area have shown capitalization rates of around 6% to 8% in recent years. Considering the subject quality, and mix of apartments and commercial, a capitalization rate of 6.0% is concluded to be applicable.

Note, using this capitalization rate, any variation in net operating income of \$1,000 would affect the value by around \$16,667.

12.10 Income Approach Table – As If Renovated

Income Approach - 123-125 Prince William Street (As If Renovated)				
	Rent	Stabilized Economic Rent	Stabilized	
Rental Income				
Woodchuck's - Main Bar	\$4,600	\$4,600	\$55,200	
Woodchuck's - Lower level	\$1,150	\$1,150	\$13,800	
Woodchuck's Recovery	\$425	\$425	\$5,100	
Loyalist City Brewing Co.	\$1,208.75	\$1,209	\$14,505	
Loyalist City Brewing Co. (CAM)	\$201.46	\$201	\$2,418	
Loyalist City Brewing Co.	\$652	\$652	\$7,826	
5 apartments	\$2,000 per apartment	\$2,000	\$120,000	
Gross Potential Income				\$218,849
Less: Vacancy & Collection Loss	7.5%	of GPI (commercial)	\$7,414	
Less: Vacancy & Collection Loss	1.5%	of GPI (apartments)	\$1,800	
Gross Effective Income				\$209,635
Less: Operating Expenses	Stabilized (notes)		Stabilized	
Taxes	Adjusted up from 2022 expense		\$50,000	
Insurance	Based on market analysis		\$6,000	
Natural Gas	Based on reported expense		\$12,900	
Electricity	Common areas and vacancy		\$3,000	
Water and Sewerage	Apartments only		\$2,250	
Garbage Collection	Apartments only		\$1,000	
Repairs & Maintenance	5.0%	of GEI	\$10,482	
Structural Reserve	4.0%	of GEI	\$8,385	
Management	4.5%	of GEI	\$9,434	
Total expenses				\$103,451
Net Operating Income				\$106,184
Capitalization Rate				6.0%
Indicated Property Value				\$1,769,733
Rounded to:				\$1,770,000

12.11 Income Approach Value Estimate – As If Renovated

Applying the 6.0% capitalization rate to the estimated net operating income of \$106,184 indicates a value of **\$1,770,000** (rounded).

Thus, the value indicated by the Income Approach is **\$1,770,000 (as if renovated)**.

The “as if renovated” value estimate is based on the extraordinary assumptions/hypothetical conditions outlined in Section 2.11. If these were shown to be false, the value estimate would be subject to change.

13.0 DIRECT COMPARISON APPROACH – AS IF RENOVATED

13.1 Method – As If Renovated

The theory, upon which the Direct Comparison Approach is based, is the assumption that if the subject had been offered for sale, it would have competed with comparable properties, as it would attract the same prospective purchasers.

Since the comparable properties are usually different in various aspects from the subject, adjustments to the comparables may be required to compensate for these differences.

13.2 Unit of Comparison – As If Renovated

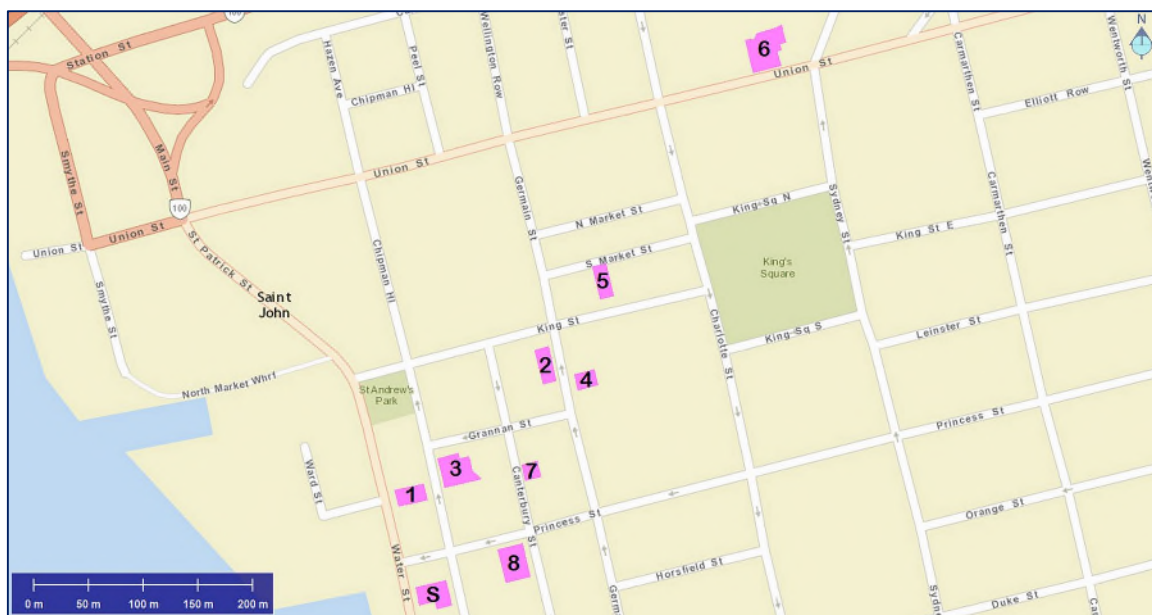
The sales are compared based on “price per square foot” as this is the unit of measure often used by market participants.

13.3 Comparable Indices – As If Renovated

Eight relevant comparable property transactions were identified and are described in the table on the next page. While other properties have sold in the last few months, these sales are concluded to be most relevant.

13.4 Map of Comparable Properties – As If Renovated

On the following map, the subject is shown as “S” and the comparable sales are shown as their Index numbers:



Index	Subject	1	2	3	4	5	6	7	8
Location	123-125 Prince William St & 60 Water Street	85-87 Prince William Street & 28 Water Street	40 King Street	80-88 Prince William Street	72-76 Germain Street	69-71 King Street	199-201 Union Street	52-54 Canterbury Street	46-54 Princess St & 57-61 Canterbury St
PID	55176598	11361	12120	11296, 11288 & 11270	10850	37077	55108997	11072	8029
Sale	---	42473513	42504374	41917544	41865875	41517195	41420911	41222812	41134017
Deed Document	---	W Damery	Apogee Investments Ltd.	Riedle Urban Spaces Inc.	Ammon Bay Ventures Inc.	MAR-JO LIMITED	7532709 Canada Inc.	Enity Holdings Ltd.	O'Leary Entertainment Ltd.
Purchaser	---	Gahan Saint John Inc.	729875 N.B. Inc.	13311848 CANADA INC.	Asor Investments Inc.	Ocean Equities Limited	724745 NB Inc.	722422 N.B. LTD Inc.	2753272 Ontario Inc.
Sale Date	---	30-Mar-22	3-Mar-22	22-Oct-21	27-Sep-21	7-Jul-21	14-Jun-21	28-Apr-21	1-Apr-21
Sale Price	---	\$1,200,000	\$1,180,000	\$1,270,000	\$751,000	\$1,375,000	\$825,000	\$535,000	\$800,000
Property	---	N/A	N/A	NB053881	NB062042	N/A	NB052033	NB053106	N/A
MLS® #	---	N/A	N/A	332	48	N/A	90	49	N/A
Days on Market	---	---	---	---	---	---	---	---	---
Land Area (ft²)	5,640	4,361	4,319	8,018	2,887	3,261	108,369	2,285	7,720
Above Grade Area (ft² ±)	11,173	17,644	21,650	25,370	8,556	9,438	21,780	6,855	21,990
Basement Area (ft² ±)	6,521	4,411	4,353 (below grade)	6,429 (below grade)	2,852 (below grade)	4,719 (below grade)	5,089	2,285 (below grade)	None
Building Area (ft²); incl. above grade basement	17,694	22,055	21,650	25,370	8,556	9,438	21,780	6,855	21,990
Construction	Masonry	Masonry	Steel, wood & masonry	Masonry	Masonry	Masonry	Masonry	Masonry	Masonry
Condition	Above Average	Average	Good	Above Average	Good	Very Good	Average	Good	Average
Year Built	1879	1870s	1870s	Mid 1900s	Late 1800s	Late 1800s	Late 1800s	Late 1800s	Late 1800s
Stories	4	4	5	4	3	2	3 & 4	3	3
Elevators	No	Full (included in building area)	Yes	Service elevator	No	Yes	No	Service elevator	No
Parking	On Street	On Street	On Street	On Street	On Street	On Street	Unpaved on site parking lot	On Street	On Street
Use	Food & Beverage & Apartments	Restaurant, office space and storage	Offices	Offices, retail, apartments	Retail and apartments	Bank and offices	Retail, apartments and unfinished space	Offices & retail; upper floor mostly unfinished levels	Bar to lower level and vacant upper levels
Price/ft² (including basement)	---	\$54.41	\$54.50	\$50.06	\$87.77	\$145.69	\$37.88	\$78.05	\$36.38
Time Adjustment	---	---	---	---	---	---	---	---	---
CPI (seasonally adjusted)	---	148.2	148.2	143.9	143.1	141.7	141.0	140.0	140.0
Factor	---	1.00000	1.00000	1.02988	1.03564	1.04587	1.05106	1.05857	1.05857
Adjusted Price/ft² (incl. basement)	---	\$54.41	\$54.50	\$51.55	\$90.90	\$152.37	\$39.81	\$82.62	\$38.51
Building Area Comparison	---	---	---	---	---	---	---	---	---
Building Area Difference (incl. basement)	---	4,361 ft²	3,956 ft²	7,676 ft²	9,138 ft²	8,256 ft²	4,086 ft²	10,839 ft²	4,296 ft²
Comparability	---	Larger	Larger	Larger	Smaller	Smaller	Larger	Smaller	Larger
Motivation	---	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Location	---	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Condition	---	Inferior	Superior	Superior	Superior	Superior	Inferior	Superior	Inferior
Utility	---	Inferior	Similar	Similar	Similar	Similar	Similar	Similar	Inferior
Additional Basement/Utility	---	Similar	Superior	Superior	Superior	Superior	Similar	Superior	Similar
Leases	---	Inferior	Similar	Inferior	Similar	Similar	Similar	Similar	Similar
Other	---	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Overall	---	Inferior	Inferior	Inferior	Inferior	Superior	Inferior	Inferior	Inferior

13.5 Adjustments – As If Renovated

To refine the unit value indication, the following adjustments/comparability factors have been considered:

Time – The indices, which are arranged in chronological order (from newest to oldest), cover a time spectrum, from April 2021 to March 2022. The effective date of this appraisal is April 22, 2022. It is necessary to adjust for the element of time in some fashion.

While a time adjustment would ideally be made through a time/value analysis of sales, sufficient data does not exist for this analysis. In the absence of sufficient direct market evidence, we have adjusted each sale based on the relative change in the consumer price index (CPI, seasonally adjusted), from the sale date to the appraisal date. While this is a less than ideal substitute for a market derived adjustment, this offers the benefit of reflecting each sale price in terms of constant dollars. In economic theory, any purchase involves "opportunity cost," that is, a dollar expended to purchase a commodity is not available to purchase other goods, thus the importance of recognizing the time value of money.

The most recent CPI data is from March 2022 and is used as the basis of "Current" CPI and for Index 1.


13.6 Building Area – As If Renovated


The "Law of Diminishing Marginal Utility," is defined by Microeconomics, Principles and Tools (1998), as: "As the consumption of a particular good increases, marginal utility decreases."




Applied to real estate, this could mean that the "marginal utility" (which could be measured as value per square foot) of a property would decrease, as the size of a property increases. Put another way, the value of each additional square foot of a building area would be lower, than the previous square foot (all else being equal). Basically, very small buildings may over-estimate the value applicable to the subject and very large buildings may underestimate the value applicable to the subject. Building area should be considered in considering relevance of the comparable properties.

13.7 Comparability Analysis – As If Renovated

Beyond factor of time/market conditions, variations in the comparable properties must be considered in this analysis. Factors, such as physical characteristics and location, would ideally be adjusted for using paired analysis; however, there is a lack of relevant data in this market for such adjustments to be calculated. Instead, these issues are considered in judging which indices are inferior, superior, and similar to the subject.

<p style="text-align: center;">Index 1 85-87 Prince William Street & 28 Water Street</p> 	<p>This index is similar regarding motivation.</p> <p>This index is similar regarding location quality.</p> <p>This index is inferior regarding building condition.</p> <p>This index is inferior regarding building utility, due to level of finish.</p> <p>This index is similar regarding additional basement utility.</p> <p>This index is inferior regarding lease quality.</p> <p>This index is similar in other regards.</p> <p>This index is inferior overall, supporting a subject value greater than \$54.41 per square foot.</p>
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<p>Index 2 40 King Street</p> 	<p>This index is similar regarding motivation. This index is similar regarding location quality. This index is superior regarding building condition. This index is similar regarding building utility. This index is superior regarding additional basement utility. This index is inferior regarding lease quality. This index is similar in other regards. This index is inferior overall, supporting a subject value greater than \$54.50 per square foot.</p>
<p>Index 3 80-88 Prince William St</p> 	<p>This index is similar regarding motivation. This index is similar regarding location quality. This index is similar regarding building condition. This index is similar regarding building utility. This index is superior regarding additional basement utility. This index is inferior regarding lease quality. This index is similar in other regards. This index is inferior overall, supporting a subject value greater than \$51.55 per square foot.</p>
<p>Index 4 72-76 Germain St</p> 	<p>This index is similar regarding motivation. This index is similar regarding location quality. This index is superior regarding building condition. This index is similar regarding building utility. This index is superior regarding additional basement utility. This index is inferior regarding lease quality. This index is similar in other regards. This index is inferior overall, supporting a subject value greater than \$90.90 per square foot.</p>
<p>Index 5 69-71 King Street</p> 	<p>This index is similar regarding motivation. This index is similar regarding location quality. This index is superior regarding building condition. This index is similar regarding building utility. This index is superior regarding additional basement utility. This index is superior regarding lease quality. This index is similar in other regards. This index is superior overall, supporting a subject value less than \$152.37 per square foot.</p>

<p>Index 6 199-201 Union St</p> 	<p>This index is similar regarding motivation. This index is inferior regarding location quality. This index is inferior regarding building condition. This index is inferior regarding building utility, due to level of finish. This index is similar regarding additional basement utility. This index is inferior regarding lease quality. This index is similar in other regards. This index is inferior overall, supporting a subject value greater than \$39.81 per square foot.</p>
<p>Index 7 52-54 Canterbury St</p> 	<p>This index is similar regarding motivation. This index is similar regarding location quality. This index is superior regarding building condition. This index is similar regarding building utility. This index is superior regarding additional basement utility. This index is inferior regarding lease quality. This index is similar in other regards. This index is inferior overall, supporting a subject value greater than \$82.62 per square foot.</p>
<p>Index 8 46-54 Princess St & 57-61 Canterbury St</p> 	<p>This index is similar regarding motivation. This index is similar regarding location quality. This index is inferior regarding building condition. This index is inferior regarding building utility, due to level of finish. This index is similar regarding additional basement utility. This index is inferior regarding lease quality. This index is similar in other regards. This index is inferior overall, supporting a subject value greater than \$38.51 per square foot.</p>

13.8 Analysis and Conclusion – As If Renovated

The inferior indices indicate values of \$38.51 to \$90.90 per square foot, supporting a subject value greater than \$90.90 per square foot.

The superior index indicates a value of \$152.37 per square foot, supporting a subject value less than \$152.37 per square foot.

Index 4 is most relevant, because of its mixed-use and apartment quality. Because the subject is superior, a higher unit rate is applicable to the subject. Based on relevance, a rate of \$100 per square foot is concluded to be applicable to the subject (this is 10% greater than the rate indicated by Index 4).

Applying this unit rate of \$100 per square foot to the subject's 17,694 per square foot, indicates a value of \$1,769,000 as follows:

$$\begin{aligned} &\$100 / \text{square foot} \times 17,694 \text{ square feet} = \$1,769,400 \\ &\text{Rounded to } \$1,769,000 \text{ (as if renovated)} \end{aligned}$$

The “as if renovated” value estimate is based on the extraordinary assumptions/hypothetical conditions outlined in Section 2.11. If these were shown to be false, the value estimate would be subject to change.

14.0 REASONABLE EXPOSURE TIME

Reasonable exposure time is one of the conditions included in the definition of market value referred to in this report. According to the Dictionary of Real Estate Appraisal, Fourth Edition, exposure time may be defined as follows:

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."

Taking into consideration the recent state of the local real estate market and the length of time the publicly listed comparable properties took to sell, exposure time is estimated at approximately **6 months**.

The preceding estimate of exposure time assumes that the property would have been either aggressively marketed or listed by an experienced realtor on the MLS system of the local real estate board at an asking price that was reasonable in the context of the contemporaneous market conditions.

15.0 RECONCILIATION AND FINAL VALUE ESTIMATE

15.1 Value Indications	As Is	As If Renovated
Cost Approach	N/A	N/A
Income Approach	N/A	\$1,770,000
Direct Comparison Approach	\$1,043,000	\$1,769,000

15.2 Analysis and Conclusion

The Direct Comparison Approach is relevant and useful for understanding the “as is” value, as there were several sales that were “similar” overall. This approach is relied on in estimating the subject value.

As a result of the preceding analysis, the market value of the leased fee interest of the subject property, as at April 22, 2022, is concluded to be **\$1,043,000 (as is)**, as per the Appraiser’s Certification attached.

The Income Approach is relevant for understanding the subject “as if renovated” value, as it is based on relevant market evidence, and because most buyers consider this type of analysis.

The Direct Comparison Approach is less relevant and useful for understanding the “as if renovated” value due to the lack of highly similar sales. Still, the approach does closely support the conclusion from the Income Approach. Based on relevance, the Income Approach is relied on in estimating the “as if renovated” market value.

As a result of the preceding analysis, the market value of the leased fee interest of the subject property, as at April 22, 2022, is concluded to be **\$1,770,000 (as if renovated)**, as per the Appraiser’s Certification attached.

The “as if renovated” value estimate is based on the extraordinary assumptions/hypothetical conditions outlined in Section 2.11. If these were shown to be false, the value estimate would be subject to change.

15.3 Relationship Between Sale Price and Market Value Estimate

The “as is” value estimate is \$157,000 (13%) less than the proposed purchase price (\$1,200,000). The value estimate reflects market evidence and is concluded to be reasonable.

The “as if complete” value is \$130,000 (7%) less than the proposed purchase price plus budgeted cost of renovations (\$1,900,000). The value estimate reflects market evidence and is concluded to be reasonable.

15.4 Effect on Value of Personal Property

The “as if renovated” value estimate includes the appliances to be rented with the apartments: 5 refrigerators, 5 ovens/stoves, 5 dishwashers and 5 clothes washers/dryers.

16.0 APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief that:

1. The statements of fact contained in this report are true and correct;
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my impartial and unbiased professional analyses, opinions and conclusions;
3. I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. My engagement in and compensation is not contingent upon developing or reporting predetermined results, the amount of value estimate, a conclusion favouring the client, or the occurrence of a subsequent event.
6. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the CUSPAP.
7. I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;
8. Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;
9. As of the date of this report the undersigned has fulfilled the requirements of the AIC's Continuing Professional Development Program;
10. The undersigned is (are all) members in good standing of the Appraisal Institute of Canada.

PROPERTY IDENTIFICATION

Address: 123-125 Prince William Street & 60 Water Street
 Municipality: Saint John
 Province: New Brunswick
 Postal Code: E2L 2B4
 Legal Description: PID 55176598, PAN 4486923

Based upon the data, analyses and conclusions contained herein, the current market value of the interest in the property described as at April 22, 2022 is estimated at:

As Is	\$1,043,000
As If Renovated	\$1,770,000

The "as if renovated" value estimate is based on the extraordinary assumptions/hypothetical conditions outlined in Section 2.11. If these were shown to be false, the value estimate would be subject to change.

As set out elsewhere in this report, this report is subject to certain assumptions and limiting conditions, the verification of which is outside the scope of this report.

Note, the "as if renovated" value estimate includes appliances (as outlined in Section 15.4).

Appraiser

Signature:



Name:

Adam G. Dickinson

AIC designation/status:

AACI, P.App.

Membership #:

904104

Date of report/date signed:

April 25, 2022

Personally inspected the subject property

Yes

Date of inspection:

March 10, 2022 (interior) and April 22, 2022 (exterior)

License info

NBAREA #904104

Source of digital signature security

Adobe pdf document security

Note: for this appraisal to be valid, an original or a password protected digital signature is required.

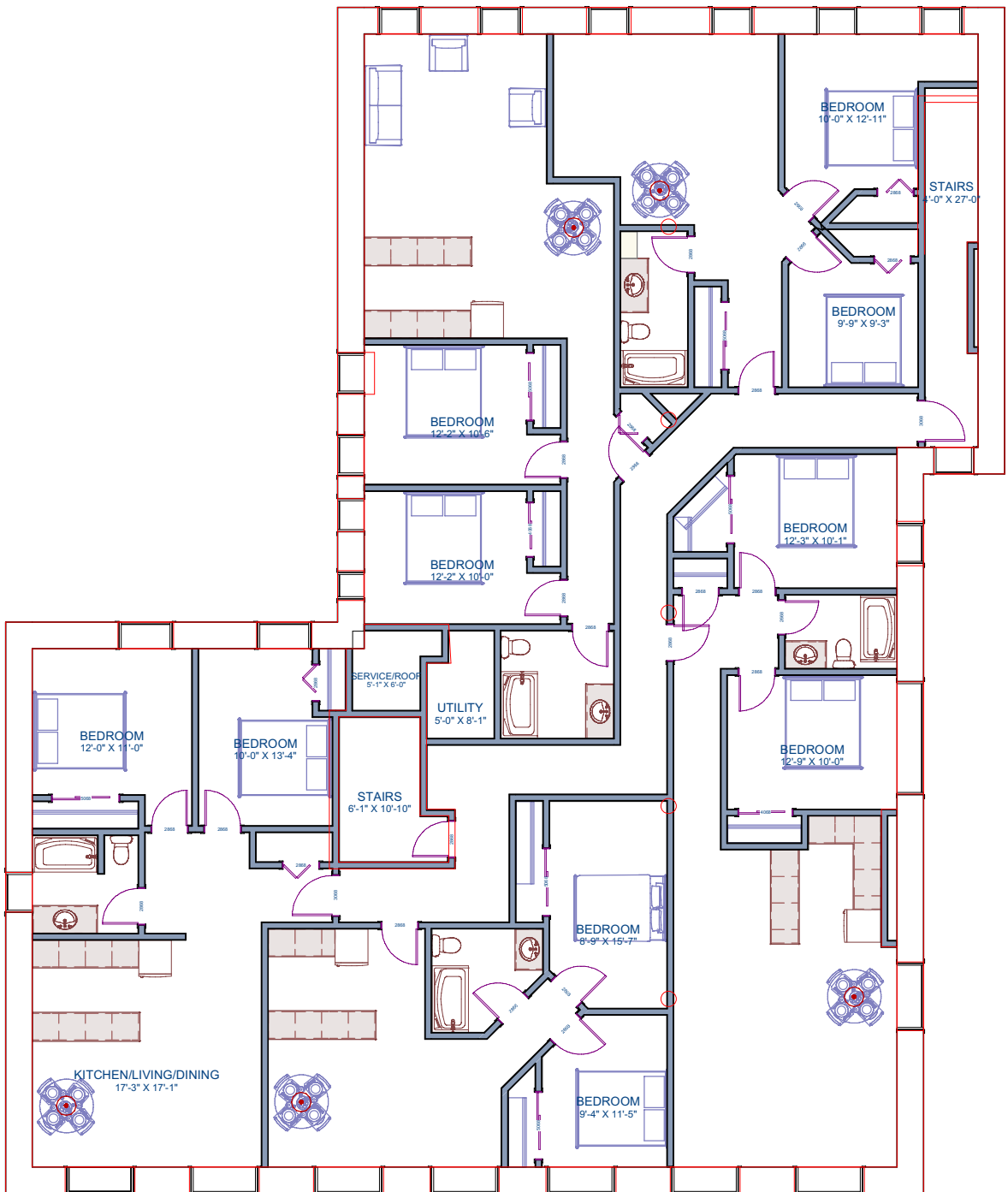
Attachments and addenda:

- Renovation Floor Plan & Photographs

17.0 ADDENDA

Appendix A

Renovation Floor Plan



LIVING AREA
4916 SQ FT

Appendix B

Photographs

Photographs of Subject Property



Subject from southeast



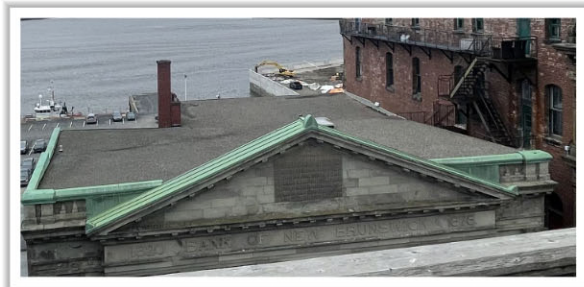
Subject from northeast



Subject from southwest



Subject from northwest



Roof from nearby property



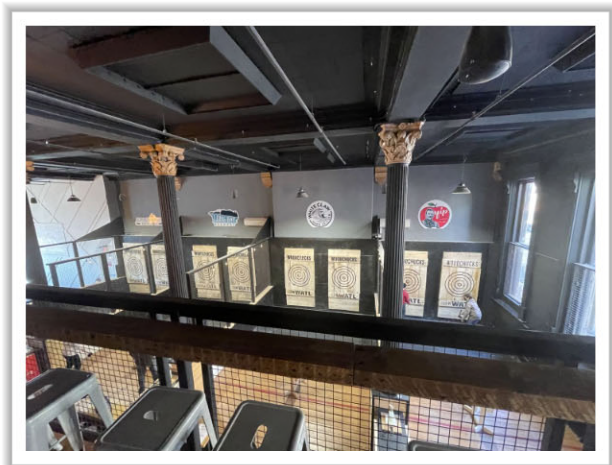
Subject from nearby office building



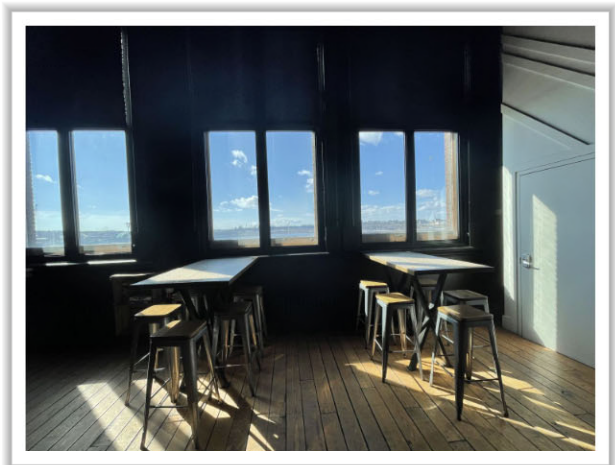
Water Street



Prince William Street



Axe throwing bar



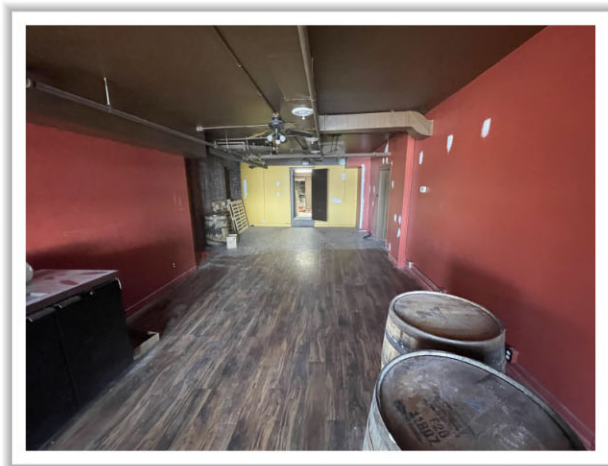
Axe throwing bar



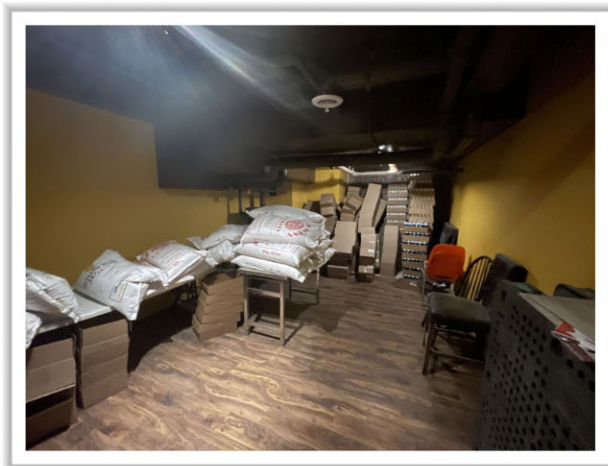
Brewery



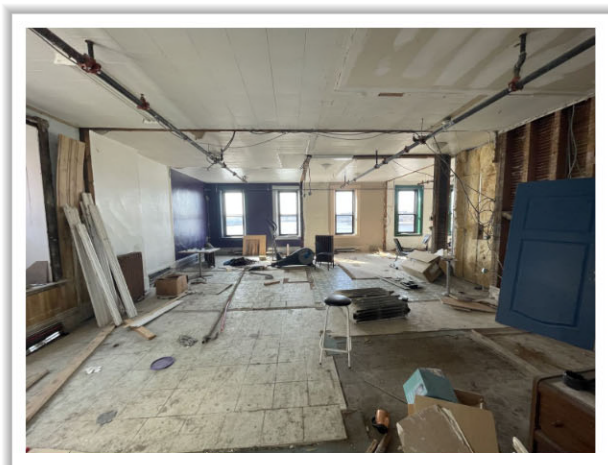
Brewery



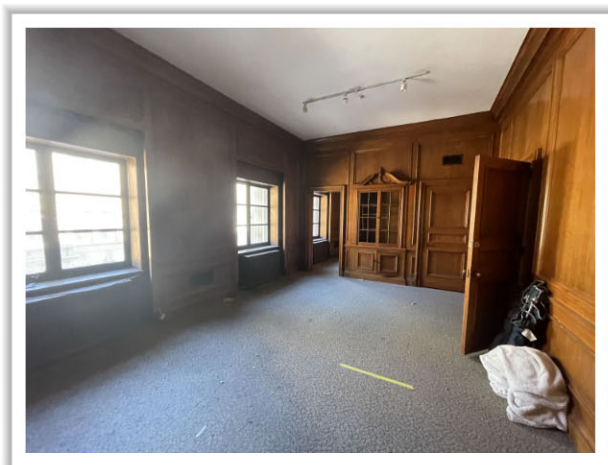
Floor between axe throwing bar and brewery



Floor between axe throwing bar and brewery



Top floor



Top floor

2020

Hfx No. 501252

This is Exhibit "E" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia

Laura M. Smith

From: Sara L. Scott
Sent: Wednesday, May 11, 2022 9:15 AM
To: Mark Charles; Ian Cousins
Cc: Laura M. Smith
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Importance: High

Mark,

I am copying Mr. Cousins on this email, as I note he was not copied on yours. Given the contents of your email, it is important that Mr. Cousins be included, as the guarantor, as any shortfall will ultimately be his responsibility to address.

As a starting point, we note that the forbearance period ends on Friday, May 13 and it appears clear from your email that the refinancing will not be completed. The result is that BDC will be entitled to enforce, including filing the consent receivership order, at that time.

If your client seeks an extension to the forbearance agreement, it needs to provide more details on its plan to pay out the BDC loan, other than what has been set out in your email. . At a minimum, BDC will require information on the financing with Graysbrook Capital. It is assumed the terms (including any term sheets and other information) can be provided easily, if the mortgage commitment is expected shortly. In addition, BDC would ask for the balances owing on the mortgages registered against the townhouses and any other impediments to the financing as well as the appraisal you indicated exists in your email.

To be clear, BDC will not consider any extension to the forbearance without this pertinent information. This information on the refinancing is needed without any delay, so that BDC can decide if it is open to an extension of the forbearance. As the deadline is Friday, time is of the essence and any delay on providing this information will not be excused.

Lastly, BDC is not willing to consider any extension to the forbearance period where 1101 does reduce the risk on the loan, as the appraisal provided confirms. 1101 was provided a forbearance of several months, in exchange for the \$5,000 fee; however, its exposure has grown over the forbearance period and there has been no progress. 1101 must provide a plan that ensures BDC's exposure is improved and not worsened.

We trust BDC's concerns are clear and that 1101 will provide the requested information for consideration immediately, along with an actual plan being proposed by 1101.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, May 9, 2022 9:46 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

By way of update, we have just received the Appraisal. It is attached for your review.

Although it notes the dates of the site visit, our client has just received it late last week.

While favourable on the "as-built" value, it is lower than hoped on the "as-is" value. It is appraised at \$1.043M "as-is". The Property is listed for sale at \$1.2M.

As a result, it will be difficult for our client to complete the sale of the building on its own, without completing the renovation project.

However, our client has a new plan that can bring this matter to resolution and have your client paid in full.

Our client is pursuing the refinance of the entire remaining NB property holdings of 1101, which is both the Prince William building and a group of 6 residential townhouses. The townhouses have appreciated well since this matter began.

The townhouses appraised well at @\$1.8M and are only presently at a 55% LTV.

Our client is expecting a Mortgage Commitment from Graysbrook Capital shortly (anytime).

We suggest once the Mortgage Commitment is issued the refinance and payout can be completed quickly. We have worked with Frank Hamm, Gorman Nason as a Saint John, NB Property Lawyer in the past and expect he and his firm will be able to complete the refinance in a timely manner.

We'll forward along any further updates once received, and the mortgage commitment as soon as we receive them.

Let me know if you want to schedule a call for review.

We appreciate your time and attention to this matter.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 6, 2022 12:51 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – is there an update? The forbearance period ends on May 15th.

The lack of an update is concerning.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Friday, April 29, 2022 3:32 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – what is the update?

We note the deadline is fast approaching.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, April 19, 2022 9:44 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

Unfortunately the appraisers have already missed their promised completion date.

I'll circle back with our clients to get an updated ETA.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: April 19, 2022 9:42 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Hi Mark,

Thanks for this. Is there an ETA on the completion date?

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, April 19, 2022 9:38 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

Just a quick email update on the file.

We are still awaiting the commercial appraisal. Our clients continue to push the appraiser for completion.

We'll let you know once the appraisal is received.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 28, 2022 8:14 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Thanks Mark. We look forward to the next update on how things are progressing.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, March 25, 2022 3:23 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

By way of update, the appraisal is a few days behind, but we have heard from the appraisal Company and they have advised we should the appraisal to be completed early next week.

We'll let you know once received.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Mark Charles
Sent: March 11, 2022 4:07 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Sara,

By way of update, the appraiser (Adam) attended the Property yesterday to do the walk-through. Our client has advised they have provided the appraisers with all information requested.

It looks like the appraisal is on track.

We'll continue to keep you updated on our client's progress on this matter.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

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mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 10, 2022 10:18 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Excellent – thanks Mark.

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, March 10, 2022 10:17 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Thank you for sending this along.

We'll provide you an update on the appraisal tomorrow.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 10, 2022 9:23 AM
To: Mark Charles <mark@heritagelaw.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Hi Mark,

Please find attached a signed copy of the forbearance agreement, for your records.

Regards, Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Monday, March 7, 2022 11:41 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Thanks Mark.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, March 7, 2022 11:39 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Yes. We have received the 2nd installment payment.

I'll have my paralegal Tracy forward payment on to you and confirm when the payment has been made.

We'll keep you updated.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 7, 2022 11:36 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Good morning Mark,

Thank you for the update.

Do you still anticipate having the funds available today for the forbearance fee?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, March 4, 2022 4:17 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Please allow this email to serve as an update.

I have signed 3 copies of the Consent Order and will forward to your office by courier on Monday.

We have had an error in the EMT receipt of funds. We have received the first installment of \$3K, but the 2nd installment of \$2K does not appear to have been received. It appears the first EMNT was sent in duplicate by the issuing bank. We will investigate further, but we have requested further funds from our client to complete the \$5K.

We expect the complete funds on Monday and will keep you updated.

Please let us know if you are in agreement with proceeding this way.

Also, by way of update on the NB transaction our client has had to change appraisal companies. They were with Turner Drake, but Turner Drake contacted them to advise they were incurring more delays. It would push the date of the completion of the appraisal back considerably.

Our client was able to hire a new Appraisal Company, De Stater, who have committed to completing the Appraisal by March 25, 2022. De Stater has scheduled for their appraiser to attend the Property on Thursday March 10 to complete the walk through.

We'll let you know if they keep their scheduled appointment.

There is no new update on the financing as it is dependent upon the appraisal results.

We'll keep you updated as we progress.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: March 2, 2022 10:27 AM

To: Mark Charles <mark@heritagelaw.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Mark – attached are the Stewart McKelvey wiring instructions for the forbearance fee. Can you let us know when the wire has been sent?

Is there an update on the term sheet and appraisal status?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 28, 2022 11:38 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

This is an external email.

Sara,

Certainly. I'll send those over tomorrow morning.

Do you still want the update call to go ahead? It is probably too short notice to cancel.

I let my clients know it will likely go forward and they should attend.

Let me know how you want to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 28, 2022 6:22 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Thank you Mark – received, with thanks.

Could you send over 3 original copies of the consent order?

No need for an original copy of the forbearance.

As mentioned, BDC will need to obtain formal credit approval of the forbearance, but this should not be an issue.

I will send wiring instructions tomorrow.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>

Sent: Monday, February 28, 2022 4:53 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

This is an external email.

Sara,

Signed documents attached.

Please let us know how you would like to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office

92 Ochterloney Street

Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Mark Charles

Sent: February 28, 2022 4:26 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Sara,

By way of update, our client and Mr. Cousins are in agreement with signing the Forbearance Agreement and Consent Order.

I have 1 of 2 signatures required and am just awaiting the final signature. I am expecting it shortly. I have received these electronically.

I have signed the Consent Order.

Please let me know if you require original signed copies, and if so how many.

I have the \$5K in my Trust account and can forward along to you.

Please send along your Trust account information.

I understand we have the update call tomorrow morning.

We will need to attend, but hopefully we can update the Court that we have a signed Forbearance Agreement.

Let me know if you want to arrange a time to discuss further prior to the update call.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Mark Charles

Sent: February 25, 2022 9:43 AM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

Sara,

Thank you for sending these along.

I'll review and keep you updated to signing.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 24, 2022 4:35 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

Mark,

Attached is a copy of the forbearance agreement and consent order, both for signature.

Kindly advise when the documents are signed.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, February 24, 2022 2:28 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

This is an external email.

Sara,

Thank you for sending this along.

I have reviewed with our client and Mr. cousins and both are in agreement with signing the Forbearance Agreement under its current terms.

Please let us know how you would like to proceed from here.

Perhaps you can send a raft forbearance agreement along for review and then execution?

Let me know if you want to schedule a time for a call to review.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 24, 2022 8:32 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101

Mark,

Please provide an update on whether the forbearance will be signed.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 21, 2022 1:45 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101

This is an external email.

Sara,

Thank you for sending this along.

I believe Mr. Kennedy and Mr. Cousins just wanted clarity on the fee increase.

I'll confirm, but believe we will be signing the Forbearance this week.

Thank you for your time and attention throughout.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 18, 2022 4:39 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: 1101

Mark, I have your voicemail.

The increase in the forbearance fee is the trade-off for agreeing to forbear from taking any further actions against 1101, while no monthly payments are being made. As you are aware, the amount owing continues to grow as interest accumulates.

We have a draft agreement that will be expected to be signed next week. If this happens, we can cancel the next appearance before Justice Jamieson; however, if "negotiations" remain on-going, we will have to appear and an explanation can be provided to the Court as to the on-going delay.

Sara



Sara L. Scott*

Partner

She/Her

D: 902.420.3363

C: 902.448.6366

sscott@stewartmckelvey.com

stewartmckelvey.com

*Law Corporation

We require that all visitors to our offices be fully vaccinated against COVID-19. Click [here](#) to learn more.

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2020

Hfx No. 501252

This is Exhibit "F" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia

Laura M. Smith

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, May 12, 2022 5:07 PM
To: Sara L. Scott; Ian Cousins
Cc: Laura M. Smith
Subject: RE: 1101 - Update - Mortgage Term Sheet
Attachments: Commitment_1245_2022-05-09.pdf

This is an external email.

Sara,

Please find attached the Graysbrook commitment. This was just received today. It appears approved on May 9, but I understand Graysbrook required a signature from a party out of office until today before these were issued.

The Term Sheet calls for a refinance of Prince William and the 6 townhouses on Pokiok Road, Saint John, NB. There is also a construction draw for the renovation of the Prince William property.

We suggest this is a viable resolution to this long-standing matter. This will see BDC paid in full.

The amount payable on closing will be \$1,903,12.50. I'll round it off at \$1,903,000.00 for ease of calculation. Our client advises us there is even room to move the mortgage amount higher as well if further funds are needed.

Presently our client has estimated the BDC debt at \$950K. This amount has been accommodated for in the Mortgage Commitment. Please review with BDC and provide an up to date payout and per diem to allow us to make more informed calculations.

We are working to assemble the Mortgage payouts from the Townhouses. There is presently a BMO first and private 2nd. We expect to provide updated numbers tomorrow morning. Mr. Cousins is away from his office today where those numbers are.

There is no appraisal of the Townhouses. Graysbrook did the calculations internally. I do not think an appraisal will be necessary given that Graysbrook has issued this Commitment.

I have been speaking with Mr. Frank Hamm at Gorman Nason, Saint John, NB to see if he will close the transaction for our client. He is reviewing and will come back with a closing timeline required. I have requested completion by May 31, 2022.

We will provide further mortgage statements tomorrow, but I suggest this is a viable resolution to the matter and will see BDC paid in full, by as early as May 31, 2022.

We respectfully request you review with your client and let us know if you have any further questions.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 12, 2022 3:10 PM
To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – thanks for the update; however, it fails to address what your client’s proposal is to extend the forbearance period beyond tomorrow. BDC has continued to see its position erode with security that has diminished in value. If your client is seeking an extension to the forbearance period from tomorrow, it must put forward a plan immediately that will see a reduction in the loan value, while it continues to wait for any payout. In the absence of such a plan, BDC will be forced to consider all of the options available to it.

Sara

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, May 12, 2022 12:35 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

I apologize for the delay, I have been booked in other files.

We have been in touch with our client who assures us a mortgage commitment is forthcoming. We do not have it yet.

We have requested the other information you have requested, but do not have it yet.

We are working diligently to provide you an informed update, and will do so as soon as possible.

We appreciate your time and effort to this file.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 12, 2022 12:21 PM
To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark,

I have not had the courtesy of a reply to my email below.

To be clear, there is no agreement that the forbearance period will be extended beyond tomorrow. Please provide a response with the information requested below without any further delay.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Wednesday, May 11, 2022 9:15 AM
To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week
Importance: High

Mark,

I am copying Mr. Cousins on this email, as I note he was not copied on yours. Given the contents of your email, it is important that Mr. Cousins be included, as the guarantor, as any shortfall will ultimately be his responsibility to address.

As a starting point, we note that the forbearance period ends on Friday, May 13 and it appears clear from your email that the refinancing will not be completed. The result is that BDC will be entitled to enforce, including filing the consent receivership order, at that time.

If your client seeks an extension to the forbearance agreement, it needs to provide more details on its plan to pay out the BDC loan, other than what has been set out in your email. . At a minimum, BDC will require information on the financing with Graysbrook Capital. It is assumed the terms (including any term sheets and other information) can be provided easily, if the mortgage commitment is expected shortly. In addition, BDC would ask for the balances owing on the mortgages registered against the townhouses and any other impediments to the financing as well as the appraisal you indicated exists in your email.

To be clear, BDC will not consider any extension to the forbearance without this pertinent information. This information on the refinancing is needed without any delay, so that BDC can decide if it is open to an extension of the forbearance. As the deadline is Friday, time is of the essence and any delay on providing this information will not be excused.

Lastly, BDC is not willing to consider any extension to the forbearance period where 1101 does reduce the risk on the loan, as the appraisal provided confirms. 1101 was provided a forbearance of several months, in exchange for the \$5,000 fee; however, its exposure has grown over the forbearance period and there has been no progress. 1101 must provide a plan that ensures BDC's exposure is improved and not worsened.

We trust BDC's concerns are clear and that 1101 will provide the requested information for consideration immediately, along with an actual plan being proposed by 1101.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, May 9, 2022 9:46 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

By way of update, we have just received the Appraisal. It is attached for your review.

Although it notes the dates of the site visit, our client has just received it late last week.

While favourable on the "as-built" value, it is lower than hoped on the "as-is" value. It is appraised at \$1.043M "as-is". The Property is listed for sale at \$1.2M.

As a result, it will be difficult for our client to complete the sale of the building on its own, without completing the renovation project.

However, our client has a new plan that can bring this matter to resolution and have your client paid in full.

Our client is pursuing the refinance of the entire remaining NB property holdings of 1101, which is both the Prince William building and a group of 6 residential townhouses. The townhouses have appreciated well since this matter began.

The townhouses appraised well at @\$1.8M and are only presently at a 55% LTV.

Our client is expecting a Mortgage Commitment from Graysbrook Capital shortly (anytime).

We suggest once the Mortgage Commitment is issued the refinance and payout can be completed quickly. We have worked with Frank Hamm, Gorman Nason as a Saint John, NB Property Lawyer in the past and expect he and his firm will be able to complete the refinance in a timely manner.

We'll forward along any further updates once received, and the mortgage commitment as soon as we receive them.

Let me know if you want to schedule a call for review.

We appreciate your time and attention to this matter.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 6, 2022 12:51 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – is there an update? The forbearance period ends on May 15th.

The lack of an update is concerning.

Sara

Sara L. Scott*
Partner

She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Friday, April 29, 2022 3:32 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – what is the update?

We note the deadline is fast approaching.

Sara

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, April 19, 2022 9:44 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

Unfortunately the appraisers have already missed their promised completion date.

I'll circle back with our clients to get an updated ETA.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: April 19, 2022 9:42 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Hi Mark,

Thanks for this. Is there an ETA on the completion date?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, April 19, 2022 9:38 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

Just a quick email update on the file.

We are still awaiting the commercial appraisal. Our clients continue to push the appraiser for completion.

We'll let you know once the appraisal is received.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

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mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 28, 2022 8:14 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Thanks Mark. We look forward to the next update on how things are progressing.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, March 25, 2022 3:23 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

By way of update, the appraisal is a few days behind, but we have heard from the appraisal Company and they have advised we should the appraisal to be completed early next week.

We'll let you know once received.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
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From: Mark Charles
Sent: March 11, 2022 4:07 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Sara,

By way of update, the appraiser (Adam) attended the Property yesterday to do the walk-through. Our client has advised they have provided the appraisers with all information requested.

It looks like the appraisal is on track.

We'll continue to keep you updated on our client's progress on this matter.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 10, 2022 10:18 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Excellent – thanks Mark.

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, March 10, 2022 10:17 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Thank you for sending this along.

We'll provide you an update on the appraisal tomorrow.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 10, 2022 9:23 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Hi Mark,

Please find attached a signed copy of the forbearance agreement, for your records.

Regards, Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Sara L. Scott
Sent: Monday, March 7, 2022 11:41 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Thanks Mark.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, March 7, 2022 11:39 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Yes. We have received the 2nd installment payment.

I'll have my paralegal Tracy forward payment on to you and confirm when the payment has been made.

We'll keep you updated.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 7, 2022 11:36 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Good morning Mark,

Thank you for the update.

Do you still anticipate having the funds available today for the forbearance fee?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, March 4, 2022 4:17 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Please allow this email to serve as an update.

I have signed 3 copies of the Consent Order and will forward to your office by courier on Monday.

We have had an error in the EMT receipt of funds. We have received the first installment of \$3K, but the 2nd installment of \$2K does not appear to have been received. It appears the first EMNT was sent in duplicate by the issuing bank. We will investigate further, but we have requested further funds from our client to complete the \$5K.

We expect the complete funds on Monday and will keep you updated.

Please let us know if you are in agreement with proceeding this way.

Also, by way of update on the NB transaction our client has had to change appraisal companies. They were with Turner Drake, but Turner Drake contacted them to advise they were incurring more delays. It would push the date of the completion of the appraisal back considerably.

Our client was able to hire a new Appraisal Company, De Stater, who have committed to completing the Appraisal by March 25, 2022. De Stater has scheduled for their appraiser to attend the Property on Thursday March 10 to complete the walk through.

We'll let you know if they keep their scheduled appointment.

There is no new update on the financing as it is dependent upon the appraisal results.

We'll keep you updated as we progress.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 2, 2022 10:27 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Mark – attached are the Stewart McKelvey wiring instructions for the forbearance fee. Can you let us know when the wire has been sent?

Is there an update on the term sheet and appraisal status?

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 28, 2022 11:38 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

This is an external email.

Sara,

Certainly. I'll send those over tomorrow morning.

Do you still want the update call to go ahead? It is probably too short notice to cancel.

I let my clients know it will likely go forward and they should attend.

Let me know how you want to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: February 28, 2022 6:22 PM

To: Mark Charles <mark@heritagelaw.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Thank you Mark – received, with thanks.

Could you send over 3 original copies of the consent order?

No need for an original copy of the forbearance.

As mentioned, BDC will need to obtain formal credit approval of the forbearance, but this should not be an issue.

I will send wiring instructions tomorrow.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 28, 2022 4:53 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

This is an external email.

Sara,

Signed documents attached.

Please let us know how you would like to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Mark Charles
Sent: February 28, 2022 4:26 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Sara,

By way of update, our client and Mr. Cousins are in agreement with signing the Forbearance Agreement and Consent Order.

I have 1 of 2 signatures required and am just awaiting the final signature. I am expecting it shortly. I have received these electronically.

I have signed the Consent Order.

Please let me know if you require original signed copies, and if so how many.

I have the \$5K in my Trust account and can forward along to you.

Please send along your Trust account information.

I understand we have the update call tomorrow morning.

We will need to attend, but hopefully we can update the Court that we have a signed Forbearance Agreement.

Let me know if you want to arrange a time to discuss further prior to the update call.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Mark Charles
Sent: February 25, 2022 9:43 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

Sara,

Thank you for sending these along.

I'll review and keep you updated to signing.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 24, 2022 4:35 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

Mark,

Attached is a copy of the forbearance agreement and consent order, both for signature.

Kindly advise when the documents are signed.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, February 24, 2022 2:28 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

This is an external email.

Sara,

Thank you for sending this along.

I have reviewed with our client and Mr. cousins and both are in agreement with signing the Forbearance Agreement under its current terms.

Please let us know how you would like to proceed from here.

Perhaps you can send a raft forbearance agreement along for review and then execution?

Let me know if you want to schedule a time for a call to review.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 24, 2022 8:32 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101

Mark,

Please provide an update on whether the forbearance will be signed.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 21, 2022 1:45 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101

This is an external email.

Sara,

Thank you for sending this along.

I believe Mr. Kennedy and Mr. Cousins just wanted clarity on the fee increase.

I'll confirm, but believe we will be signing the Forbearance this week.

Thank you for your time and attention throughout.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 18, 2022 4:39 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: 1101

Mark, I have your voicemail.

The increase in the forbearance fee is the trade-off for agreeing to forbear from taking any further actions against 1101, while no monthly payments are being made. As you are aware, the amount owing continues to grow as interest accumulates.

We have a draft agreement that will be expected to be signed next week. If this happens, we can cancel the next appearance before Justice Jamieson; however, if "negotiations" remain on-going, we will have to appear and an explanation can be provided to the Court as to the on-going delay.

Sara



Sara L. Scott*

Partner
She/Her
D: 902.420.3363
C: 902.448.6366
sscott@stewartmckelvey.com
stewartmckelvey.com

*Law Corporation

We require that all visitors to our offices be fully vaccinated against COVID-19. Click [here](#) to learn more.

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**CONDITIONAL TERM SHEET
COLLATERAL MORTGAGE**

DATE: May 9, 2022

RE: First mortgage Proposal for \$2,500,500.00 on 123-125 Prince William Street & 60 Water Street Saint John NB E2L 2B4 PID 55176598; **First mortgage** for 20 Pokiok Rd, Saint John, NB E2K 1P5. PID 55211239; **First mortgage** for 22 Pokiok Rd, Saint John, NB E2K 1P5. PID 55211221; **First mortgage** for 24 Pokiok Rd, Saint John, NB E2K 1P5. PID 55211213; **First mortgage** for 26 Pokiok Rd, Saint John, NB E2K 1P5. PID 55211205; **First mortgage** for 28 Pokiok Rd, Saint John, NB E2K 1P5. PID 55211197; **First mortgage** for 30 Pokiok Rd, Saint John, NB E2K 1P5. PID 55211189

BORROWERS: 11016946 Canada Inc.

GUARANTOR(s): Ian Cousins

Graysbrook Capital Ltd. Is pleased to inform you that your application for a mortgage loan has been conditionally approved. This term sheet provides details on the amount of funds that have been conditionally approved; the cost of borrowing; and, the terms and conditions of the mortgage.

PRINCIPAL AMOUNT CONDITIONALLY APPROVED	\$2,500,500.00
(Less) Holdback Amount	(\$50,000.00)
(Less) Fees	(\$125,287.50)
(Less) Estimated Legal Fees	(\$1,000.00)**
ESTIMATED NET AMOUNT	\$2,324,212.50

**The amount available to advance on closing is approximately >\$2,324,212.50 less HST and disbursements on legal. Funds will be advance in trust to Graysbrook Capital's solicitor. Borrowers will need independent legal advice.

Interest rate:	12.00%
Monthly payment:	\$25,005.00 interest only
Term and amortization:	6 months

SPECIAL INSTRUCTIONS FOR CONSTRUCTION AND MAJOR RENOVATION MORTGAGES:

On closing	\$1,903,812.50	• On closing
Draw 1	\$420,400.00	• Construction of five, two bedroom apartments on upper level - Draws to be released based on renovation progress. Level of completion to be determined by an accredited appraiser's progress report.

SPECIAL INSTRUCTIONS FOR CONSTRUCTION AND MAJOR RENOVATION MORTGAGES:

Draws are less 10% home builders' lien for the provinces of Nova Scotia and Newfoundland. Draws are less 15% home builders' lien for the province of New Brunswick and Prince Edward Island. This is held until 60 days after project is complete. Draw amounts are approximate. Payments are based on the funds advanced. The level of completion for progress draws to be determined by an accredited appraisers progress report.

COLLATERAL MORTGAGE: The form of mortgage that will be recorded on title to secure this loan will be a collateral mortgage. The nature of a collateral mortgage is such that it collaterally secures all debts and liabilities at anytime owned by the mortgagor to Graysbrook Capital Ltd., including but not limited to the loan described in this Conditional Term Sheet. The terms set out in this Conditional Term Sheet will be further confirmed at the time of the advance of the loan by a Promissory Note to be signed by the borrower and will be secured by a Collateral Mortgage to Graysbrook Capital Ltd., which the borrower will also sign.

Interest begins to accrue on the date funds are advanced. There is no grace period.

Renewals are at the full discretion of Graysbrook Capital Ltd. and are subject to rate increases and/or additional fees.

Specific Requirements:

- There is no penalty for early payment of any portion of your mortgage.
- Most recent year end and month end corporate financials to be on file.
- Last 2 years corporate Notice of Assessment to be on file to confirm no taxes owing.
- Last 2 years Notice of Assessments to confirm no personal taxes owing.
- Proof of income for the last 30 days - either pay stubs or bank statements to be on file.
- An assignment of rents on all leased or rented properties as well as copies of all leases or rental agreements to be on file.
- All building plans and quotes for work to be completed to be on file with Graysbrook Capital
- Confirmation no payroll tax, HST, GST, or PST owing. This can be a letter from the companies auditor or FCT endorsements Government Response and Subsequent Advance.
- The amounts outstanding on the following debts do not exceed:
 - a. 1st mortgage secured against 123-125 Prince William Street & 60 Water Street Saint John NB E2L 2B4 with BDC in the amount of \$950,000.00 to be discharged from the proceeds.
 - b. 1st mortgage secured against 20 Pokiok Rd, Saint John, NB E2K 1P5 with BMO in the amount of \$110,500.00 to be discharged.
 - c. 2nd mortgage secured against 20 Pokiok Rd, Saint John, NB E2K 1P5 with VTB in the amount of \$45,000.00 to be discharged.
 - d. 1st mortgage secured against 22 Pokiok Rd, Saint John, NB E2K 1P5 with BMO in the amount of \$110,500.00 to be discharged.
 - e. 2nd mortgage secured against 22 Pokiok Rd, Saint John, NB E2K 1P5 with VTB in the amount of \$45,000.00 to be discharged.
 - f. 1st mortgage secured against 24 Pokiok Rd, Saint John, NB E2K 1P5 with BMO in the amount of \$110,500.00 to be discharged.
 - g. 2nd mortgage secured against 24 Pokiok Rd, Saint John, NB E2K 1P5 with VTB in the amount of \$45,000.00 to be discharged.
 - h. 1st mortgage secured against 26 Pokiok Rd, Saint John, NB E2K 1P5 with BMO in the amount of \$110,500.00 to be discharged.
 - i. 2nd mortgage secured against 26 Pokiok Rd, Saint John, NB E2K 1P5 with VTB in the amount of \$45,000.00 to be discharged.

- j. 1st mortgage secured against 28 Pokiok Rd, Saint John, NB E2K 1P5 with BMO in the amount of \$110,500.00 to be discharged.
- k. 2nd mortgage secured against 28 Pokiok Rd, Saint John, NB E2K 1P5 with VTB in the amount of \$45,000.00 to be discharged.
- l. 1st mortgage secured against 30 Pokiok Rd, Saint John, NB E2K 1P5 with BMO in the amount of \$110,500.00 to be discharged.
- m. 2nd mortgage secured against 30 Pokiok Rd, Saint John, NB E2K 1P5 with VTB in the amount of \$45,000.00 to be discharged.

Standard Information and Requirements

- o Signed pre-authorized debit form or a void cheque to be provided
- o Satisfactory appraisal to be ordered by Graysbrook Capital. If not ordered by Graysbrook, a letter of reliance must be on file confirming Graysbrook Capital can rely on the completed appraisal.
- o Walkthrough or inspections may be completed by Graysbrook Capital or an appraiser. Cost may be incurred and they are the responsibility of the borrower.
- o Confirmation property insurance is on the mortgaged property with Graysbrook Capital listed as the loss payee. Insurance must be in place prior to advancing of funds and for the duration of the loan.
- o No 2nds are to be placed on the mortgaged property behind Graysbrook Capital without our express knowledge and consent
- o Mortgages not paid out at maturity will be renewed at the sole discretion of Graysbrook Capital
- o Title insurance must be placed on all properties mortgaged by Graysbrook Capital Ltd. and it must be provided by FCT. We accept the Gold Policy for Residential and the Graysbrook Commercial Policy for all commercial deals.
- o Property Taxes are the responsibility of the property owner. Confirmation property taxes are up to date must be provided on all mortgaged properties
- o Mortgages funded from the 1st of the month to the 15th of the month will have payments due the 15th of every month. Mortgages funded from the 16th to the 31st of the month will have payments due on the 1st of the month.
- o Your monthly payments are based on the principal advanced to date.
- o By signing this term sheet, it authorizes Graysbrook Capital to obtain a credit report should Graysbrook deem necessary;
- o Whether or not the transaction contemplated herein is completed, the borrower covenants and agrees to pay the lenders direct out of pocket expenses on request of same. Expenses shall include, but not be limited to legal fees and disbursements of the lenders' solicitor, other professionals, or agents used by the lender in connection with the borrower's application and or commitment letter and or the loan and security documents arising there from. In the event this term sheet is accepted; such disbursements and costs shall be deducted from any loan proceeds.
- o Graysbrook has no obligation to advance funds to you, even though the mortgage is prepared, signed, or registered, and whether or not any amounts have already been advanced.
- o Any diligence or other documentation required by the Lender's solicitor which it or the Lender deem relevant to the loan, the Property, or the Borrower's ability to service the loan or repay the loan on maturity, in their sole, absolute, and unfettered discretion.
- o The Borrower represents and warrants that all information and materials provided to Graysbrook Capital in



connection with this mortgage are correct and complete as of the date provided and will continue to be correct and complete on closing, failing which Graysbrook Capital shall have no obligation to advance the Loan. Prior to closing and thereafter during the term of the mortgage, the Borrower shall immediately notify Graysbrook Capital upon discovering any change in accuracy or completeness of any such information and materials provided to Graysbrook Capital in connection with this mortgage.

TOTAL COST: With 6 monthly payments, the lenders fee and the discharge fee, the total cost of all payments is **\$285,817.50.**

APR: The annual effective percentage rate for this loan, including all fees, will be **17.0305%** if the entire amount was advanced from the beginning.

All mortgages are subject to a minimum of one (1) full months payment.

Should you wish to proceed, please sign and return this document no later two weeks from the date of issue. If the conditional term sheet is provided after the two-week period, it becomes null and void. A new CTS will be prepared and signed.

SCHEDULE FOR NON-INTEREST CHARGES: Refer to the "Statement of Disclosure".

ACCEPTANCE

The terms of this commitment are acceptable. Please accept this document as my authorization to set up my new pre-authorized payment transaction for my monthly mortgage payment in the amount indicated above. A copy of a void cheque or bank preauthorized payment document is attached. This will also confirm that we are aware the mortgage is due and payable in full 6 months from the date of closing.

Dated at the city of _____, in the province of _____, this ____ day of _____, 2021.

11016946 Canada Inc.

Date

Ian Cousins (Guarantor)

Date

MANDATORY PERSONAL DATA: (Please Print)

Client 1 (mailing address)

Full Name: _____

Address: _____

Home Phone: _____

Cell Phone: _____

Email: _____

MANDATORY PERSONAL DATA: (Please Print)

Client 2 (mailing address)

Full Name: _____

Address: _____

Home Phone: _____

Cell Phone: _____

Email: _____

MANDATORY Mortgagor's LEGAL Information

(Lawyer completing this transaction)

Name of Firm: _____

Name of
Lawyer: _____

Address _____

Phone Number: _____

Fax Number: _____

Email Address: _____

MANDATORY Mortgagor's Broker Information

FOR PAYMENT OF BROKER FEES

Payable To: TMG The Mortgage Group (Atlantic)
Inc.

Attention: Blake Wilson

Address: , ,

Broker: TMG The Mortgage Group (Atlantic)
Inc.

Broker Email: blake.wilson@mortgagegroup.com

Broker Phone: (877) 621-4913

Broker License:

Mortgage Application #(Filogix): _____

2020

Hfx No. 501252

This is Exhibit "G" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia

BDC REQUEST

From: Stefanie Lintzeris

E-mail: stefanie.lintzeris@bdc.ca

Send request to : Eric Coffin Eric.Coffin@gnb.ca

1. Property Account Number (PAN): 04486923
 2. Address of Property: 123-125 Prince William, Saint John
 3. Owner(s) of Property: 11016946 Canada inc.
-
4. Balance of Property Tax: \$102,664.20 (Tax/Pen \$101,124.84/BIA \$1,539.36)
 5. Last Payment Date: 2019-09-17
 6. Amount of Last Payment: 54,739.13
 7. Breakdown of Balance by Taxation Year: 2020 \$54,146.45, 2021 \$46,978.39, BIA \$1,539.36

2020

Hfx No. 501252

This is Exhibit "H" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

Laura M. Smith

From: Sara L. Scott
Sent: Wednesday, May 18, 2022 11:09 AM
To: Mark Charles; Ian Cousins
Cc: Laura M. Smith
Subject: RE: 1101 - Update - Mortgage Term Sheet - BMO Balance

Mark,

As the forbearance period has ended, BDC has considered what would be needed to extend the forbearance period to allow 1101 additional time to attempt to complete the refinancing. The concerns of BDC are known to 1101, which remain that there will be a shortfall in payment of the outstanding loan.

Based on the appraisal provided, it is clear that the value of the Prince William property is less than the outstanding loan. The shortfall is more significant when the outstanding property arrears are considered. For BDC to consider an extension, it would like to have some additional security to address the shortfall.

In exchange for an extension to the forbearance period, BDC would require executed and registered mortgages against the townhouses. These mortgages would be held in escrow, pending any default in the forbearance, when they would be registered. Details remain to be worked out, and this agreement would need to be approved by BDC credit, but this is the framework within BDC would consider an extension to the forbearance period.

If there is no agreement on the amended terms of forbearance, BDC reserves all rights it has to enforce.

Lastly, please forward along a signed version of the term sheet without delay.

Happy to discuss.

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, May 13, 2022 3:14 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Update - Mortgage Term Sheet - BMO Balance

This is an external email.

Sara,

We have received the BMO Mortgage information. It is attached for your review.

We are awaiting further information on the Private 2nd on the Townhouses, but have not heard from Mr. Cousins after late this morning. I'm not certain of the delay, but I know Mr. Cousins has been caring for his ailing mother. Its not like him not to respond, so I am continuing to follow-up and requesting information.

Hopefully we hear back from him this afternoon, but if not, we would respectfully request the weekend to provide this further information. Now that a Term sheet has been provided I suggest it is both of our respective client's best interest to fully pursue it.

This will see your client paid in full as quickly as possible. A real end date is in sight.

Yours Truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Mark Charles
Sent: May 12, 2022 5:07 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Update - Mortgage Term Sheet

Sara,

Please find attached the Graysbrook commitment. This was just received today. It appears approved on May 9, but I understand Graysbrook required a signature from a party out of office until today before these were issued.

The Term Sheet calls for a refinance of Prince William and the 6 townhouses on Pokiok Road, Saint John, NB. There is also a construction draw for the renovation of the Prince William property.

We suggest this is a viable resolution to this long-standing matter. This will see BDC paid in full.

The amount payable on closing will be \$1,903,12.50. I'll round it off at \$1,903,000.00 for ease of calculation. Our client advises us there is even room to move the mortgage amount higher as well if further funds are needed.

Presently our client has estimated the BDC debt at \$950K. This amount has been accommodated for in the Mortgage Commitment. Please review with BDC and provide an up to date payout and per diem to allow us to make more informed calculations.

We are working to assemble the Mortgage payouts from the Townhouses. There is presently a BMO first and private 2nd. We expect to provide updated numbers tomorrow morning. Mr. Cousins is away from his office today where those numbers are.

There is no appraisal of the Townhouses. Graysbrook did the calculations internally. I do not think an appraisal will be necessary given that Graysbrook has issued this Commitment.

I have been speaking with Mr. Frank Hamm at Gorman Nason, Saint John, NB to see if he will close the transaction for our client. He is reviewing and will come back with a closing timeline required. I have requested completion by May 31, 2022.

We will provide further mortgage statements tomorrow, but I suggest this is a viable resolution to the matter and will see BDC paid in full, by as early as May 31, 2022.

We respectfully request you review with your client and let us know if you have any further questions.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

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Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: May 12, 2022 3:10 PM

To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – thanks for the update; however, it fails to address what your client's proposal is to extend the forbearance period beyond tomorrow. BDC has continued to see its position erode with security that has diminished in value. If your client is seeking an extension to the forbearance period from tomorrow, it must put forward a plan immediately that will see a reduction in the loan value, while it continues to wait for any payout. In the absence of such a plan, BDC will be forced to consider all of the options available to it.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, May 12, 2022 12:35 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

I apologize for the delay, I have been booked in other files.

We have been in touch with our client who assures us a mortgage commitment is forthcoming. We do not have it yet.

We have requested the other information you have requested, but do not have it yet.

We are working diligently to provide you an informed update, and will do so as soon as possible.

We appreciate your time and effort to this file.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 12, 2022 12:21 PM
To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark,

I have not had the courtesy of a reply to my email below.

To be clear, there is no agreement that the forbearance period will be extended beyond tomorrow. Please provide a response with the information requested below without any further delay.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Wednesday, May 11, 2022 9:15 AM
To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week
Importance: High

Mark,

I am copying Mr. Cousins on this email, as I note he was not copied on yours. Given the contents of your email, it is important that Mr. Cousins be included, as the guarantor, as any shortfall will ultimately be his responsibility to address.

As a starting point, we note that the forbearance period ends on Friday, May 13 and it appears clear from your email that the refinancing will not be completed. The result is that BDC will be entitled to enforce, including filing the consent receivership order, at that time.

If your client seeks an extension to the forbearance agreement, it needs to provide more details on its plan to pay out the BDC loan, other than what has been set out in your email. . At a minimum, BDC will require information on the financing with Graysbrook Capital. It is assumed the terms (including any term sheets and other information) can be provided easily, if the mortgage commitment is expected shortly. In addition, BDC would ask for the balances owing on the mortgages registered against the townhouses and any other impediments to the financing as well as the appraisal you indicated exists in your email.

To be clear, BDC will not consider any extension to the forbearance without this pertinent information. This information on the refinancing is needed without any delay, so that BDC can decide if it is open to an extension of the forbearance. As the deadline is Friday, time is of the essence and any delay on providing this information will not be excused.

Lastly, BDC is not willing to consider any extension to the forbearance period where 1101 does reduce the risk on the loan, as the appraisal provided confirms. 1101 was provided a forbearance of several months, in exchange for the \$5,000 fee; however, its exposure has grown over the forbearance period and there has been no progress. 1101 must provide a plan that ensures BDC's exposure is improved and not worsened.

We trust BDC's concerns are clear and that 1101 will provide the requested information for consideration immediately, along with an actual plan being proposed by 1101.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, May 9, 2022 9:46 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

By way of update, we have just received the Appraisal. It is attached for your review.

Although it notes the dates of the site visit, our client has just received it late last week.

While favourable on the "as-built" value, it is lower than hoped on the "as-is" value. It is appraised at \$1.043M "as-is". The Property is listed for sale at \$1.2M.

As a result, it will be difficult for our client to complete the sale of the building on its own, without completing the renovation project.

However, our client has a new plan that can bring this matter to resolution and have your client paid in full.

Our client is pursuing the refinance of the entire remaining NB property holdings of 1101, which is both the Prince William building and a group of 6 residential townhouses. The townhouses have appreciated well since this matter began.

The townhouses appraised well at @\$1.8M and are only presently at a 55% LTV.

Our client is expecting a Mortgage Commitment from Graysbrook Capital shortly (anytime).

We suggest once the Mortgage Commitment is issued the refinance and payout can be completed quickly. We have worked with Frank Hamm, Gorman Nason as a Saint John, NB Property Lawyer in the past and expect he and his firm will be able to complete the refinance in a timely manner.

We'll forward along any further updates once received, and the mortgage commitment as soon as we receive them.

Let me know if you want to schedule a call for review.

We appreciate your time and attention to this matter.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 6, 2022 12:51 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – is there an update? The forbearance period ends on May 15th.

The lack of an update is concerning.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Friday, April 29, 2022 3:32 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – what is the update?

We note the deadline is fast approaching.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, April 19, 2022 9:44 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

Unfortunately the appraisers have already missed their promised completion date.

I'll circle back with our clients to get an updated ETA.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

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Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: April 19, 2022 9:42 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Hi Mark,

Thanks for this. Is there an ETA on the completion date?

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, April 19, 2022 9:38 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

Just a quick email update on the file.

We are still awaiting the commercial appraisal. Our clients continue to push the appraiser for completion.

We'll let you know once the appraisal is received.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 28, 2022 8:14 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Thanks Mark. We look forward to the next update on how things are progressing.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, March 25, 2022 3:23 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

By way of update, the appraisal is a few days behind, but we have heard from the appraisal Company and they have advised we should the appraisal to be completed early next week.

We'll let you know once received.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Mark Charles

Sent: March 11, 2022 4:07 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Sara,

By way of update, the appraiser (Adam) attended the Property yesterday to do the walk-through. Our client has advised they have provided the appraisers with all information requested.

It looks like the appraisal is on track.

We'll continue to keep you updated on our client's progress on this matter.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 10, 2022 10:18 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Excellent – thanks Mark.

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, March 10, 2022 10:17 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Thank you for sending this along.

We'll provide you an update on the appraisal tomorrow.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
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mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 10, 2022 9:23 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Hi Mark,

Please find attached a signed copy of the forbearance agreement, for your records.

Regards, Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Monday, March 7, 2022 11:41 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Thanks Mark.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, March 7, 2022 11:39 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Yes. We have received the 2nd installment payment.

I'll have my paralegal Tracy forward payment on to you and confirm when the payment has been made.

We'll keep you updated.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 7, 2022 11:36 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Good morning Mark,

Thank you for the update.

Do you still anticipate having the funds available today for the forbearance fee?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, March 4, 2022 4:17 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Please allow this email to serve as an update.

I have signed 3 copies of the Consent Order and will forward to your office by courier on Monday.

We have had an error in the EMT receipt of funds. We have received the first installment of \$3K, but the 2nd installment of \$2K does not appear to have been received. It appears the first EMNT was sent in duplicate by the issuing bank. We will investigate further, but we have requested further funds from our client to complete the \$5K.

We expect the complete funds on Monday and will keep you updated.

Please let us know if you are in agreement with proceeding this way.

Also, by way of update on the NB transaction our client has had to change appraisal companies. They were with Turner Drake, but Turner Drake contacted them to advise they were incurring more delays. It would push the date of the completion of the appraisal back considerably.

Our client was able to hire a new Appraisal Company, De Stater, who have committed to completing the Appraisal by March 25, 2022. De Stater has scheduled for their appraiser to attend the Property on Thursday March 10 to complete the walk through.

We'll let you know if they keep their scheduled appointment.

There is no new update on the financing as it is dependent upon the appraisal results.

We'll keep you updated as we progress.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

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mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: March 2, 2022 10:27 AM

To: Mark Charles <mark@heritagelaw.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Mark – attached are the Stewart McKelvey wiring instructions for the forbearance fee. Can you let us know when the wire has been sent?

Is there an update on the term sheet and appraisal status?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 28, 2022 11:38 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

This is an external email.

Sara,

Certainly. I'll send those over tomorrow morning.

Do you still want the update call to go ahead? It is probably too short notice to cancel.

I let my clients know it will likely go forward and they should attend.

Let me know how you want to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 28, 2022 6:22 PM
To: Mark Charles <mark@heritagelaw.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Thank you Mark – received, with thanks.

Could you send over 3 original copies of the consent order?

No need for an original copy of the forbearance.

As mentioned, BDC will need to obtain formal credit approval of the forbearance, but this should not be an issue.

I will send wiring instructions tomorrow.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>

Sent: Monday, February 28, 2022 4:53 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

This is an external email.

Sara,

Signed documents attached.

Please let us know how you would like to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office

92 Ochterloney Street

Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Mark Charles
Sent: February 28, 2022 4:26 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Sara,

By way of update, our client and Mr. Cousins are in agreement with signing the Forbearance Agreement and Consent Order.

I have 1 of 2 signatures required and am just awaiting the final signature. I am expecting it shortly. I have received these electronically.

I have signed the Consent Order.

Please let me know if you require original signed copies, and if so how many.

I have the \$5K in my Trust account and can forward along to you.

Please send along your Trust account information.

I understand we have the update call tomorrow morning.

We will need to attend, but hopefully we can update the Court that we have a signed Forbearance Agreement.

Let me know if you want to arrange a time to discuss further prior to the update call.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Mark Charles
Sent: February 25, 2022 9:43 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

Sara,

Thank you for sending these along.

I'll review and keep you updated to signing.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 24, 2022 4:35 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

Mark,

Attached is a copy of the forbearance agreement and consent order, both for signature.

Kindly advise when the documents are signed.

Sara

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, February 24, 2022 2:28 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

This is an external email.

Sara,

Thank you for sending this along.

I have reviewed with our client and Mr. cousins and both are in agreement with signing the Forbearance Agreement under its current terms.

Please let us know how you would like to proceed from here.

Perhaps you can send a raft forbearance agreement along for review and then execution?

Let me know if you want to schedule a time for a call to review.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

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mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 24, 2022 8:32 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101

Mark,

Please provide an update on whether the forbearance will be signed.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 21, 2022 1:45 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101

This is an external email.

Sara,

Thank you for sending this along.

I believe Mr. Kennedy and Mr. Cousins just wanted clarity on the fee increase.

I'll confirm, but believe we will be signing the Forbearance this week.

Thank you for your time and attention throughout.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 18, 2022 4:39 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: 1101

Mark, I have your voicemail.

The increase in the forbearance fee is the trade-off for agreeing to forbear from taking any further actions against 1101, while no monthly payments are being made. As you are aware, the amount owing continues to grow as interest accumulates.

We have a draft agreement that will be expected to be signed next week. If this happens, we can cancel the next appearance before Justice Jamieson; however, if “negotiations” remain on-going, we will have to appear and an explanation can be provided to the Court as to the on-going delay.

Sara



Sara L. Scott*

Partner

She/Her

D: 902.420.3363

C: 902.448.6366

sscott@stewartmckelvey.com

stewartmckelvey.com

*Law Corporation

We require that all visitors to our offices be fully vaccinated against COVID-19. Click [here](#) to learn more.

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2020

Hfx No. 501252

This is Exhibit "I" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia

Laura M. Smith

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, May 19, 2022 5:28 PM
To: Sara L. Scott; Ian Cousins
Cc: Laura M. Smith
Subject: RE: 1101 - Update - Mortgage Term Sheet - Agreement to Escrow Mortgage

This is an external email.

Sara,

Thank you for your follow-up.

Our clients have requested a small increase in funds (\$200K) from Graysbrook. It is my understanding it has been approved. They are expecting a new commitment and will sign that and provide it right way. It is expected anytime.

Our clients are in agreement with the escrow Mortgage. We can work out its specifics, but expect it simply to add the townhouses to be secured to the existing debt.

However, we must note the Escrow Mortgage cannot be in 2nd position. I think this is simply a typo. There already is a 2nd position mortgage (as we have discussed in our previous emails below). Our clients will provide you the Escrow Mortgage but its priority would be determined upon its registration (if necessary).

Mr. Cousins has asked us to note that he is reluctantly agreeing. The townhouses are already secured by way of the receivership, his corporate guarantee and his personal guarantee. In his opinion this extra security is not needed. We ask the costs of this Escrow mortgage be kept as low as possible as upon the successful completion of the refinance it will be moot.

We note our clients have been successful in all of their refinance and sale transaction thus far, and are respectfully requesting your client provide a small amount of time to allow ours to finish this once and for all and pay yours in full.

We have spoken with Mr. Hamm at Gorman Nason and he has agreed to take on the file. He has requested 4 weeks to complete the transaction. We would respectfully request an extra 2 weeks (6 weeks in total) to allow for the successful completion of the refinance. This will allow extra time in case of any unforeseen delays (banking, funding, etc.) We would request on or before June 30, 2022 to complete the refinance.

We respectfully request you review with your client and advise.

Let me know if you want to schedule a time for a call to review.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 19, 2022 11:08 AM
To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Update - Mortgage Term Sheet - BMO Balance
Importance: High

Mark,

BDC would like a copy of the signed term sheet immediately. Please provide.

BDC requires an answer on the 2nd mortgage by end of day today.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Wednesday, May 18, 2022 1:45 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Update - Mortgage Term Sheet - BMO Balance

This is an external email.

Sara,

We thank you for your client's consideration.

We'll review with our clients and advise further as soon as possible.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

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Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: May 18, 2022 11:09 AM

To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Update - Mortgage Term Sheet - BMO Balance

Mark,

As the forbearance period has ended, BDC has considered what would be needed to extend the forbearance period to allow 1101 additional time to attempt to complete the refinancing. The concerns of BDC are known to 1101, which remain that there will be a shortfall in payment of the outstanding loan.

Based on the appraisal provided, it is clear that the value of the Prince William property is less than the outstanding loan. The shortfall is more significant when the outstanding property arrears are considered. For BDC to consider an extension, it would like to have some additional security to address the shortfall.

In exchange for an extension to the forbearance period, BDC would require executed and registered mortgages against the townhouses. These mortgages would be held in escrow, pending any default in the forbearance, when they would be registered. Details remain to be worked out, and this agreement would need to be approved by BDC credit, but this is the framework within BDC would consider an extension to the forbearance period.

If there is no agreement on the amended terms of forbearance, BDC reserves all rights it has to enforce.

Lastly, please forward along a signed version of the term sheet without delay.

Happy to discuss.

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>

Sent: Friday, May 13, 2022 3:14 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Update - Mortgage Term Sheet - BMO Balance

This is an external email.

Sara,

We have received the BMO Mortgage information. It is attached for your review.

We are awaiting further information on the Private 2nd on the Townhouses, but have not heard from Mr. Cousins after late this morning. I'm not certain of the delay, but I know Mr. Cousins has been caring for his ailing mother. Its not like him not to respond, so I am continuing to follow-up and requesting information.

Hopefully we hear back from him this afternoon, but if not, we would respectfully request the weekend to provide this further information. Now that a Term sheet has been provided I suggest it is both of our respective client's best interest to fully pursue it.

This will see your client paid in full as quickly as possible. A real end date is in sight.

Yours Truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Mark Charles

Sent: May 12, 2022 5:07 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Update - Mortgage Term Sheet

Sara,

Please find attached the Graysbrook commitment. This was just received today. It appears approved on May 9, but I understand Graysbrook required a signature from a party out of office until today before these were issued.

The Term Sheet calls for a refinance of Prince William and the 6 townhouses on Pokiok Road, Saint John, NB. There is also a construction draw for the renovation of the Prince William property.

We suggest this is a viable resolution to this long-standing matter. This will see BDC paid in full.

The amount payable on closing will be \$1,903,12.50. I'll round it off at \$1,903,000.00 for ease of calculation. Our client advises us there is even room to move the mortgage amount higher as well if further funds are needed.

Presently our client has estimated the BDC debt at \$950K. This amount has been accommodated for in the Mortgage Commitment. Please review with BDC and provide an up to date payout and per diem to allow us to make more informed calculations.

We are working to assemble the Mortgage payouts from the Townhouses. There is presently a BMO first and private 2nd. We expect to provide updated numbers tomorrow morning. Mr. Cousins is away from his office today where those numbers are.

There is no appraisal of the Townhouses. Graysbrook did the calculations internally. I do not think an appraisal will be necessary given that Graysbrook has issued this Commitment.

I have been speaking with Mr. Frank Hamm at Gorman Nason, Saint John, NB to see if he will close the transaction for our client. He is reviewing and will come back with a closing timeline required. I have requested completion by May 31, 2022.

We will provide further mortgage statements tomorrow, but I suggest this is a viable resolution to the matter and will see BDC paid in full, by as early as May 31, 2022.

We respectfully request you review with your client and let us know if you have any further questions.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: May 12, 2022 3:10 PM

To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – thanks for the update; however, it fails to address what your client’s proposal is to extend the forbearance period beyond tomorrow. BDC has continued to see its position erode with security that has diminished in value. If your client is seeking an extension to the forbearance period from tomorrow, it must put forward a plan immediately that will see a reduction in the loan value, while it continues to wait for any payout. In the absence of such a plan, BDC will be forced to consider all of the options available to it.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>

Sent: Thursday, May 12, 2022 12:35 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

I apologize for the delay, I have been booked in other files.

We have been in touch with our client who assures us a mortgage commitment is forthcoming. We do not have it yet.

We have requested the other information you have requested, but do not have it yet.

We are working diligently to provide you an informed update, and will do so as soon as possible.

We appreciate your time and effort to this file.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office

92 Ochterloney Street

Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: May 12, 2022 12:21 PM

To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark,

I have not had the courtesy of a reply to my email below.

To be clear, there is no agreement that the forbearance period will be extended beyond tomorrow. Please provide a response with the information requested below without any further delay.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Sara L. Scott

Sent: Wednesday, May 11, 2022 9:15 AM

To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Appraisal Update - Expected Next Week

Importance: High

Mark,

I am copying Mr. Cousins on this email, as I note he was not copied on yours. Given the contents of your email, it is important that Mr. Cousins be included, as the guarantor, as any shortfall will ultimately be his responsibility to address.

As a starting point, we note that the forbearance period ends on Friday, May 13 and it appears clear from your email that the refinancing will not be completed. The result is that BDC will be entitled to enforce, including filing the consent receivership order, at that time.

If your client seeks an extension to the forbearance agreement, it needs to provide more details on its plan to pay out the BDC loan, other than what has been set out in your email. . At a minimum, BDC will require information on the financing with Graysbrook Capital. It is assumed the terms (including any term sheets and other information) can be provided easily, if the mortgage commitment is expected shortly. In addition, BDC would ask for the balances owing on the mortgages registered against the townhouses and any other impediments to the financing as well as the appraisal you indicated exists in your email.

To be clear, BDC will not consider any extension to the forbearance without this pertinent information. This information on the refinancing is needed without any delay, so that BDC can decide if it is open to an extension of the forbearance. As the deadline is Friday, time is of the essence and any delay on providing this information will not be excused.

Lastly, BDC is not willing to consider any extension to the forbearance period where 1101 does reduce the risk on the loan, as the appraisal provided confirms. 1101 was provided a forbearance of several months, in exchange for the \$5,000 fee; however, its exposure has grown over the forbearance period and there has been no progress. 1101 must provide a plan that ensures BDC's exposure is improved and not worsened.

We trust BDC's concerns are clear and that 1101 will provide the requested information for consideration immediately, along with an actual plan being proposed by 1101.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, May 9, 2022 9:46 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

By way of update, we have just received the Appraisal. It is attached for your review.

Although it notes the dates of the site visit, our client has just received it late last week.

While favourable on the “as-built” value, it is lower than hoped on the “as-is” value. It is appraised at \$1.043M “as-is”. The Property is listed for sale at \$1.2M.

As a result, it will be difficult for our client to complete the sale of the building on its own, without completing the renovation project.

However, our client has a new plan that can bring this matter to resolution and have your client paid in full.

Our client is pursuing the refinance of the entire remaining NB property holdings of 1101, which is both the Prince William building and a group of 6 residential townhouses. The townhouses have appreciated well since this matter began.

The townhouses appraised well at @\$1.8M and are only presently at a 55% LTV.

Our client is expecting a Mortgage Commitment from Graysbrook Capital shortly (anytime).

We suggest once the Mortgage Commitment is issued the refinance and payout can be completed quickly. We have worked with Frank Hamm, Gorman Nason as a Saint John, NB Property Lawyer in the past and expect he and his firm will be able to complete the refinance in a timely manner.

We’ll forward along any further updates once received, and the mortgage commitment as soon as we receive them.

Let me know if you want to schedule a call for review.

We appreciate your time and attention to this matter.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street

Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

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mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 6, 2022 12:51 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – is there an update? The forbearance period ends on May 15th.

The lack of an update is concerning.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Sara L. Scott
Sent: Friday, April 29, 2022 3:32 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – what is the update?

We note the deadline is fast approaching.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, April 19, 2022 9:44 AM

To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

Unfortunately the appraisers have already missed their promised completion date.

I'll circle back with our clients to get an updated ETA.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: April 19, 2022 9:42 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Hi Mark,

Thanks for this. Is there an ETA on the completion date?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, April 19, 2022 9:38 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

Just a quick email update on the file.

We are still awaiting the commercial appraisal. Our clients continue to push the appraiser for completion.

We'll let you know once the appraisal is received.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 28, 2022 8:14 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Thanks Mark. We look forward to the next update on how things are progressing.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, March 25, 2022 3:23 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

By way of update, the appraisal is a few days behind, but we have heard from the appraisal Company and they have advised we should the appraisal to be completed early next week.

We'll let you know once received.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Mark Charles

Sent: March 11, 2022 4:07 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Sara,

By way of update, the appraiser (Adam) attended the Property yesterday to do the walk-through. Our client has advised they have provided the appraisers with all information requested.

It looks like the appraisal is on track.

We'll continue to keep you updated on our client's progress on this matter.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 10, 2022 10:18 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Excellent – thanks Mark.

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, March 10, 2022 10:17 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Thank you for sending this along.

We'll provide you an update on the appraisal tomorrow.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 10, 2022 9:23 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Hi Mark,

Please find attached a signed copy of the forbearance agreement, for your records.

Regards, Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Monday, March 7, 2022 11:41 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Thanks Mark.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, March 7, 2022 11:39 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Yes. We have received the 2nd installment payment.

I'll have my paralegal Tracy forward payment on to you and confirm when the payment has been made.

We'll keep you updated.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 7, 2022 11:36 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Good morning Mark,

Thank you for the update.

Do you still anticipate having the funds available today for the forbearance fee?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, March 4, 2022 4:17 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Please allow this email to serve as an update.

I have signed 3 copies of the Consent Order and will forward to your office by courier on Monday.

We have had an error in the EMT receipt of funds. We have received the first installment of \$3K, but the 2nd installment of \$2K does not appear to have been received. It appears the first EMNT was sent in duplicate by the issuing bank. We will investigate further, but we have requested further funds from our client to complete the \$5K.

We expect the complete funds on Monday and will keep you updated.

Please let us know if you are in agreement with proceeding this way.

Also, by way of update on the NB transaction our client has had to change appraisal companies. They were with Turner Drake, but Turner Drake contacted them to advise they were incurring more delays. It would push the date of the completion of the appraisal back considerably.

Our client was able to hire a new Appraisal Company, De Stater, who have committed to completing the Appraisal by March 25, 2022. De Stater has scheduled for their appraiser to attend the Property on Thursday March 10 to complete the walk through.

We'll let you know if they keep their scheduled appointment.

There is no new update on the financing as it is dependent upon the appraisal results.

We'll keep you updated as we progress.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: March 2, 2022 10:27 AM

To: Mark Charles <mark@heritagelaw.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Mark – attached are the Stewart McKelvey wiring instructions for the forbearance fee. Can you let us know when the wire has been sent?

Is there an update on the term sheet and appraisal status?

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>

Sent: Monday, February 28, 2022 11:38 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

This is an external email.

Sara,

Certainly. I'll send those over tomorrow morning.

Do you still want the update call to go ahead? It is probably too short notice to cancel.

I let my clients know it will likely go forward and they should attend.

Let me know how you want to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office

92 Ochterloney Street

Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

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Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 28, 2022 6:22 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Thank you Mark – received, with thanks.

Could you send over 3 original copies of the consent order?

No need for an original copy of the forbearance.

As mentioned, BDC will need to obtain formal credit approval of the forbearance, but this should not be an issue.

I will send wiring instructions tomorrow.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 28, 2022 4:53 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

This is an external email.

Sara,

Signed documents attached.

Please let us know how you would like to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Mark Charles
Sent: February 28, 2022 4:26 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Sara,

By way of update, our client and Mr. Cousins are in agreement with signing the Forbearance Agreement and Consent Order.

I have 1 of 2 signatures required and am just awaiting the final signature. I am expecting it shortly. I have received these electronically.

I have signed the Consent Order.

Please let me know if you require original signed copies, and if so how many.

I have the \$5K in my Trust account and can forward along to you.

Please send along your Trust account information.

I understand we have the update call tomorrow morning.

We will need to attend, but hopefully we can update the Court that we have a signed Forbearance Agreement.

Let me know if you want to arrange a time to discuss further prior to the update call.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Mark Charles
Sent: February 25, 2022 9:43 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

Sara,

Thank you for sending these along.

I'll review and keep you updated to signing.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 24, 2022 4:35 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

Mark,

Attached is a copy of the forbearance agreement and consent order, both for signature.

Kindly advise when the documents are signed.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, February 24, 2022 2:28 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

This is an external email.

Sara,

Thank you for sending this along.

I have reviewed with our client and Mr. cousins and both are in agreement with signing the Forbearance Agreement under its current terms.

Please let us know how you would like to proceed from here.

Perhaps you can send a raft forbearance agreement along for review and then execution?

Let me know if you want to schedule a time for a call to review.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 24, 2022 8:32 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101

Mark,

Please provide an update on whether the forbearance will be signed.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 21, 2022 1:45 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101

This is an external email.

Sara,

Thank you for sending this along.

I believe Mr. Kennedy and Mr. Cousins just wanted clarity on the fee increase.

I'll confirm, but believe we will be signing the Forbearance this week.

Thank you for your time and attention throughout.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 18, 2022 4:39 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: 1101

Mark, I have your voicemail.

The increase in the forbearance fee is the trade-off for agreeing to forbear from taking any further actions against 1101, while no monthly payments are being made. As you are aware, the amount owing continues to grow as interest accumulates.

We have a draft agreement that will be expected to be signed next week. If this happens, we can cancel the next appearance before Justice Jamieson; however, if “negotiations” remain on-going, we will have to appear and an explanation can be provided to the Court as to the on-going delay.

Sara



Sara L. Scott*

Partner

She/Her

D: 902.420.3363

C: 902.448.6366

sscott@stewartmckelvey.com

stewartmckelvey.com

*Law Corporation

We require that all visitors to our offices be fully vaccinated against COVID-19. Click [here](#) to learn more.

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2020

Hfx No. 501252

This is Exhibit "J" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

Laura M. Smith

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, May 27, 2022 12:50 PM
To: Sara L. Scott; Ian Cousins
Cc: Laura M. Smith
Subject: RE: 1101 - Update - Mortgage Term Sheet - Agreement to Escrow Mortgage

This is an external email.

Sara,

Thank you for your comments below.

Our client and Mr. Cousins are in agreement with the Escrow Mortgages for Pokiok.

The NB Lawyers are requesting 6 weeks to complete the transaction.

Please let us know if BDC is in agreement and how you wish to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 24, 2022 2:39 PM
To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Update - Mortgage Term Sheet - Agreement to Escrow Mortgage

Mark,

Thank you for the email response. BDC is in agreement that its mortgages, if required to be filed, will be in third place as against the townhouse properties.

In response to the comments made by Mr. Cousins, BDC recognizes that 1101 has been successful in closing other financings. This is the reason that BDC continues to work with 1101. However, the history of this matter is filled with lenders that ultimately decided not to advance funding to 1101, despite the company's assurances to BDC and to the Court that the financing was imminent. Both BDC and 1101 are united in their desire for this financing to close.

As Mr. Cousins must be aware, given the appraised value of the property, there is a shortfall in the amount owing to BDC. BDC is willing to grant more time for 1101 to attempt to close the financing; however, it must protect its position. Ultimately, any shortfall will be Mr. Cousins' responsibility under the guarantee. If Mr. Cousins prefers, he can place the amount owing under the guarantee into the trust account of counsel, in the interim. If this were done, there would be no need for any mortgages on the townhouse properties. Please let us know the preferred option.

Lastly, there needs to be a realistic timeline provided for this transaction to close. BDC is willing to provide the reasonable time 1101 deems necessary – please provide the proposed timeline so the forbearance agreement can be amended.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>

Sent: Thursday, May 19, 2022 5:28 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Update - Mortgage Term Sheet - Agreement to Escrow Mortgage

This is an external email.

Sara,

Thank you for your follow-up.

Our clients have requested a small increase in funds (\$200K) from Graysbrook. It is my understanding it has been approved. They are expecting a new commitment and will sign that and provide it right way. It is expected anytime.

Our clients are in agreement with the escrow Mortgage. We can work out its specifics, but expect it simply to add the townhouses to be secured to the existing debt.

However, we must note the Escrow Mortgage cannot be in 2nd position. I think this is simply a typo. There already is a 2nd position mortgage (as we have discussed in our previous emails below). Our clients will provide you the Escrow Mortgage but its priority would be determined upon its registration (if necessary).

Mr. Cousins has asked us to note that he is reluctantly agreeing. The townhouses are already secured by way of the receivership, his corporate guarantee and his personal guarantee. In his opinion this extra security is not needed. We ask the costs of this Escrow mortgage be kept as low as possible as upon the successful completion of the refinance it will be moot.

We note our clients have been successful in all of their refinance and sale transaction thus far, and are respectfully requesting your client provide a small amount of time to allow ours to finish this once and for all and pay yours in full.

We have spoken with Mr. Hamm at Gorman Nason and he has agreed to take on the file. He has requested 4 weeks to complete the transaction. We would respectfully request an extra 2 weeks (6 weeks in total) to allow for the successful completion of the refinance. This will allow extra time in case of any unforeseen delays (banking, funding, etc.) We would request on or before June 30, 2022 to complete the refinance.

We respectfully request you review with your client and advise.

Let me know if you want to schedule a time for a call to review.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 19, 2022 11:08 AM
To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Update - Mortgage Term Sheet - BMO Balance
Importance: High

Mark,

BDC would like a copy of the signed term sheet immediately. Please provide.

BDC requires an answer on the 2nd mortgage by end of day today.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Wednesday, May 18, 2022 1:45 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Update - Mortgage Term Sheet - BMO Balance

This is an external email.

Sara,

We thank you for your client's consideration.

We'll review with our clients and advise further as soon as possible.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 18, 2022 11:09 AM
To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Update - Mortgage Term Sheet - BMO Balance

Mark,

As the forbearance period has ended, BDC has considered what would be needed to extend the forbearance period to allow 1101 additional time to attempt to complete the refinancing. The concerns of BDC are known to 1101, which remain that there will be a shortfall in payment of the outstanding loan.

Based on the appraisal provided, it is clear that the value of the Prince William property is less than the outstanding loan. The shortfall is more significant when the outstanding property arrears are considered. For BDC to consider an extension, it would like to have some additional security to address the shortfall.

In exchange for an extension to the forbearance period, BDC would require executed and registered mortgages against the townhouses. These mortgages would be held in escrow, pending any default in the forbearance, when they would be registered. Details remain to be worked out, and this agreement would need

to be approved by BDC credit, but this is the framework within BDC would consider an extension to the forbearance period.

If there is no agreement on the amended terms of forbearance, BDC reserves all rights it has to enforce.

Lastly, please forward along a signed version of the term sheet without delay.

Happy to discuss.

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, May 13, 2022 3:14 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Update - Mortgage Term Sheet - BMO Balance

This is an external email.

Sara,

We have received the BMO Mortgage information. It is attached for your review.

We are awaiting further information on the Private 2nd on the Townhouses, but have not heard from Mr. Cousins after late this morning. I'm not certain of the delay, but I know Mr. Cousins has been caring for his ailing mother. Its not like him not to respond, so I am continuing to follow-up and requesting information.

Hopefully we hear back from him this afternoon, but if not, we would respectfully request the weekend to provide this further information. Now that a Term sheet has been provided I suggest it is both of our respective client's best interest to fully pursue it.

This will see your client paid in full as quickly as possible. A real end date is in sight.

Yours Truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Mark Charles

Sent: May 12, 2022 5:07 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 1101 - Update - Mortgage Term Sheet

Sara,

Please find attached the Graysbrook commitment. This was just received today. It appears approved on May 9, but I understand Graysbrook required a signature from a party out of office until today before these were issued.

The Term Sheet calls for a refinance of Prince William and the 6 townhouses on Pokiok Road, Saint John, NB. There is also a construction draw for the renovation of the Prince William property.

We suggest this is a viable resolution to this long-standing matter. This will see BDC paid in full.

The amount payable on closing will be \$1,903,12.50. I'll round it off at \$1,903,000.00 for ease of calculation. Our client advises us there is even room to move the mortgage amount higher as well if further funds are needed.

Presently our client has estimated the BDC debt at \$950K. This amount has been accommodated for in the Mortgage Commitment. Please review with BDC and provide an up to date payout and per diem to allow us to make more informed calculations.

We are working to assemble the Mortgage payouts from the Townhouses. There is presently a BMO first and private 2nd. We expect to provide updated numbers tomorrow morning. Mr. Cousins is away from his office today where those numbers are.

There is no appraisal of the Townhouses. Graysbrook did the calculations internally. I do not think an appraisal will be necessary given that Graysbrook has issued this Commitment.

I have been speaking with Mr. Frank Hamm at Gorman Nason, Saint John, NB to see if he will close the transaction for our client. He is reviewing and will come back with a closing timeline required. I have requested completion by May 31, 2022.

We will provide further mortgage statements tomorrow, but I suggest this is a viable resolution to the matter and will see BDC paid in full, by as early as May 31, 2022.

We respectfully request you review with your client and let us know if you have any further questions.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 12, 2022 3:10 PM
To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – thanks for the update; however, it fails to address what your client’s proposal is to extend the forbearance period beyond tomorrow. BDC has continued to see its position erode with security that has diminished in value. If your client is seeking an extension to the forbearance period from tomorrow, it must put forward a plan immediately that will see a reduction in the loan value, while it continues to wait for any payout. In the absence of such a plan, BDC will be forced to consider all of the options available to it.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, May 12, 2022 12:35 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

I apologize for the delay, I have been booked in other files.

We have been in touch with our client who assures us a mortgage commitment is forthcoming. We do not have it yet.

We have requested the other information you have requested, but do not have it yet.

We are working diligently to provide you an informed update, and will do so as soon as possible.

We appreciate your time and effort to this file.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 12, 2022 12:21 PM
To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark,

I have not had the courtesy of a reply to my email below.

To be clear, there is no agreement that the forbearance period will be extended beyond tomorrow. Please provide a response with the information requested below without any further delay.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Wednesday, May 11, 2022 9:15 AM
To: Mark Charles <mark@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week
Importance: High

Mark,

I am copying Mr. Cousins on this email, as I note he was not copied on yours. Given the contents of your email, it is important that Mr. Cousins be included, as the guarantor, as any shortfall will ultimately be his responsibility to address.

As a starting point, we note that the forbearance period ends on Friday, May 13 and it appears clear from your email that the refinancing will not be completed. The result is that BDC will be entitled to enforce, including filing the consent receivership order, at that time.

If your client seeks an extension to the forbearance agreement, it needs to provide more details on its plan to pay out the BDC loan, other than what has been set out in your email. . At a minimum, BDC will require information on the financing with Graysbrook Capital. It is assumed the terms (including any term sheets and other information) can be provided easily, if the mortgage commitment is expected shortly. In addition, BDC would ask for the balances owing on the mortgages registered against the townhouses and any other impediments to the financing as well as the appraisal you indicated exists in your email.

To be clear, BDC will not consider any extension to the forbearance without this pertinent information. This information on the refinancing is needed without any delay, so that BDC can decide if it is open to an extension of the forbearance. As the deadline is Friday, time is of the essence and any delay on providing this information will not be excused.

Lastly, BDC is not willing to consider any extension to the forbearance period where 1101 does reduce the risk on the loan, as the appraisal provided confirms. 1101 was provided a forbearance of several months, in exchange for the \$5,000 fee; however, its exposure has grown over the forbearance period and there has been no progress. 1101 must provide a plan that ensures BDC's exposure is improved and not worsened.

We trust BDC's concerns are clear and that 1101 will provide the requested information for consideration immediately, along with an actual plan being proposed by 1101.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, May 9, 2022 9:46 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

By way of update, we have just received the Appraisal. It is attached for your review.

Although it notes the dates of the site visit, our client has just received it late last week.

While favourable on the "as-built" value, it is lower than hoped on the "as-is" value. It is appraised at \$1.043M "as-is". The Property is listed for sale at \$1.2M.

As a result, it will be difficult for our client to complete the sale of the building on its own, without completing the renovation project.

However, our client has a new plan that can bring this matter to resolution and have your client paid in full.

Our client is pursuing the refinance of the entire remaining NB property holdings of 1101, which is both the Prince William building and a group of 6 residential townhouses. The townhouses have appreciated well since this matter began.

The townhouses appraised well at @\$1.8M and are only presently at a 55% LTV.

Our client is expecting a Mortgage Commitment from Graysbrook Capital shortly (anytime).

We suggest once the Mortgage Commitment is issued the refinance and payout can be completed quickly. We have worked with Frank Hamm, Gorman Nason as a Saint John, NB Property Lawyer in the past and expect he and his firm will be able to complete the refinance in a timely manner.

We'll forward along any further updates once received, and the mortgage commitment as soon as we receive them.

Let me know if you want to schedule a call for review.

We appreciate your time and attention to this matter.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: May 6, 2022 12:51 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – is there an update? The forbearance period ends on May 15th.

The lack of an update is concerning.

Sara

Sara L. Scott*

Partner
She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Sara L. Scott
Sent: Friday, April 29, 2022 3:32 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Mark – what is the update?

We note the deadline is fast approaching.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, April 19, 2022 9:44 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

Unfortunately the appraisers have already missed their promised completion date.

I'll circle back with our clients to get an updated ETA.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office

92 Ochterloney Street

Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: April 19, 2022 9:42 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Hi Mark,

Thanks for this. Is there an ETA on the completion date?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Tuesday, April 19, 2022 9:38 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

Just a quick email update on the file.

We are still awaiting the commercial appraisal. Our clients continue to push the appraiser for completion.

We'll let you know once the appraisal is received.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 28, 2022 8:14 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

Thanks Mark. We look forward to the next update on how things are progressing.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, March 25, 2022 3:23 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Appraisal Update - Expected Next Week

This is an external email.

Sara,

By way of update, the appraisal is a few days behind, but we have heard from the appraisal Company and they have advised we should the appraisal to be completed early next week.

We'll let you know once received.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Mark Charles
Sent: March 11, 2022 4:07 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Sara,

By way of update, the appraiser (Adam) attended the Property yesterday to do the walk-through. Our client has advised they have provided the appraisers with all information requested.

It looks like the appraisal is on track.

We'll continue to keep you updated on our client's progress on this matter.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
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Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 10, 2022 10:18 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Excellent – thanks Mark.

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, March 10, 2022 10:17 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Thank you for sending this along.

We'll provide you an update on the appraisal tomorrow.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 10, 2022 9:23 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Hi Mark,

Please find attached a signed copy of the forbearance agreement, for your records.

Regards, Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Monday, March 7, 2022 11:41 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Thanks Mark.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, March 7, 2022 11:39 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Tracy Dickson <tracy@heritagelaw.ca>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Yes. We have received the 2nd installment payment.

I'll have my paralegal Tracy forward payment on to you and confirm when the payment has been made.

We'll keep you updated.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 7, 2022 11:36 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

Good morning Mark,

Thank you for the update.

Do you still anticipate having the funds available today for the forbearance fee?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, March 4, 2022 4:17 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update re NB Transaction

This is an external email.

Sara,

Please allow this email to serve as an update.

I have signed 3 copies of the Consent Order and will forward to your office by courier on Monday.

We have had an error in the EMT receipt of funds. We have received the first installment of \$3K, but the 2nd installment of \$2K does not appear to have been received. It appears the first EMNT was sent in duplicate by the issuing bank. We will investigate further, but we have requested further funds from our client to complete the \$5K.

We expect the complete funds on Monday and will keep you updated.

Please let us know if you are in agreement with proceeding this way.

Also, by way of update on the NB transaction our client has had to change appraisal companies. They were with Turner Drake, but Turner Drake contacted them to advise they were incurring more delays. It would push the date of the completion of the appraisal back considerably.

Our client was able to hire a new Appraisal Company, De Stater, who have committed to completing the Appraisal by March 25, 2022. De Stater has scheduled for their appraiser to attend the Property on Thursday March 10 to complete the walk through.

We'll let you know if they keep their scheduled appointment.

There is no new update on the financing as it is dependent upon the appraisal results.

We'll keep you updated as we progress.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: March 2, 2022 10:27 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Mark – attached are the Stewart McKelvey wiring instructions for the forbearance fee. Can you let us know when the wire has been sent?

Is there an update on the term sheet and appraisal status?

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 28, 2022 11:38 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

This is an external email.

Sara,

Certainly. I'll send those over tomorrow morning.

Do you still want the update call to go ahead? It is probably too short notice to cancel.

I let my clients know it will likely go forward and they should attend.

Let me know how you want to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

This e-mail message contains confidential information intended only for the use of the individual or entity named above. Any unauthorized use or disclosure is strictly prohibited. If you have received this communication in error please immediately delete the e-mail and either notify the sender at the above e-mail address or by telephone at 902-465-6669.

From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 28, 2022 6:22 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Thank you Mark – received, with thanks.

Could you send over 3 original copies of the consent order?

No need for an original copy of the forbearance.

As mentioned, BDC will need to obtain formal credit approval of the forbearance, but this should not be an issue.

I will send wiring instructions tomorrow.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 28, 2022 4:53 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

This is an external email.

Sara,

Signed documents attached.

Please let us know how you would like to proceed.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Mark Charles
Sent: February 28, 2022 4:26 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms - Update

Sara,

By way of update, our client and Mr. Cousins are in agreement with signing the Forbearance Agreement and Consent Order.

I have 1 of 2 signatures required and am just awaiting the final signature. I am expecting it shortly. I have received these electronically.

I have signed the Consent Order.

Please let me know if you require original signed copies, and if so how many.

I have the \$5K in my Trust account and can forward along to you.

Please send along your Trust account information.

I understand we have the update call tomorrow morning.

We will need to attend, but hopefully we can update the Court that we have a signed Forbearance Agreement.

Let me know if you want to arrange a time to discuss further prior to the update call.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Mark Charles
Sent: February 25, 2022 9:43 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

Sara,

Thank you for sending these along.

I'll review and keep you updated to signing.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 24, 2022 4:35 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

Mark,

Attached is a copy of the forbearance agreement and consent order, both for signature.

Kindly advise when the documents are signed.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Thursday, February 24, 2022 2:28 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101 - Agreement with Forbearance Agreement Terms

This is an external email.

Sara,

Thank you for sending this along.

I have reviewed with our client and Mr. cousins and both are in agreement with signing the Forbearance Agreement under its current terms.

Please let us know how you would like to proceed from here.

Perhaps you can send a raft forbearance agreement along for review and then execution?

Let me know if you want to schedule a time for a call to review.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 24, 2022 8:32 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101

Mark,

Please provide an update on whether the forbearance will be signed.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, February 21, 2022 1:45 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 1101

This is an external email.

Sara,

Thank you for sending this along.

I believe Mr. Kennedy and Mr. Cousins just wanted clarity on the fee increase.

I'll confirm, but believe we will be signing the Forbearance this week.

Thank you for your time and attention throughout.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: February 18, 2022 4:39 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: 1101

Mark, I have your voicemail.

The increase in the forbearance fee is the trade-off for agreeing to forbear from taking any further actions against 1101, while no monthly payments are being made. As you are aware, the amount owing continues to grow as interest accumulates.

We have a draft agreement that will be expected to be signed next week. If this happens, we can cancel the next appearance before Justice Jamieson; however, if "negotiations" remain on-going, we will have to appear and an explanation can be provided to the Court as to the on-going delay.

Sara



Sara L. Scott*

Partner
She/Her
D: 902.420.3363
C: 902.448.6366
sscott@stewartmckelvey.com
stewartmckelvey.com

*Law Corporation

We require that all visitors to our offices be fully vaccinated against COVID-19. Click [here](#) to learn more.

This e-mail message (including attachments, if any) is confidential and may be privileged. Any unauthorized distribution or disclosure

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2020

Hfx No. 501252

This is Exhibit "K" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

June __, 2022

VIA ELECTRONIC MAIL & REGISTERED MAIL

11016946 Canada Inc.
c/o Ian J. Cousins
1606 Tucker Road
Rockland, ON K4K 1K7

Attention: Ian J. Cousins

Dear Mr. Cousins:

Re: Business Development Bank of Canada (the “Bank”) – Credit Facilities Provided to 11016946 Canada Inc. (the “Company”) – Forbearance Agreement

The Bank makes reference to its previous demand for payment issued September 17, 2020 (the “**Demand Letter**”) and the various recent discussions with Company representatives and legal counsel during which the Bank outlined its continuing concerns with the financial performance of the Company.

The Bank’s expectations have been clearly laid out in its letters dated August 10, 2020, September 1, 2020 and February 24, 2022 and while there has been some progress made in the resolution of the issues facing the Company, significant issues remain and continue to concern the Bank in relation to various breaches of the terms and conditions in the letter of offer dated August 23, 2019 on Loan 156773-02 (the “**Letter of Offer**”).

Based on these concerns, the Bank has demanded repayment of its loan and had commenced an application to have Deloitte Restructuring Inc. appointed as receiver and manager over the assets, undertakings and property of the Company, in Hfx No. 501252 (the “**Receivership Application**”).

Notwithstanding these concerns, the Bank is prepared to continue to hold the Receivership Order in escrow and to forego immediate legal action in relation to the guarantees provided in respect of these loans by you, Ian J. Cousins (the “**Guarantor**”) on the following conditions:

1. The Company and the Guarantor acknowledge that the Company remains in default in relation to its obligations to the Bank and that the Bank is entitled to the immediate enforcement of its security interests and mortgages contained in the Loan Documents (defined below). The defaults include, but are not limited to, the breaches as described in the letters of August 10, 2020 and September 1, 2020, the Demand Letter and subsequent correspondence.
2. The Company and the Guarantor acknowledge that the security held by the Bank has not been discharged, waived or varied and that it is valid and enforceable in accordance with its terms, except as it relates to the real property located at 73 Tacoma Drive in Dartmouth, Nova Scotia, 3600 Kempt Road in Halifax, Nova Scotia and 22 Waddell Avenue in Dartmouth, Nova Scotia.
3. The Company and the Guarantor acknowledge that the indebtedness owed to the Bank, is not subject to any set-off, defence or counterclaim on the part of the Company or the Guarantor. The Company and the Guarantor further acknowledge that there are no claims

against the Bank (which shall include the Bank's successors, officers, directors, agents, employees, solicitors and assigns) arising from the Loan Documents or otherwise.

4. The Company and the Guarantor confirm they are not disputing their liability to pay the remaining indebtedness owing to the Bank.
5. The Company shall, until the date of full payment to the Bank, comply in all respects with all terms and conditions set out in this forbearance agreement ("**Forbearance Agreement**") and as necessary, with the various loan agreements with the Bank and the various related security documents (collectively, the "**Loan Documents**").
6. The Company acknowledges that the mortgage with the Bank covers the loan owing by the Company under the Loan Documents and continues to apply to the property mortgaged to the Bank, such property being located at 123-125 Prince William Street in Saint John, New Brunswick (the "**Property**"). The Company further acknowledges that the general security agreement with the Bank applies to the property of the Company.
7. The Company acknowledges that the indebtedness owing to the Bank as of June 8, 2022 is \$984,532.13, with interest, costs and fees continuing to accrue from that date.
8. The Company agrees to meet the following terms of forbearance and the failure by the Company to meet any of the terms of forbearance shall constitute an event of default under this Forbearance Agreement and such default shall be determined at the Bank's sole discretion.

Conditions Precedent

9. The Company will comply with the terms and conditions in the Letter of Offer, with the exception of any changes made in this Forbearance Agreement.
10. The Company will provide the following additional security to the Bank, in a form acceptable to the Bank, no later than June 10, 2022:
 - (a) Mortgages in registerable form in relation to the real property located at 20 Pokiok Road (PID 55211239); 22 Pokiok Road (PID 55211221); 24 Pokiok Road (PID 55211213); 26 Pokiok Road (PID 55211205); 28 Pokiok Road (PID 55211197); and 30 Pokiok Road (PID 55211189) in Saint John, New Brunswick (the "**Townhouse Properties**");
 - (b) The Bank will hold the mortgages as security for the Townhouse Properties in escrow and will register the mortgages on an event of default, as further described below.

Events of Default

11. A default of this Forbearance Agreement will include:
 - (a) The Bank has not been repaid in full by the expiry of the Forbearance Period, as further described below;

- (b) There is risk to the security held by the Bank, including but not limited to any potential enforcement by other lenders for unpaid property taxes, which risk will be solely determined by the Bank;
- (c) There is a commencement of enforcement proceedings by other lenders of the Company;
- (d) There are additional breaches under the Loan Documents by the Company or Guarantor;
- (e) The Company or the Guarantor fail to provide any required information to the Bank by the required due dates;

(collectively, referred to as the “**Default**”).

- 12. The Company will sign an amending letter with the Bank, in a form acceptable to the Bank, no later than June 10, 2022.

Conditions Subsequent

- 13. The Company shall deliver the following information to the Bank:
 - (a) copies of any commitment letters and term sheets, on receipt;
 - (b) a bi-weekly status update on the transaction, including reporting on any impediments to the scheduled closing and estimated delivery of the requested documentation, with the first bi-weekly status update to be provided on the signing of this Forbearance Agreement.

Additional Terms of Forbearance

- 14. The Company and the Guarantor will arrange for full payment of the balance of all amounts owing to the Bank no later than July 8, 2022 (the “**Forbearance Period**”).
- 15. The Company has consented to the appointment of Deloitte Restructuring Inc. as receiver and manager over the assets, undertakings and property of the Company, in the event of Default under this Forbearance Agreement. In particular:
 - (a) the Bank shall continue to hold the Consent Receivership Order in escrow unless there is a Default under this Forbearance Agreement, such default which will be determined in the Bank’s sole discretion.
- 16. A forbearance fee of \$1,000 shall be added to the Loan amount and be deemed to be earned in full on the signing of this Forbearance Agreement.
- 17. All costs, charges and expenses to the Bank (including legal, appraisal and other professional fees and the forbearance fees) associated with this Forbearance Agreement and any other matter or thing relating to the loans of the Company shall be for the account of the Company and the Guarantor.
- 18. The Bank is at liberty to terminate this Forbearance Agreement if, in the opinion of the Bank, its security position becomes jeopardized in any way.

19. The Company and the Guarantor agree that discussions with the Bank, whether as referenced in this Forbearance Agreement or at all, shall remain confidential, except as may be necessary for any court filing in the Receivership Application.
20. The Company and the Guarantor acknowledge and confirm that they have been provided with the opportunity to obtain legal advice prior to the execution of this Forbearance Agreement.
21. The Company and the Guarantor acknowledge receipt of a copy of this Forbearance Agreement and acknowledge the terms herein. The Guarantor acknowledges the terms set out in this Forbearance Agreement and confirms that such terms shall not in any way affect the Guarantor's liability pursuant to any guarantees given to the Bank.

Please execute and arrange for return of a signed copy of this Forbearance Agreement no later than end of day on June 10, 2022 in order to confirm your acceptance of the foregoing.

Yours truly,

Matthew J. Golding

Matthew J. Golding
Director, Business Restructuring

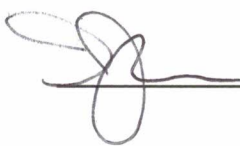
Miguel Rodrigues


Miguel Rodrigues
Assistant Vice President, Business
Restructuring

We agree to the foregoing terms and conditions.

DATED: June ___, 2022.

11016946 **Canada** **Inc.**
(as borrower)

Per:  _____
Name: _____
Title: _____
(I have authority to bind 11016946 Canada Inc.)

 _____
Ian **J.** **Cousins**
(as guarantor)

2020

Hfx No. 501252

This is Exhibit "L" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia

IRREVOCABLE DIRECTION AND NOTICE

FROM: 11016946 Canada Inc. (the "Borrower")

TO: Business Development Bank of Canada (the "Lender") and its counsel, Stewart McKelvey

WHEREAS the Borrower and Lender have entered into a Forbearance Agreement dated June 20, 2022 (the "Forbearance Agreement") with respect to, among other things, the Borrower providing additional security to the Lender;

AND WHEREAS the Borrower has agreed to execute and deliver a collateral mortgage in favour of the Lender (the "Collateral Mortgage") with respect to the real property located at 20 Pokiok Road (PID 55211239); 22 Pokiok Road (PID 55211221); 24 Pokiok Road (PID55211213); 26 Pokiok Road (PID 55211205); 28 Pokiok Road (PID 55211197); and 30 Pokiok Road (PID 55211189) in Saint John, New Brunswick (the "Townhouse Properties") pursuant to the terms of the Forbearance Agreement;

AND WHEREAS pursuant to the Forbearance Agreement, the Lender may direct its counsel to register the Collateral Mortgage against title to the Townhouse Properties in the event of any default by the Borrower or Guarantor (as defined in the Forbearance Agreement) under the terms of the Forbearance Agreement;

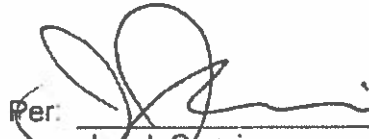
NOW THEREFORE the undersigned hereby:

1. irrevocably authorizes and directs the Lender to deliver the executed Collateral Mortgage to its counsel, Stewart McKelvey;
2. irrevocable authorizes and directs Stewart McKelvey to register the Collateral Mortgage against title to the Townhouse Properties;

and this shall be your good, sufficient and irrevocable authority for so doing.

Dated as of this 20 day of June, 2022.

11016946 Canada Inc.

Per: 

Ian J. Cousins
President

Form 15.1

COLLATERAL MORTGAGE

Land Titles Act, S.N.B. 1981, c.L-1.1, s.25
Standard Forms of Conveyances Act, S.N.B. 1980, c.S-12.2, s.2

Parcel Identifier: 55211239, 55211189, 55211197, 55211205, 55211213,
55211221

Mortgagor: 11016946 Canada Inc.
1606 Tucker RD
Rockland ON
K4K 1K7

Mortgagee: Business Development Bank of Canada
Cogswell Tower - Scotia Square
2000 Barrington ST SUITE 1400
Halifax NS
B3J 3K1

Manner of Tenure: Not Applicable

Particulars of Security: The specified parcels are mortgaged as collateral security and continuing collateral security for the payment by the Mortgagor to the Mortgagee, on demand, of the Indebtedness (defined herein) and the performance by the Mortgagor of all of its other obligations under the Forbearance Agreement (defined herein).

Statutory Covenants and Conditions Excluded: NONE

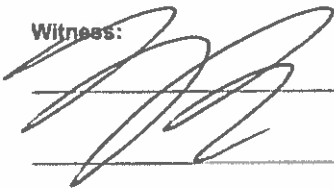
Optional Covenants and Conditions Included: NONE

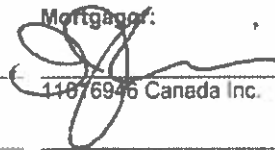
The Schedule "D" attached hereto forms part of this Collateral Mortgage.

The mortgagor mortgages to the mortgagee in the specified manner of tenure the specified parcel as collateral security, the particulars of which are specified.

The mortgagor acknowledges receipt of the text of the covenants and conditions which are contained in this mortgage by reference to the distinguishing number or by virtue of subsection 25(4) of the Land Titles Act, and agrees to be bound by them to the same extent as if set out at length herein.

Date:

Witness:


Mortgagor:


11016946 Canada Inc.

11016946 Canada Inc.

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

SCHEDULE "D"

In this collateral mortgage, it is recited as follows:

A. The Mortgagor owns the parcels specified on the first page of this Form 15.1 Collateral Mortgage.

B. The Mortgagor is a customer of the Mortgagee.

C. By forbearance agreement dated on even or near date herewith (as amended, restated, extended, renewed or replaced from time to time, the "Forbearance Agreement") the Mortgagor agreed to provide further security for the performance, payment and discharge of all liabilities, obligations and indebtedness of the Mortgagor to the Mortgagee (as more particularly set forth in the Forbearance Agreement).

D. The Mortgagor is executing and delivering this mortgage as collateral security and continuing collateral security for payment to the Mortgagee, on demand, of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Mortgagor to the Mortgagee pursuant to the Forbearance Agreement (collectively, the "Indebtedness") and the performance by the Mortgagor of all of its other obligations under the Forbearance Agreement.

Form 45

AFFIDAVIT OF CORPORATE EXECUTION

Land Titles Act, S.N.B. 1981, c.L-1.1, s.55

Deponent: Ian Cousins [name]
300-1801 Hollis Street [address]
Halifax, Nova Scotia, B3J 3N4

Office Held by Deponent: Director

Corporation: 11016946 Canada Inc.

Place of Execution: Dartmouth, Nova Scotia

Date of Execution: June 20, 2022

I, the deponent, make oath and say:

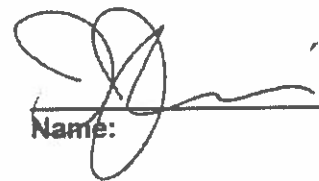
1. That I hold the office specified above in the corporation specified above, and am authorized to make this affidavit and have personal knowledge of the matters hereinafter deposed to;
2. That the attached instrument was executed by me as the officer duly authorized to execute the instrument on behalf of the corporation;
3. That the seal of the corporation was affixed to the instrument by order of the Board of Directors of the corporation [OR] That the corporation has no seal;
4. That the instrument was executed at the place and on the date specified above;
5. That the ownership of a share of the corporation does not entitle the owner thereof to occupy the parcel described in the attached instrument as a marital home.

SWORN TO at City of Dartmouth)
in the Province of Halifax)
on the 20 day of June)
2022, before me:)


_____)

A Notary Public in and for the Province of
Nova Scotia)

[affix notarial seal]


Name: _____)

2020

Hfx No. 501252

This is Exhibit "M" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia

**Form 47
Formule 47**

**CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE**

**Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63**

Parcel Identifier | Numéro d'identification de parcelle :

55211205

Owner | Propriétaire :

11016946 Canada Inc.
1606 Tucker RD
Rockland ON
K4K 1K7
Deed/Transfer | Acte de transfert/Transfert
Saint John 2018-11-22 - 38604923

Manner of Tenure | Mode de tenure :

Not Applicable | Sans objet

Encumbrances | Charges :

Aliant Telecom Inc.
1 Brunswick SQ
PO BOX 1430
Saint John NB
E2L 4K2
Easement Holder | Titulaire de la servitude
Subdivision & Amalgamations | Lotissement et fusions
Saint John 2011-03-02 - 29852150

Power Commission of the City of Saint John
239 Charlotte ST
PO BOX 850
Saint John NB
E2L 4C7
Easement Holder | Titulaire de la servitude
Subdivision & Amalgamations | Lotissement et fusions
Saint John 2011-03-02 - 29852150

Bank of Montreal
1675 Grafton ST
Halifax NS
B3J 0E9
Mortgagee | Créancier hypothécaire
Collateral Mortgage | Hypothèque subsidiaire
Saint John 2018-11-22 - 38606480

Bank of Montreal 1675 Grafton ST SUITE 1400 Halifax NS B3J 0E9 Mortgagee Créancier hypothécaire Assignment of Rent Cession de loyer Saint John 2018-11-27	-	38620911
441515 Ontario Ltd. Conc. 8 2047 Glen Huron RD Glen Huron ON L0M 1L0 Mortgagee Créancier hypothécaire Collateral Mortgage Hypothèque subsidiaire Saint John 2018-12-03	-	38639226
Beddow, Lisa C. c/o McInnes Cooper 1 Germain ST SUITE 1700 PO BOX 20095 RPO Brunswick Square Saint John NB E2L 5B2 Judgment Creditor Créancier sur jugement Judgment Jugement Saint John 2020-03-20	-	39949442
Business Development Bank of Canada Cogswell Tower - Scotia Square 2000 Barrington ST SUITE 1400 Halifax NS B3J 3K1 Mortgagee Créancier hypothécaire Collateral Mortgage Hypothèque subsidiaire Saint John 2022-09-16	-	43112169

Instruments in the Registration Process | Instruments dans le processus d'enregistrement :

NONE | AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.

LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.

LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.

LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time | Date et heure : 2022-09-26 10:07:49

Registrar of Land Titles for the District of New Brunswick

Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID | Rapport ID : 7016801

Schedule A | Annexe A

PID | NID : 55211205

Apparent Parcel Access | Accès apparent à la parcelle : Public Access | Accès public

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2011-03-02 16:01:40

Legal Description | Description officielle :

Place Name: Saint John

Parish/County: City of/Ville de Saint John/Saint John

Designation of Parcel on Plan: Part Lot 10-1C

Title of Plan: 639955 N.B. Ltd. Subdivision, Amending

Registration County: Saint John

Registration Number of Plan: 29852150

Registration Date of Plan: 2011-03-02 14:20:59

**Form 47
Formule 47**

**CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE**

**Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63**

Parcel Identifier | Numéro d'identification de parcelle :

55211189

Owner | Propriétaire :

11016946 Canada Inc.

1606 Tucker RD

Rockland ON

K4K 1K7

Deed/Transfer | Acte de transfert/Transfert

Saint John	2018-11-22	-	38605094
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Manner of Tenure | Mode de tenure :

Not Applicable | Sans objet

Encumbrances | Charges :

Aliant Telecom Inc.

1 Brunswick SQ

PO BOX 1430

Saint John NB

E2L 4K2

Easement Holder | Titulaire de la servitude

Subdivision & Amalgamations | Lotissement et fusions

Saint John	2011-03-02	-	29852150
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Power Commission of the City of Saint John

239 Charlotte ST

PO BOX 850

Saint John NB

E2L 4C7

Easement Holder | Titulaire de la servitude

Subdivision & Amalgamations | Lotissement et fusions

Saint John	2011-03-02	-	29852150
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Bank of Montreal

1675 Grafton ST

Halifax NS

B3J 0E9

Mortgagee | Créancier hypothécaire

Collateral Mortgage | Hypothèque subsidiaire

Saint John	2018-11-22	-	38606480
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Bank of Montreal 1675 Grafton ST SUITE 1400 Halifax NS B3J 0E9 Mortgagee Créancier hypothécaire Assignment of Rent Cession de loyer Saint John 2018-11-27	-	38620911
441515 Ontario Ltd. Conc. 8 2047 Glen Huron RD Glen Huron ON L0M 1L0 Mortgagee Créancier hypothécaire Collateral Mortgage Hypothèque subsidiaire Saint John 2018-12-03	-	38639259
441515 Ontario Ltd. Conc. 8 2047 Glen Huron RD Glen Huron ON L0M 1L0 Mortgagee Créancier hypothécaire Assignment of Mortgage Cession d'hypothèque Saint John 2019-05-03	-	38995479
Beddow, Lisa C. c/o McInnes Cooper 1 Germain ST SUITE 1700 PO BOX 20095 RPO Brunswick Square Saint John NB E2L 5B2 Judgment Creditor Créancier sur jugement Judgment Jugement Saint John 2020-03-20	-	39949442
Business Development Bank of Canada Cogswell Tower - Scotia Square 2000 Barrington ST SUITE 1400 Halifax NS B3J 3K1 Mortgagee Créancier hypothécaire Collateral Mortgage Hypothèque subsidiaire Saint John 2022-09-16	-	43112169

Instruments in the Registration Process | Instruments dans le processus d'enregistrement :

NONE | AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.

LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.

LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.

LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time | Date et heure : 2022-09-26 10:07:49

Registrar of Land Titles for the District of New Brunswick

Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID | Rapport ID : 7016803

Schedule A | Annexe A

PID | NID : 55211189

Apparent Parcel Access | Accès apparent à la parcelle : Public Access | Accès public

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2011-03-02 16:01:40

Legal Description | Description officielle :

Place Name: Saint John

Parish/County: City of/Ville de Saint John/Saint John

Designation of Parcel on Plan: Part Lot 10-1A

Title of Plan: 639955 N.B. Ltd. Subdivision, Amending

Registration County: Saint John

Registration Number of Plan: 29852150

Registration Date of Plan: 2011-03-02 14:20:59

**Form 47
Formule 47**

**CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE**

**Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63**

Parcel Identifier | Numéro d'identification de parcelle :

55211197

Owner | Propriétaire :

11016946 Canada Inc.
1606 Tucker RD
Rockland ON
K4K 1K7
Deed/Transfer | Acte de transfert/Transfert
Saint John 2018-11-22 - 38604923

Manner of Tenure | Mode de tenure :

Not Applicable | Sans objet

Encumbrances | Charges :

Aliant Telecom Inc.
1 Brunswick SQ
PO BOX 1430
Saint John NB
E2L 4K2
Easement Holder | Titulaire de la servitude
Subdivision & Amalgamations | Lotissement et fusions
Saint John 2011-03-02 - 29852150

Power Commission of the City of Saint John
239 Charlotte ST
PO BOX 850
Saint John NB
E2L 4C7
Easement Holder | Titulaire de la servitude
Subdivision & Amalgamations | Lotissement et fusions
Saint John 2011-03-02 - 29852150

Bank of Montreal
1675 Grafton ST
Halifax NS
B3J 0E9
Mortgagee | Créancier hypothécaire
Collateral Mortgage | Hypothèque subsidiaire
Saint John 2018-11-22 - 38606480

Bank of Montreal 1675 Grafton ST SUITE 1400 Halifax NS B3J 0E9 Mortgagee Créancier hypothécaire Assignment of Rent Cession de loyer Saint John 2018-11-27	-	38620911
441515 Ontario Ltd. Conc. 8 2047 Glen Huron RD Glen Huron ON L0M 1L0 Mortgagee Créancier hypothécaire Collateral Mortgage Hypothèque subsidiaire Saint John 2018-12-03	-	38639226
Beddow, Lisa C. c/o McInnes Cooper 1 Germain ST SUITE 1700 PO BOX 20095 RPO Brunswick Square Saint John NB E2L 5B2 Judgment Creditor Créancier sur jugement Judgment Jugement Saint John 2020-03-20	-	39949442
Business Development Bank of Canada Cogswell Tower - Scotia Square 2000 Barrington ST SUITE 1400 Halifax NS B3J 3K1 Mortgagee Créancier hypothécaire Collateral Mortgage Hypothèque subsidiaire Saint John 2022-09-16	-	43112169

Instruments in the Registration Process | Instruments dans le processus d'enregistrement :

NONE | AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.

LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.

LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

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Date & Time | Date et heure : 2022-09-26 10:07:49

Registrar of Land Titles for the District of New Brunswick

Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID | Rapport ID : 7016802

Schedule A | Annexe A

PID | NID : 55211197

Apparent Parcel Access | Accès apparent à la parcelle : Public Access | Accès public

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2011-03-02 16:01:40

Legal Description | Description officielle :

Place Name: Saint John

Parish/County: City of/Ville de Saint John/Saint John

Designation of Parcel on Plan: Part Lot 10-1B

Title of Plan: 639955 N.B. Ltd. Subdivision, Amending

Registration County: Saint John

Registration Number of Plan: 29852150

Registration Date of Plan: 2011-03-02 14:20:59

**Form 47
Formule 47**

**CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE**

**Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63**

Parcel Identifier | Numéro d'identification de parcelle :

55211213

Owner | Propriétaire :

11016946 Canada Inc.
1606 Tucker RD
Rockland ON
K4K 1K7
Deed/Transfer | Acte de transfert/Transfert
Saint John 2018-11-22 - 38604923

Manner of Tenure | Mode de tenure :

Not Applicable | Sans objet

Encumbrances | Charges :

Aliant Telecom Inc.
1 Brunswick SQ
PO BOX 1430
Saint John NB
E2L 4K2
Easement Holder | Titulaire de la servitude
Subdivision & Amalgamations | Lotissement et fusions
Saint John 2011-03-02 - 29852150

Power Commission of the City of Saint John
239 Charlotte ST
PO BOX 850
Saint John NB
E2L 4C7
Easement Holder | Titulaire de la servitude
Subdivision & Amalgamations | Lotissement et fusions
Saint John 2011-03-02 - 29852150

Bank of Montreal
1675 Grafton ST
Halifax NS
B3J 0E9
Mortgagee | Créancier hypothécaire
Collateral Mortgage | Hypothèque subsidiaire
Saint John 2018-11-22 - 38606480

Bank of Montreal 1675 Grafton ST SUITE 1400 Halifax NS B3J 0E9 Mortgagee Créancier hypothécaire Assignment of Rent Cession de loyer Saint John 2018-11-27	-	38620911
441515 Ontario Ltd. Conc. 8 2047 Glen Huron RD Glen Huron ON L0M 1L0 Mortgagee Créancier hypothécaire Collateral Mortgage Hypothèque subsidiaire Saint John 2018-12-03	-	38639226
Beddow, Lisa C. c/o McInnes Cooper 1 Germain ST SUITE 1700 PO BOX 20095 RPO Brunswick Square Saint John NB E2L 5B2 Judgment Creditor Créancier sur jugement Judgment Jugement Saint John 2020-03-20	-	39949442
Business Development Bank of Canada Cogswell Tower - Scotia Square 2000 Barrington ST SUITE 1400 Halifax NS B3J 3K1 Mortgagee Créancier hypothécaire Collateral Mortgage Hypothèque subsidiaire Saint John 2022-09-16	-	43112169

Instruments in the Registration Process | Instruments dans le processus d'enregistrement :

NONE | AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.

LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.

LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.

LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time | Date et heure : 2022-09-26 10:07:49

Registrar of Land Titles for the District of New Brunswick

Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID | Rapport ID : 7016798

Schedule A | Annexe A

PID | NID : 55211213

Apparent Parcel Access | Accès apparent à la parcelle : Public Access | Accès public

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2011-03-02 16:01:40

Legal Description | Description officielle :

Place Name: Saint John

Parish/County: City of/Ville de Saint John/Saint John

Designation of Parcel on Plan: Part Lot 10-1D

Title of Plan: 639955 N.B. Ltd. Subdivision, Amending

Registration County: Saint John

Registration Number of Plan: 29852150

Registration Date of Plan: 2011-03-02 14:20:59

**Form 47
Formule 47**

**CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE**

**Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63**

Parcel Identifier | Numéro d'identification de parcelle :

55211239

Owner | Propriétaire :

11016946 Canada Inc.
1606 Tucker RD
Rockland ON
K4K 1K7
Deed/Transfer | Acte de transfert/Transfert
Saint John 2018-11-22 - 38604980

Manner of Tenure | Mode de tenure :

Not Applicable | Sans objet

Encumbrances | Charges :

Aliant Telecom Inc.
1 Brunswick SQ
PO BOX 1430
Saint John NB
E2L 4K2
Easement Holder | Titulaire de la servitude
Subdivision & Amalgamations | Lotissement et fusions
Saint John 2011-03-02 - 29852150

Power Commission of the City of Saint John
239 Charlotte ST
PO BOX 850
Saint John NB
E2L 4C7
Easement Holder | Titulaire de la servitude
Subdivision & Amalgamations | Lotissement et fusions
Saint John 2011-03-02 - 29852150

Bank of Montreal
1675 Grafton ST
Halifax NS
B3J 0E9
Mortgagee | Créancier hypothécaire
Collateral Mortgage | Hypothèque subsidiaire
Saint John 2018-11-22 - 38606480

Bank of Montreal 1675 Grafton ST SUITE 1400 Halifax NS B3J 0E9 Mortgagee Créancier hypothécaire Assignment of Rent Cession de loyer Saint John 2018-11-27	-	38620911
Hamilton, Frederick Allan Conc. 8 2047 Glen Huron RD Glen Huron ON L0M 1L0 Mortgagee Créancier hypothécaire Collateral Mortgage Hypothèque subsidiaire Saint John 2018-12-03	-	38639440
Hamilton, Frederick Allan Conc. 8 2047 Glen Huron RD Glen Huron ON L0M 1L0 Mortgagee Créancier hypothécaire Assignment of Mortgage Cession d'hypothèque Saint John 2019-05-03	-	38995495
Beddow, Lisa C. c/o McInnes Cooper 1 Germain ST SUITE 1700 PO BOX 20095 RPO Brunswick Square Saint John NB E2L 5B2 Judgment Creditor Créancier sur jugement Judgment Jugement Saint John 2020-03-20	-	39949442
Business Development Bank of Canada Cogswell Tower - Scotia Square 2000 Barrington ST SUITE 1400 Halifax NS B3J 3K1 Mortgagee Créancier hypothécaire Collateral Mortgage Hypothèque subsidiaire Saint John 2022-09-16	-	43112169

Instruments in the Registration Process | Instruments dans le processus d'enregistrement :

NONE | AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.

LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.

LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

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LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time | Date et heure : 2022-09-26 10:07:49

Registrar of Land Titles for the District of New Brunswick

Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID | Rapport ID : 7016799

Schedule A | Annexe A

PID | NID : 55211239

Apparent Parcel Access | Accès apparent à la parcelle : Public Access | Accès public

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2011-03-02 16:01:40

Legal Description | Description officielle :

Place Name: Saint John

Parish/County: City of/Ville de Saint John/Saint John

Designation of Parcel on Plan: Part Lot 10-1F

Title of Plan: 639955 N.B. Ltd. Subdivision, Amending

Registration County: Saint John

Registration Number of Plan: 29852150

Registration Date of Plan: 2011-03-02 14:20:59

**Form 47
Formule 47**

**CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE**

**Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63**

Parcel Identifier | Numéro d'identification de parcelle :

55211221

Owner | Propriétaire :

11016946 Canada Inc.
1606 Tucker RD
Rockland ON
K4K 1K7
Deed/Transfer | Acte de transfert/Transfert
Saint John 2018-11-22 - 38605094

Manner of Tenure | Mode de tenure :

Not Applicable | Sans objet

Encumbrances | Charges :

Aliant Telecom Inc.
1 Brunswick SQ
PO BOX 1430
Saint John NB
E2L 4K2
Easement Holder | Titulaire de la servitude
Subdivision & Amalgamations | Lotissement et fusions
Saint John 2011-03-02 - 29852150

Power Commission of the City of Saint John
239 Charlotte ST
PO BOX 850
Saint John NB
E2L 4C7
Easement Holder | Titulaire de la servitude
Subdivision & Amalgamations | Lotissement et fusions
Saint John 2011-03-02 - 29852150

Bank of Montreal
1675 Grafton ST
Halifax NS
B3J 0E9
Mortgagee | Créancier hypothécaire
Collateral Mortgage | Hypothèque subsidiaire
Saint John 2018-11-22 - 38606480

Bank of Montreal 1675 Grafton ST SUITE 1400 Halifax NS B3J 0E9 Mortgagee Créancier hypothécaire Assignment of Rent Cession de loyer Saint John 2018-11-27	-	38620911
441515 Ontario Ltd. Conc. 8 2047 Glen Huron RD Glen Huron ON L0M 1L0 Mortgagee Créancier hypothécaire Collateral Mortgage Hypothèque subsidiaire Saint John 2018-12-03	-	38639259
441515 Ontario Ltd. Conc. 8 2047 Glen Huron RD Glen Huron ON L0M 1L0 Mortgagee Créancier hypothécaire Assignment of Mortgage Cession d'hypothèque Saint John 2019-05-03	-	38995487
Beddow, Lisa C. c/o McInnes Cooper 1 Germain ST SUITE 1700 PO BOX 20095 RPO Brunswick Square Saint John NB E2L 5B2 Judgment Creditor Créancier sur jugement Judgment Jugement Saint John 2020-03-20	-	39949442
Business Development Bank of Canada Cogswell Tower - Scotia Square 2000 Barrington ST SUITE 1400 Halifax NS B3J 3K1 Mortgagee Créancier hypothécaire Collateral Mortgage Hypothèque subsidiaire Saint John 2022-09-16	-	43112169

Instruments in the Registration Process | Instruments dans le processus d'enregistrement :

NONE | AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.

LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.

LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

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Date & Time | Date et heure : 2022-09-26 10:07:49

Registrar of Land Titles for the District of New Brunswick

Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID | Rapport ID : 7016800

Schedule A | Annexe A

PID | NID : 55211221

Apparent Parcel Access | Accès apparent à la parcelle : Public Access | Accès public

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2011-03-02 16:01:40

Legal Description | Description officielle :

Place Name: Saint John

Parish/County: City of/Ville de Saint John/Saint John

Designation of Parcel on Plan: Part Lot 10-1E

Title of Plan: 639955 N.B. Ltd. Subdivision, Amending

Registration County: Saint John

Registration Number of Plan: 29852150

Registration Date of Plan: 2011-03-02 14:20:59

2020

Hfx No. 501252

This is Exhibit "N" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia

Laura M. Smith

From: Sara L. Scott
Sent: Monday, June 27, 2022 1:44 PM
To: Mark Charles; Ian Cousins
Cc: Laura M. Smith
Subject: 1101

Importance: High

Good afternoon,

We still have not been provided a copy of the term sheet, which we assume had been received given the timing of the closing (and the end of the forbearance period).

Please provide a copy without further delay, in addition to an update on the financing.

Sara



Sara L. Scott*

Partner

She/Her

D: 902.420.3363

C: 902.448.6366

sscott@stewartmckelvey.com

stewartmckelvey.com

*Law Corporation

We require that all visitors to our offices be fully vaccinated against COVID-19. Click [here](#) to learn more.

2020

Hfx No. 501252

This is Exhibit "O" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

Laura M. Smith

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, July 4, 2022 10:40 AM
To: Sara L. Scott
Cc: Laura Dunnington; Ian Cousins
Subject: 11016946 - Graysbrook NB Compliance and Commitment
Attachments: Cousins Compliance MGAT-72277.pdf; Graysbrook Commitment Cousins MGAT-72277.pdf

This is an external email.

Sara,

Please find attached the NB Compliance Documents and Graysbrook Mortgage Commitment.

We apologize, there was a delay in the Broker completing the NB compliance documents.

It is our understanding mortgage instructions are forthcoming to Mr. Frank Hamm, Gorman Nason, Saint John, NB.

I have reached out and will confirm once received.

Let us know if you have any questions or require anything further.

We look forward to a successful refinancing and resolution to this matter.

Yours Truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

This e-mail message contains confidential information intended only for the use of the individual or entity named above. Any unauthorized use or disclosure is strictly prohibited. If you have received this communication in error please immediately delete the e-mail and either notify the sender at the above e-mail address or by telephone at 902-465-6669.

**CONDITIONAL TERM SHEET
COLLATERAL MORTGAGE**

DATE: May 9, 2022

RE: First mortgage Proposal for \$2,500,500.00 on 123-125 Prince William Street & 60 Water Street Saint John NB E2L 2B4 PID 55176598; First mortgage for 20 Pokiok Rd, Saint John, NB E2K 1P5. PID 55211239; First mortgage for 22 Pokiok Rd, Saint John, NB E2K 1P5. PID 55211221; First mortgage for 24 Pokiok Rd, Saint John, NB E2K 1P5. PID 55211213; First mortgage for 26 Pokiok Rd, Saint John, NB E2K 1P5. PID 55211205; First mortgage for 28 Pokiok Rd, Saint John, NB E2K 1P5. PID 55211197; First mortgage for 30 Pokiok Rd, Saint John, NB E2K 1P5. PID 55211189

BORROWERS: 11016946 Canada Inc.

GUARANTOR(s): Ian Cousins

Graysbrook Capital Ltd. Is pleased to inform you that your application for a mortgage loan has been conditionally approved. This term sheet provides details on the amount of funds that have been conditionally approved; the cost of borrowing; and, the terms and conditions of the mortgage.

PRINCIPAL AMOUNT CONDITIONALLY APPROVED	\$2,500,500.00
(Less) Holdback Amount	(\$50,000.00)
(Less) Fees	(\$125,287.50)
(Less) Estimated Legal Fees	(\$1,000.00)**
ESTIMATED NET AMOUNT	\$2,324,212.50

****The amount available to advance on closing is approximately >\$2,324,212.50 less HST and disbursements on legal. Funds will be advance in trust to Graysbrook Capital's solicitor. Borrowers will need independent legal advice.**

Interest rate:	12.00%
Monthly payment:	\$25,005.00 interest only
Term and amortization:	6 months

SPECIAL INSTRUCTIONS FOR CONSTRUCTION AND MAJOR RENOVATION MORTGAGES:

On closing	\$1,903,812.50	• On closing
Draw 1	\$420,400.00	• Construction of five, two bedroom apartments on upper level - Draws to be released based on renovation progress. Level of completion to be determined by an accredited appraiser's progress report.

SPECIAL INSTRUCTIONS FOR CONSTRUCTION AND MAJOR RENOVATION MORTGAGES:

Draws are less 10% home builders' lien for the provinces of Nova Scotia and Newfoundland. Draws are less 15% home builders' lien for the province of New Brunswick and Prince Edward Island. This is held until 60 days after project is complete. Draw amounts are approximate. Payments are based on the funds advanced. The level of completion for progress draws to be determined by an accredited appraisers progress report.

COLLATERAL MORTGAGE: The form of mortgage that will be recorded on title to secure this loan will be a collateral mortgage. The nature of a collateral mortgage is such that it collaterally secures all debts and liabilities at anytime owned by the mortgagor to Graysbrook Capital Ltd., including but not limited to the loan described in this Conditional Term Sheet. The terms set out in this Conditional Term Sheet will be further confirmed at the time of the advance of the loan by a Promissory Note to be signed by the borrower and will be secured by a Collateral Mortgage to Graysbrook Capital Ltd., which the borrower will also sign.

Interest begins to accrue on the date funds are advanced. There is no grace period.

Renewals are at the full discretion of Graysbrook Capital Ltd. and are subject to rate increases and/or additional fees.

Specific Requirements:

- There is no penalty for early payment of any portion of your mortgage.
- Most recent year end and month end corporate financials to be on file.
- Last 2 years corporate Notice of Assessment to be on file to confirm no taxes owing.
- Last 2 years Notice of Assessments to confirm no personal taxes owing.
- Proof of income for the last 30 days - either pay stubs or bank statements to be on file.
- An assignment of rents on all leased or rented properties as well as copies of all leases or rental agreements to be on file.
- All building plans and quotes for work to be completed to be on file with Graysbrook Capital
- Confirmation no payroll tax, HST, GST, or PST owing. This can be a letter from the companies auditor or FCT endorsements Government Response and Subsequent Advance.
- The amounts outstanding on the following debts do not exceed:
 - a. 1st mortgage secured against 123-125 Prince William Street & 60 Water Street Saint John NB E2L 2B4 with BDC in the amount of \$950,000.00 to be discharged from the proceeds.
 - b. 1st mortgage secured against 20 Pokiok Rd, Saint John, NB E2K 1P5 with BMO in the amount of \$110,500.00 to be discharged.
 - c. 2nd mortgage secured against 20 Pokiok Rd, Saint John, NB E2K 1P5 with VTB in the amount of \$45,000.00 to be discharged.
 - d. 1st mortgage secured against 22 Pokiok Rd, Saint John, NB E2K 1P5 with BMO in the amount of \$110,500.00 to be discharged.
 - e. 2nd mortgage secured against 22 Pokiok Rd, Saint John, NB E2K 1P5 with VTB in the amount of \$45,000.00 to be discharged.
 - f. 1st mortgage secured against 24 Pokiok Rd, Saint John, NB E2K 1P5 with BMO in the amount of \$110,500.00 to be discharged.
 - g. 2nd mortgage secured against 24 Pokiok Rd, Saint John, NB E2K 1P5 with VTB in the amount of \$45,000.00 to be discharged.
 - h. 1st mortgage secured against 26 Pokiok Rd, Saint John, NB E2K 1P5 with BMO in the amount of \$110,500.00 to be discharged.
 - i. 2nd mortgage secured against 26 Pokiok Rd, Saint John, NB E2K 1P5 with VTB in the amount of \$45,000.00 to be discharged.

- j. 1st mortgage secured against 28 Pokiok Rd, Saint John, NB E2K 1P5 with BMO in the amount of \$110,500.00 to be discharged.
- k. 2nd mortgage secured against 28 Pokiok Rd, Saint John, NB E2K 1P5 with VTB in the amount of \$45,000.00 to be discharged.
- l. 1st mortgage secured against 30 Pokiok Rd, Saint John, NB E2K 1P5 with BMO in the amount of \$110,500.00 to be discharged.
- m. 2nd mortgage secured against 30 Pokiok Rd, Saint John, NB E2K 1P5 with VTB in the amount of \$45,000.00 to be discharged.

Standard Information and Requirements

- o Signed pre-authorized debit form or a void cheque to be provided
- o Satisfactory appraisal to be ordered by Graysbrook Capital. If not ordered by Graysbrook, a letter of reliance must be on file confirming Graysbrook Capital can rely on the completed appraisal.
- o Walkthrough or inspections may be completed by Graysbrook Capital or an appraiser. Cost may be incurred and they are the responsibility of the borrower.
- o Confirmation property insurance is on the mortgaged property with Graysbrook Capital listed as the loss payee. Insurance must be in place prior to advancing of funds and for the duration of the loan.
- o No 2nds are to be placed on the mortgaged property behind Graysbrook Capital without our express knowledge and consent
- o Mortgages not paid out at maturity will be renewed at the sole discretion of Graysbrook Capital
- o Title insurance must be placed on all properties mortgaged by Graysbrook Capital Ltd. and it must be provided by FCT. We accept the Gold Policy for Residential and the Graysbrook Commercial Policy for all commercial deals.
- o Property Taxes are the responsibility of the property owner. Confirmation property taxes are up to date must be provided on all mortgaged properties
- o Mortgages funded from the 1st of the month to the 15th of the month will have payments due the 15th of every month. Mortgages funded from the 16th to the 31st of the month will have payments due on the 1st of the month.
- o Your monthly payments are based on the principal advanced to date.
- o By signing this term sheet, it authorizes Graysbrook Capital to obtain a credit report should Graysbrook deem necessary;
- o Whether or not the transaction contemplated herein is completed, the borrower covenants and agrees to pay the lenders direct out of pocket expenses on request of same. Expenses shall include, but not be limited to legal fees and disbursements of the lenders' solicitor, other professionals, or agents used by the lender in connection with the borrower's application and or commitment letter and or the loan and security documents arising there from. In the event this term sheet is accepted; such disbursements and costs shall be deducted from any loan proceeds.
- o Graysbrook has no obligation to advance funds to you, even though the mortgage is prepared, signed, or registered, and whether or not any amounts have already been advanced.
- o Any diligence or other documentation required by the Lender's solicitor which it or the Lender deem relevant to the loan, the Property, or the Borrower's ability to service the loan or repay the loan on maturity, in their sole, absolute, and unfettered discretion.
- o The Borrower represents and warrants that all information and materials provided to Graysbrook Capital in

connection with this mortgage are correct and complete as of the date provided and will continue to be correct and complete on closing, failing which Graysbrook Capital shall have no obligation to advance the Loan. Prior to closing and thereafter during the term of the mortgage, the Borrower shall immediately notify Graysbrook Capital upon discovering any change in accuracy or completeness of any such information and materials provided to Graysbrook Capital in connection with this mortgage.

TOTAL COST: With 6 monthly payments, the lenders fee and the discharge fee, the total cost of all payments is **\$285,817.50.**

APR: The annual effective percentage rate for this loan, including all fees, will be **17.0305%** if the entire amount was advanced from the beginning.

All mortgages are subject to a minimum of one (1) full months payment.

Should you wish to proceed, please sign and return this document no later two weeks from the date of issue. If the conditional term sheet is provided after the two-week period, it becomes null and void. A new CTS will be prepared and signed.

SCHEDULE FOR NON-INTEREST CHARGES: Refer to the "Statement of Disclosure".

ACCEPTANCE

The terms of this commitment are acceptable. Please accept this document as my authorization to set up my new pre-authorized payment transaction for my monthly mortgage payment in the amount indicated above. A copy of a void cheque or bank preauthorized payment document is attached. This will also confirm that we are aware the mortgage is due and payable in full 6 months from the date of closing.

Dated at the city of Halifax, in the province of NS, this 29 day of June, 2021.

ian cousins

11016946 Canada Inc.

June 29, 2022

Date

ian cousins

Ian Cousins (Guarantor)

June 29, 2022

Date

Document History

SignNow E-Signature Audit Log

All dates expressed in MM/DD/YYYY (US)

Document name: Graysbrook Commitment Cousins MGAT-72277
Document created: 06/29/2022 13:54:04
Document pages: 5
Document ID: df0a16d4f8e64a4589c474e7e43dadfb3a13e5c7
Document Sent: 06/29/2022 13:56:02 UTC
Document Status: Signed
 06/29/2022 19:46:16UTC

Sender: blake.wilson@mortgagegroup.com
Signers: ian.cousins@blackhawkconsulting.ca
CC: jenn@blakewilsongroup.com, joan@blakewilsongroup.com, dee@blakewilsongroup.com, marcus@blakewilsongroup.com

Client	Event	By	Server Time	Client Time	IP Address
SignNow Web Application	Uploaded the Document	blake.wilson@mortgagegroup.com	06/29/2022 13:54:04 pm UTC	06/29/2022 13:54:02 pm UTC	198.164.187.114
SignNow Web Application	Document was renamed from Graysbrook Commitment-With info to Graysbrook Commitment Cousins MGAT-72277	blake.wilson@mortgagegroup.com	06/29/2022 13:54:32 pm UTC	06/29/2022 13:54:32 pm UTC	198.164.187.114
SignNow Web Application	Viewed the Document	blake.wilson@mortgagegroup.com	06/29/2022 13:54:44 pm UTC	06/29/2022 13:54:44 pm UTC	198.164.187.114
SignNow Web Application	Document Saved	blake.wilson@mortgagegroup.com	06/29/2022 13:55:53 pm UTC	06/29/2022 13:55:53 pm UTC	198.164.187.114
SignNow Web Application	Invite Sent to: ian.cousins@blackhawkconsulting.ca	blake.wilson@mortgagegroup.com	06/29/2022 13:56:02 pm UTC	06/29/2022 13:56:01 pm UTC	198.164.187.114
SignNow Web Application	Viewed the Document	ian.cousins@blackhawkconsulting.ca	06/29/2022 14:04:15 pm UTC	06/29/2022 14:04:14 pm UTC	74.15.174.139
SignNow Web Application	Viewed the Document	ian.cousins@blackhawkconsulting.ca	06/29/2022 19:45:05 pm UTC	06/29/2022 19:45:03 pm UTC	74.15.174.139
SignNow Web Application	Signed the Document	ian.cousins@blackhawkconsulting.ca	06/29/2022 19:46:16 pm UTC	06/29/2022 19:46:14 pm UTC	74.15.174.139
SignNow Web Application	Signed the Document	ian.cousins@blackhawkconsulting.ca	06/29/2022 19:46:16 pm UTC	06/29/2022 19:46:14 pm UTC	74.15.174.139
SignNow Web Application	Document Saved	ian.cousins@blackhawkconsulting.ca	06/29/2022 19:46:16 pm UTC	06/29/2022 19:46:14 pm UTC	74.15.174.139

2020

Hfx No. 501252

This is Exhibit "P" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia



BDCID: 10028805272

June 23, 2022

Mr. Ian Cousins
11016946 Canada Inc.
123-125 Prince William St
Saint John, NB
E2L 2B4

Re: BDC Loan 156773-02

Dear Mr. Cousins:

We write in reference to our Letter of Offer for Loan No. 156773-02, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loan.

The amendments shall take effect upon receipt by BDC of the Acceptance Form duly signed by all signatories no later than June 30, 2022.

Amendments – Loan No. 156773-02:

SECURITY

The following Security is added to this Loan:

- A collateral readvanceable mortgage on land (legally described as PID 55211239, PID 55211221, PID 55211213, PID 55211205, PID 55211197 and PID 55211189) and buildings located at 20 Pokiok Road, 22 Pokiok Road, 24 Pokiok Road, 26 Pokiok Road, 28 Pokiok Road and 30 Pokiok Road in Saint John, New Brunswick (“Townhouse Properties”).

Except for the modifications expressly mentioned above, nothing in the above amendments with respect to the Security shall in any way alter the rights which BDC now or hereafter has or may have and resulting from the Security nor shall it alter in any way the liability of the remaining obligant and/or guarantor, as the case may be.

UNDERLYING CONDITIONS

The following underlying conditions have been added to this Loan:

- The Bank will hold the mortgages as security for the Townhouse Properties in escrow and will register the mortgages on an event of default, as further described in the Forbearance Agreement dated June 2022.



All other terms and conditions of your financing with BDC remain unchanged.

We confirm that we have informed you and you have agreed that a transaction fee in the amount of \$1,000.00 will be automatically withdrawn from your account on your next payment date.

Yours truly,

Matthew J. Golding

Matthew J. Golding
Director, Business Restructuring
Phone: (902) 332-3521
MatthewJ.GOLDING@bdc.ca

Miguel Rodrigues

Miguel Rodrigues
Assistant Vice President, Business Restructuring

Encl.

Business Development Bank of Canada
Cogswell Tower - Scotia Square
2000 Barrington Street, Suite 1400
Halifax, NS
B3J3K1

Attention: Matthew J. Golding

Re: BDC Loan 156773-02

The undersigned accept the terms and conditions set forth in BDC's Letter of Amendment dated June 23, 2022.

Signed this 30 day of June, 2022.
(date) (month) (year)

BORROWER

11016946 Canada Inc.



_____, Authorized Signing Officer

Name: Ian Cousins
[Please print name of signing party]

GUARANTOR



Ian Cousins

2020

Hfx No. 501252

This is Exhibit "Q" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

Laura M. Smith

From: Sara L. Scott
Sent: Thursday, July 7, 2022 3:32 PM
To: Mark Charles
Cc: Laura Dunnington; Ian Cousins; Laura M. Smith
Subject: RE: 11016946 - Graysbrook NB Compliance and Commitment

Importance: High

Good afternoon,

What is the proposed closing date for the transaction?

The forbearance agreement expires tomorrow and there has been no update on the closing.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, July 4, 2022 2:38 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura Dunnington <laura@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Graysbrook NB Compliance and Commitment

This is an external email.

Sara,

Thank you for the update.

We appreciate you drawing attention to the BDC amount owing. It is our understanding BDC will be paid in full.

It is not uncommon for these numbers to adjust before closing.

We will ensure the typo on the signature page will be corrected.

We will ensure a payout is requested in a timely manner once a firm closing date is determined.

Thanks,

Mark J. Charles LL.B

Heritage House Law Office

92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: July 4, 2022 2:21 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura Dunnington <laura@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Graysbrook NB Compliance and Commitment

Mark,

On an initial review, these documents state that amount owing as secured by the BDC mortgage is \$950,000.

This amount is not correct and the actual amount owing is higher.

The issue is being raised now to minimize any surprises, as BDC expects to be paid out in full on closing.

When there is a firm closing date, please advise so that the payout letter may be provided within the required timeline.

We also note that the signature page is dated 2021 and not 2022. Will this typo be corrected?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, July 4, 2022 10:40 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura Dunnington <laura@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Subject: 11016946 - Graysbrook NB Compliance and Commitment

This is an external email.

Sara,

Please find attached the NB Compliance Documents and Graysbrook Mortgage Commitment.

We apologize, there was a delay in the Broker completing the NB compliance documents.

Its our understanding mortgage instructions are forthcoming to Mr. Frank Hamm, Gorman Nason, Saint John, NB.

I have reached out and will confirm once received.

Let us know if you have any questions or require anything further.

We look forward to a successful refinancing and resolution to this matter.

Yours Truly,

Mark J. Charles LL.B

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92 Ochterloney Street
Dartmouth, NS B2Y 1C5

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mark@heritagelaw.ca

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Ce courriel (y compris les pièces jointes) est confidentiel et peut être privilégié. La distribution ou la divulgation non autorisée de ce courriel est interdite. Sa divulgation à toute personne autre que son destinataire ne constitue pas une renonciation de privilège. Si vous avez reçu ce courriel par erreur, veuillez nous aviser et éliminer ce courriel, ainsi que les pièces jointes, de votre système informatique et de vos dossiers.

2020

Hfx No. 501252

This is Exhibit "R" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

Laura M. Smith

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, July 8, 2022 4:05 PM
To: Sara L. Scott
Cc: Laura Dunnington; Ian Cousins; Laura M. Smith
Subject: RE: 11016946 - Graysbrook NB Compliance and Commitment

This is an external email.

Sara,

Thank you for the follow-up.

By way of update, our client's have signed the Mortgage Commitment, but the Mortgage Instructions have not yet been issued to the NB Lawyer, Mr. Frank Hamm.

Our client's Broker assures us the Mortgage Instructions will be issued anytime, so we expect them anytime. Unfortunately, we are all simply waiting for Graysbrook to issue the Mortgage Instructions.

Our clients are respectfully requesting a short extension to the Forbearance Agreement to allow for the Mortgage Instructions to be issued, and the mortgage funds received. They are requesting 3 weeks until Friday, July 29, 2022.

From my experience with Graysbrook mortgages for amount of this size, several weeks will be required in order to complete the due diligence, sign documents, and request and receive the funds. I suggest a 3 week period is a realistic amount of time to complete this transaction.

Our client appreciates your client's time and attention to this matter. They want to ensure your client they are working diligently to have this mortgage completed successfully and have your client paid in full as soon as possible. They appreciate your clients patience and consideration in this matter.

Please review with your client and advise further at your earliest convenience. Please let us know if you have any questions or wish to discuss anything further.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: July 7, 2022 3:32 PM

To: Mark Charles <mark@heritagelaw.ca>

Cc: Laura Dunnington <laura@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 11016946 - Graysbrook NB Compliance and Commitment

Importance: High

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Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>

Sent: Monday, July 4, 2022 2:38 PM

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Cc: Laura Dunnington <laura@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 11016946 - Graysbrook NB Compliance and Commitment

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We will ensure the typo on the signature page will be corrected.

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Thanks,

Mark J. Charles LL.B

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92 Ochterloney Street

Dartmouth, NS B2Y 1C5

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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: July 4, 2022 2:21 PM

To: Mark Charles <mark@heritagelaw.ca>

Cc: Laura Dunnington <laura@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 11016946 - Graysbrook NB Compliance and Commitment

Mark,

On an initial review, these documents state that amount owing as secured by the BDC mortgage is \$950,000.

This amount is not correct and the actual amount owing is higher.

The issue is being raised now to minimize any surprises, as BDC expects to be paid out in full on closing.

When there is a firm closing date, please advise so that the payout letter may be provided within the required timeline.

We also note that the signature page is dated 2021 and not 2022. Will this typo be corrected?

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>

Sent: Monday, July 4, 2022 10:40 AM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura Dunnington <laura@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Subject: 11016946 - Graysbrook NB Compliance and Commitment

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Sara,

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We apologize, there was a delay in the Broker completing the NB compliance documents.

Its our understanding mortgage instructions are forthcoming to Mr. Frank Hamm, Gorman Nason, Saint John, NB.

I have reached out and will confirm once received.

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92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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2020

Hfx No. 501252

This is Exhibit "S" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

Laura M. Smith

From: Sara L. Scott
Sent: Wednesday, July 20, 2022 8:32 AM
To: Ian Cousins; Mark Charles
Cc: Laura Dunnington; Laura M. Smith
Subject: RE: 11016946 - Graysbrook NB Compliance and Commitment

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As you both would be aware, the lack of communication has been an on-going issue for the past two years. It remains a concern.

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She/Her
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To: 'Ian Cousins' <ian.cousins@blackhawkconsulting.ca>; Mark Charles <mark@heritagelaw.ca>
Cc: Laura Dunnington <laura@heritagelaw.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Graysbrook NB Compliance and Commitment

Thank you Mr. Cousins. BDC will appreciate the update.

Regards, Sara

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Good morning Ms scott

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Sent: July 12, 2022 11:37 AM

To: Mark Charles <mark@heritagelaw.ca>

Cc: Laura Dunnington <laura@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>

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The updates can come from you or directly from Mr. Cousins; however, they must be made.

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Please review with your client and advise further at your earliest convenience. Please let us know if you have any questions or wish to discuss anything further.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
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Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
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Fax: (902) 466 - 4412
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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: July 7, 2022 3:32 PM

To: Mark Charles <mark@heritagelaw.ca>

Cc: Laura Dunnington <laura@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>

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She/Her

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Sent: Monday, July 4, 2022 2:38 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Laura Dunnington <laura@heritagelaw.ca>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>

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2020

Hfx No. 501252

This is Exhibit "T" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January _____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia

Laura M. Smith

From: Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Sent: Wednesday, August 3, 2022 4:33 PM
To: Sara L. Scott
Subject: RE: 11016946 - Graysbrook NB Compliance and Commitment

This is an external email.

Good afternoon Ms Scott

As you know I have been pressing as well. here is the response I got today. This came out of left field . . Just a few more days we genuinely appreciate your patience

Good day

Due to the rising of interest rates, all lenders are now looking for an appraisal to confirm the values of all purchases. Sorry for this last minute change, but on a good note the appraisals for the Pokiok Townhouses have already been ordered and should be in soon. This is the last step to get you financed.

Ian Cousins
President
Mortgage Agent M09002800
ian.cousins@blackhawkconsulting.ca

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T: 613-745-2828
TF: 1-877-545-2828
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From: Sara L. Scott <sscott@stewartmckelvey.com>

Sent: August 2, 2022 3:46 PM

To: Ian Cousins <ian.cousins@blackhawkconsulting.ca>; Mark Charles <mark@heritagelaw.ca>

Cc: Laura Dunnington <laura@heritagelaw.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 11016946 - Graysbrook NB Compliance and Commitment

Good afternoon,

What is the update on this matter?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Sent: Wednesday, July 20, 2022 9:49 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>; Mark Charles <mark@heritagelaw.ca>
Cc: Laura Dunnington <laura@heritagelaw.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: Re: 11016946 - Graysbrook NB Compliance and Commitment

This is an external email.

I followed up Friday and yesterday asking when will the lawyers be instructed . I was told today but I cannot control the process . It is infuriating. Not sure what else I can do . I committed to follow up when I had news . And I Had no news

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: Wednesday, July 20, 2022 7:32:13 AM
To: Ian Cousins <ian.cousins@blackhawkconsulting.ca>; Mark Charles <mark@heritagelaw.ca>
Cc: Laura Dunnington <laura@heritagelaw.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>
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Subject: RE: 11016946 - Graysbrook NB Compliance and Commitment

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Partner

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Fax: (902) 466 - 4412
mark@heritagelaw.ca

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2020

Hfx No. 501252

This is Exhibit "U" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia

BDC REQUEST

From: Stefanie Lintzeris

E-mail: stefanie.lintzeris@bdc.ca

Send request to : Eric Coffin Eric.Coffin@gnb.ca

1. Property Account Number (PAN): 04486923
 2. Address of Property: 123-125 Prince William, Saint John
 3. Owner(s) of Property: 11016946 Canada inc.
-
4. Balance of Property Tax: \$159,490.17 (Tax/Pen \$157,845.16/BIA \$1,645.01)
 5. Last Payment Date: 2019-09-17
 6. Amount of Last Payment: 54,739.13
 7. Breakdown of Balance by Taxation Year: 2020 \$60,650.48; 2021 \$49,279.57; 2022 \$47,915.11; 2022 BIA \$1,645.01)

2020

Hfx No. 501252

This is Exhibit "V" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

Laura M. Smith

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, August 26, 2022 3:35 PM
To: Sara L. Scott
Cc: Laura M. Smith; Ian Cousins
Subject: RE: 11016946 - Update on Financing - Appraisal results expected Friday

This is an external email.

Sara,

Thank you for your follow-up.

By way of update our client's appraisal was completed but they have not finalized the appraisal yet.

Unfortunately the appraisers ran the appraisal as a commercial unit, rather than individual townhouses. This deflated the value slightly. Our client has townhouse sales in the area that have comparable values in the @\$250K range. Our client's appraiser is reporting the units will come in closer to an @\$225K range. This is a small difference but we are concerned it may make the closing numbers tighter to reach. A value of @\$250K per unit will allow our client some extra wiggle room in the closing numbers. It will add another @\$112K to the net funding advance.

Our client is hoping to make the strongest attempt at completing the refinance and paying in BDC in full. They are working diligently to successfully complete the payout of your client.

Our clients are respectfully requesting on additional week, until Friday September 2, 2022 to have the appraisers complete a second opinion on the appraisal, or if no better result is likely, to finalize the appraisal at its current value (@\$225K).

Our client would then proceed to close the mortgage and pay BDC in full. This is the last condition precedent outstanding.

Please let me know if you want to arrange a time to discuss further.

We appreciate your clients time and consideration in this matter.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
Fax: (902) 466 - 4412
mark@heritagelaw.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: August 26, 2022 1:59 PM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Update on Financing - Appraisal results expected Friday

Mark – any update?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Tuesday, August 23, 2022 8:28 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Update on Financing - Appraisal results expected Friday

Mark – may we have an update on the appraisals?

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Sara L. Scott
Sent: Friday, August 19, 2022 7:50 AM
To: Mark Charles <mark@heritagelaw.ca>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Update on Financing - Appraisal results expected Friday

Good morning Mark,

Please provide an update on the status of the appraisals?

Thank you.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, August 15, 2022 7:32 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Subject: 11016946 - Update on Financing - Appraisal results expected Friday

This is an external email.

Sara,

By way of update, our client was having difficulty arranging the last appraisal viewing for the Pokiok Property. There are several townhouses and some delay was experienced with the property manager co-ordinating all of the site visits.

All site visits were completed on Friday. We expect to have the finished appraisal by this Friday.

This is the last outstanding piece required before the financing can proceed.

We'll continue to keep you updated.

We again thank your client for their patience and consideration in this matter.

We look forward to the successful completion of the refinance.

Let me know if you want to arrange a time or a call to discuss further.

Yours Truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669
Cell Phone: (902) 448 - 3259
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2020

Hfx No. 501252

This is Exhibit "W" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

Laura M. Smith

From: Sara L. Scott
Sent: Friday, August 26, 2022 5:40 PM
To: Mark Charles
Cc: Laura M. Smith; Ian Cousins
Subject: RE: 11016946 - Update on Financing - Appraisal results expected Friday

Importance: High

Mark,

I have forwarded your message to my client and as expected, there are significant concerns with the current state. As has been made clear, BDC will not accept anything less than a full payout. It will not provide any discount for this financing to close. It will not agree to discharge its security.

The forbearance period has long since ended and 1101 is in default of the forbearance agreement. The latest update suggests that the financing may not close or if it does close, that there may be a shortfall. Neither of these messages inspire confidence.

Given the default in the forbearance and the additional time that has been provided to 1101, together with the concerns raised in your email, BDC will be registering the mortgages against the townhouse properties next week. If there is confirmation from the lender that the financing will close and BDC will be paid out in full, BDC may reconsider this position.

Please advise immediately. If there is no response, BDC will proceed with registering the mortgages on the townhouses, without further notice to 1101.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Friday, August 26, 2022 3:35 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>; Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Subject: RE: 11016946 - Update on Financing - Appraisal results expected Friday

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Our client would then proceed to close the mortgage and pay BDC in full. This is the last condition precedent outstanding.

Please let me know if you want to arrange a time to discuss further.

We appreciate your clients time and consideration in this matter.

Yours truly,

Mark J. Charles LL.B

Heritage House Law Office
92 Ochterloney Street
Dartmouth, NS B2Y 1C5

Telephone: (902) 465 - 6669

Cell Phone: (902) 448 - 3259

Fax: (902) 466 - 4412

mark@heritagelaw.ca

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Sent: August 26, 2022 1:59 PM

To: Mark Charles <mark@heritagelaw.ca>

Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: 11016946 - Update on Financing - Appraisal results expected Friday

Mark – any update?

Sara

Sara L. Scott*

Partner

She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

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Subject: RE: 11016946 - Update on Financing - Appraisal results expected Friday

Mark – may we have an update on the appraisals?

Sara

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

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Sent: Friday, August 19, 2022 7:50 AM
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Cc: Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: 11016946 - Update on Financing - Appraisal results expected Friday

Good morning Mark,

Please provide an update on the status of the appraisals?

Thank you.

Sara

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Mark Charles <mark@heritagelaw.ca>
Sent: Monday, August 15, 2022 7:32 AM
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This is the last outstanding piece required before the financing can proceed.

We'll continue to keep you updated.

We again thank your client for their patience and consideration in this matter.

We look forward to the successful completion of the refinance.

Let me know if you want to arrange a time or a call to discuss further.

Yours Truly,

Mark J. Charles LL.B

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2020

Hfx No. 501252

This is Exhibit "X" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

Laura M. Smith

From: Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Sent: Friday, September 23, 2022 2:42 PM
To: Sara L. Scott
Subject: FW: PRINCE WILLIAM RE-FIANCE

This is an external email.

Good Afternoon Ms Scott,

We are having difficulty in the refi of the 125 Prince William. As interest rates have changed so dramatically, our term sheet from Graysbrook has been pulled where the property doesn't debt service with new rates. I have asked for an updated term sheet for what the property can service and expect to be reduced to \$697,000 as a result of these circumstances.

We have agreed to list the Pokiok townhouses before the end of the September which we are anticipating will net roughly \$30k each. All net proceeds will be paid to BDC towards the debt on Prince William, a total of \$180k.

Our question to BDC is if they will accept the \$697k to pay out the majority of their debt and move the remainder of their debt to second position. This combined with the proceeds of Pokiok will put us in a strong position.

We had 125 Prince William listed for the value of the debt on the building for a long time through the strongest commercial broker in Saint John and had no luck. This is very different from selling well priced townhouses. We are very eager to resolve the BDC debt but are managing some very difficult circumstances to get there.

If this is agreeable to BDC we will provide listing agreements for the townhouses and will send an updated term sheet for Prince William once it's available.

Ms Scott, we truly appreciate your and BDC's patience through this difficult transaction. We believe this strategy will allow for a successful payout of BDC following the refinance and the sale of the townhouses.

Thank you.

Sincerely,

Ian Cousins
President
Mortgage Agent M09002800
ian.cousins@blackhawkconsulting.ca

C: 613-229-3009
T: 613-745-2828
TF: 1-877-545-2828
F: 1-866-749-1939
A: 200-5310 Canotek Road
Ottawa, ON K1J 9N5
W: www.blackhawkconsulting.ca



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Allergy Alert: When visiting our offices, please be scent aware.

2020

Hfx No. 501252

This is Exhibit "Y" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

Laura M. Smith

From: Sara L. Scott
Sent: Friday, October 14, 2022 7:58 AM
To: Ian Cousins
Cc: Mark Charles; Laura M. Smith
Subject: RE: PRINCE WILLIAM RE-FIANCE

Good morning Mr. Cousins,

Thank you for the update. BDC has consistently taken the position that it expects a full payout of the amount owing to it. This position has not changed. The proposal advanced in your email of September 23 is not acceptable to BDC, as it does not achieve this outcome.

1101 remains in default of the terms of the forbearance agreement.

BDC is willing to provide one week for 1101 to advance a realistic plan for BDC to consider. In the absence of a plan being advanced or should a plan be advanced that is unacceptable to BDC, BDC will move forward and take any steps it deems necessary to protect the value of its security. This may include the filing of the consent receivership order with the Court over the assets and property of 1101 and to proceed with liquidation of the assets.

Should there be no response within one week, BDC will move forward without any further notice to 1101. BDC remains at liberty to take any steps deemed necessary should, in its view, its security position become jeopardized before the one week deadline has expired.

Sara

Sara L. Scott*

Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Sent: Friday, September 23, 2022 2:42 PM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Subject: FW: PRINCE WILLIAM RE-FIANCE

This is an external email.

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Thank you.

Sincerely,

Ian Cousins
President
Mortgage Agent M09002800
ian.cousins@blackhawkconsulting.ca

C: 613-229-3009
T: 613-745-2828
TF: 1-877-545-2828
F: 1-866-749-1939
A: 200-5310 Canotek Road
Ottawa, ON K1J 9N5
W: www.blackhawkconsulting.ca



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Allergy Alert: When visiting our offices, please be scent aware.

2020

Hfx No. 501252

This is Exhibit "Z" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January ____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova
Scotia

Laura M. Smith

From: Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Sent: Friday, October 14, 2022 11:46 AM
To: Sara L. Scott
Cc: Mark Charles; Laura M. Smith
Subject: RE: PRINCE WILLIAM RE-FIANCE

This is an external email.

Dear Ms Scott,

Your communication has always been very prompt so after I submitted our plan with no response I instituted our plan. I assumed it was accepted because it certainly was not declined.

Since my proposal on Sept 23rd, I have listed the properties on Pokiak Road for sale and which be viewed on MLS (<https://www.realtor.ca/real-estate/24949629/30-pokiok-road-saint-john>). The listings have been very active as we priced them to sell quickly. Our agent believes offers are forthcoming which we are happy to share with you and your client as we use proceeds to reduce our loan amount with BDC. The manager of the Prince William property has also started plans to complete the fit up of the apartments in that building that will make it highly marketable/easy to refinance.

Ms Scott, given the non-response I made the prudent decision to do my best to work with BDC to end their involvement with this project. I would ask that consideration be given to that decision.

Yours truly,

Ian Cousins
President
Mortgage Agent M09002800
ian.cousins@blackhawkconsulting.ca

C: 613-229-3009
T: 613-745-2828
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Allergy Alert: When visiting our offices, please be scent aware.

From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: October 14, 2022 9:30 AM
To: Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Mark Charles <mark@heritagelaw.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>
Subject: RE: PRINCE WILLIAM RE-FIANCE

Mr. Cousins,

There is nothing in the history of this file that would make such an assumption a reasonable one. BDC has considered your proposal and it is not acceptable.

1101 is in default and there is no forbearance. BDC will move forward to protect its interests in any way it deems necessary.

Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Sent: Friday, October 14, 2022 9:37 AM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Cc: Mark Charles <mark@heritagelaw.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>

Subject: RE: PRINCE WILLIAM RE-FIANCE

This is an external email.

Good Morning Ms Scott

I put forward our plan On sept 23 that was not responded to. I therefore assumed your agreement with the arrangement.

Thank you.

Ian Cousins
President
Mortgage Agent M09002800
ian.cousins@blackhawkconsulting.ca

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From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: October 14, 2022 6:58 AM
To: Ian Cousins <ian.cousins@blackhawkconsulting.ca>
Cc: Mark Charles <mark@heritagelaw.ca>; Laura M. Smith <lmsmith@stewartmckelvey.com>
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Sara

Sara L. Scott*

Partner

She/Her

Stewart McKelvey

D: 902.420.3363

C: 902.448.6366

*Law Corporation

From: Ian Cousins <ian.cousins@blackhawkconsulting.ca>

Sent: Friday, September 23, 2022 2:42 PM

To: Sara L. Scott <sscott@stewartmckelvey.com>

Subject: FW: PRINCE WILLIAM RE-FIANCE

This is an external email.

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We are having difficulty in the refi of the 125 Prince William. As interest rates have changed so dramatically, our term sheet from Graysbrook has been pulled where the property doesn't debt service with new rates. I have asked for an updated term sheet for what the property can service and expect to be reduced to \$697,000 as a result of these circumstances.

We have agreed to list the Pokiok townhouses before the end of the September which we are anticipating will net roughly \$30k each. All net proceeds will be paid to BDC towards the debt on Prince William, a total of \$180k.

Our question to BDC is if they will accept the \$697k to pay out the majority of their debt and move the remainder of their debt to second position. This combined with the proceeds of Pokiok will put us in a strong position.

We had 125 Prince William listed for the value of the debt on the building for a long time through the strongest commercial broker in Saint John and had no luck. This is very different from selling well priced townhouses. We are very eager to resolve the BDC debt but are managing some very difficult circumstances to get there.

If this is agreeable to BDC we will provide listing agreements for the townhouses and will send an updated term sheet for Prince William once it's available.

Ms Scott, we truly appreciate your and BDC's patience through this difficult transaction. We believe this strategy will allow for a successful payout of BDC following the refinance and the sale of the townhouses.

Thank you.

Sincerely,

Ian Cousins
President
Mortgage Agent M09002800
ian.cousins@blackhawkconsulting.ca

C: 613-229-3009
T: 613-745-2828
TF: 1-877-545-2828
F: 1-866-749-1939
A: 200-5310 Canotek Road
Ottawa, ON K1J 9N5
W: www.blackhawkconsulting.ca



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2020

Hfx No. 501252

This is Exhibit "AA" to the affidavit of Matthew J. Golding, sworn to before me at Halifax, Province of Nova Scotia, on January _____, 2023

Sara L. Scott
A Barrister of the Supreme Court of Nova Scotia

Laura M. Smith

From: Jim Kennedy <jim.kennedy@valourinvestments.com>
Sent: Monday, December 12, 2022 10:45 PM
To: MatthewJ.GOLDING@bdc.ca
Cc: Sara L. Scott
Subject: 125 Prince William
Attachments: Agreement of Purchase and Sale.pdf

This is an external email.

Hi Matt,

Connecting with you directly because time is of the essence on this matter, CC'ing Sara to make sure she's kept in the loop. I've been contacted by a serious buyer for 125 Prince William but am not in a position to negotiate until knowing that we are on the same page. I'm happy to include you on each step but am hoping we can have a call tomorrow to discuss. I've attached the offer for your review.

I believe it made most sense to contact you directly rather than going through lawyers only because the offer is only open until Wednesday and I wanted to expedite communication. If you can please let me know if/when you're free for a call I'd appreciate it.

Thanks



Jim Kennedy - Managing Partner

M [902.877.6595](tel:902.877.6595)

E Jim.Kennedy@ValourInvestments.com

W www.ValourInvestments.com



AGREEMENT OF PURCHASE AND SALE

Approved by The New Brunswick Real Estate Association for use by members under
An Act to Incorporate The New Brunswick Real Estate Association



The attached schedule, if applicable, forms part of this contract:

- Vacant Land Mini/Mobile Home Condominium Multi-Use Residential Income Properties

The Buyer Jacques Bouchacourt

offers to buy from the Seller 11016946 Canada Inc through

Brunswick Brokers Limited

Seller's Agent (Company)

and

eXp REALTY

Buyer's Agent (Company)

the Property designated as civic address: 125 Prince William Street, Saint John, NB

having PID(s): 55176598 PAN #: 04486923 (the "Property")

at a purchase price of Nine Hundred Thousand Dollars

(\$ 900,000.00) on the following terms and conditions:

1. HST

The Seller is responsible to determine if the transaction is subject to HST. The parties agree that **IF** this transaction is subject to HST, any such HST applicable to the transaction

IS included in the purchase price.

IS NOT included in the purchase price.

JB
Buyer's Initials

Seller's Initials

2. CLOSING DATE

This Agreement shall be completed on or before the 30 day of March, 2023 (hereinafter called the "Closing Date"). Vacant possession of the Property shall be given to the Buyer, unless otherwise specified. The Seller shall ensure that the Property is available and accessible for the pre-closing inspection by 2:00 p.m. on or before the 29 day of March, 2023.

3. SALE OF BUYER'S PROPERTY

(a) This offer IS or IS NOT subject to the sale of the Buyer's Property located at _____ on or before the _____ day of _____, 20____.

(b) It is agreed and understood that the Seller may continue to offer the Seller's property for sale. If another offer, acceptable to the Seller, is obtained, the Seller or Seller's Agent shall notify the Buyer or Buyer's Agent. This notice shall be communicated without delay and followed up by written notice to the Buyer or Buyer's Agent. The Buyer will be allowed _____ hours, Sundays and holidays included, from the time of the written notice to remove all conditions related to the sale of the Buyer's property, failing which this agreement becomes null and void. Neither the Seller nor the Seller's Agent will be liable for any cost or damages incurred by the Buyer.

(c) The Buyer IS or IS NOT required to meet or exceed (in the opinion of the Seller), the terms and conditions of any new offer acceptable to the Seller.

(d) It is agreed and understood that at any time before the Seller or Seller's Agent gives notice to the Buyer or Buyer's Agent regarding another acceptable offer, the Buyer may waive this condition however, this condition must be waived _____ days before the Closing Date, failing which this Agreement becomes null and void.

Acknowledgement of completion of Page 1 - Buyer's Initials JB / _____ Seller's Initials _____ / _____

Property designated as civic address: 125 Prince William Street, Saint John, NB

4. DEPOSIT

(a) Deposit(s) will be payable to the Listing Agent, to be held in trust, pending completion or other termination of this Agreement. The deposit(s) shall be credited towards the purchase price on completion, and the Buyer shall pay the balance of the purchase price on closing or as otherwise stated in this Agreement.

(b) The Buyer submits with this offer _____ Dollars (\$ 0.00) CASH / CHEQUE / OTHER: _____.

(c) The Buyer agrees to increase deposit to \$ 10,000.00 (or _____% of purchase price) CASH / CHEQUE / OTHER: Wire or direct deposit on or before 20 day of January, 2023 or within _____ days of receipt of waiver of clause #3.

~~5. FINANCING~~

~~This Agreement is subject to the Buyer or the Buyer's agent delivering written proof of financing to the Seller or the Seller's Agent in the amount of approximately \$ JB (or _____% of purchase price) on or before the _____ day of _____, 20____, failing which this agreement becomes null and void. If Financing is subject to Sale of Buyer's Property, a final approval of financing will be provided to the Seller or Seller's Agent within _____ days of receipt of waiver of clause #3.~~

6. INSPECTION

The Buyer DOES or DOES NOT require an inspection of the Property. The Buyer is urged to carefully inspect the Property and may, if desired, have the Property inspected at the Buyer's expense. If the results of the inspection are not satisfactory to the Buyer, the Buyer may terminate this Agreement by delivering written notice to the Seller or the Seller's Agent by the 20 day of January, 2023 or within _____ days of receipt of waiver of clause #3, upon which this Agreement becomes null and void.

7. INSURANCE

This offer IS or IS NOT conditional on the Buyer obtaining insurance for the Property satisfactory to the Buyer, effective on the closing date. The Buyer must deliver written notice, to the Seller or Seller's Agent by the 20 day of January, 2023 or within _____ days of receipt of waiver of clause #3, failing which this agreement becomes null and void. The Seller agrees to co-operate in providing access to the Property as required for the fulfillment of this condition.

8. WATER TEST

The Buyer, at the Buyer's expense, DOES or DOES NOT require the water supply to be tested for:

potability (E.coli / Coliform) any additional criteria (chemical / mineral): _____

If the results of such testing fail to meet the *Guidelines for Canadian Drinking Water Quality* or any additional criteria as specified, the Buyer may terminate this Agreement by delivering written notice to the Seller or Seller's Agent by the _____ day of _____, 20____ or within _____ days of receipt of waiver of clause #3, upon which this Agreement becomes null and void.

9. ENVIRONMENT

The Buyer DOES or DOES NOT require a Phase I environmental assessment at the Buyer's expense. If the results of the assessment are not satisfactory to the Buyer, the Buyer may terminate this Agreement by delivering written notice to the Seller or Seller's Agent by the _____ day of _____, 20____ or within _____ days of receipt of waiver of clause #3, upon which this Agreement becomes null and void.

10. RESIDENTIAL PROPERTY DISCLOSURE STATEMENT

The Seller WILL or WILL NOT provide a current Residential Property Disclosure Statement to the Buyer on or before the 20 day of December, 2022. If the information contained in the Residential Property Disclosure Statement is not satisfactory to the Buyer, the Buyer may terminate this Agreement by delivering written notice to the Seller or Seller's Agent by the 10 day of January, 2023 upon which this Agreement becomes null and void.

Acknowledgement of completion of Page 2 - Buyer's Initials JB / _____ Seller's Initials _____ / _____


Property designated as civic address: 125 Prince William Street, Saint John, NB

11. ADDITIONAL TERMS AND CONDITIONS

This Agreement is further subject to the following terms and conditions:

Vendor is to disclose to the purchaser all latent defects associated with the property and will do so on or before the 19th of December, 2022.

Vendor is not aware of any work orders involving this property by the City of Saint John or the Fire Marshall.

 JB			
Buyer's Initials		Seller's Initials	

12. ADJUSTMENTS

Property taxes, rentals, leases, municipal charges, fuel/heating items on the premises and assessments are to be adjusted to the Closing Date. The cost of municipal improvements, betterment charges, and capital charges for utility or municipal services completed as of the date of this Agreement, whether billed or not, are to be paid by the Seller on or before the Closing Date unless otherwise stated.

13. RISK

The Property being purchased shall be and remain at the risk of the Seller, pending completion of the sale. The Seller shall hold all insurance policies and the proceeds thereof, in trust for the parties as their interests may appear. In the event of damage, the Buyer may, at the Buyer's option, agree to complete the purchase with the proceeds of the Seller's unit policy. Alternatively, the Buyer may, at the Buyer's option, declare this Agreement null and void.

14. FIXTURES / CHATTELS / LEASED EQUIPMENT

(a) All existing **fixtures** on the property, which may include but are not limited to: flooring and floor coverings, drapery tracks, ceiling fans and light fixtures, built-in appliances, bathroom mirror(s), heating-ventilating-air conditioning equipment, garage door opener(s), central vacuum, and all applicable accessories/remote(s) and all other items secured by means of nails, screws, plumbing, wiring, ducting and related accessories are to be included in the purchase price except items which are leased or rented including those specifically listed herein in this Agreement, with the following exceptions:
No exceptions.

(b) The following **chattels** owned by the Seller and presently located at the Property shall remain with the Property, to be included in the purchase price, and shall be conveyed to the Buyer in good working order, free and clear of encumbrances, on the date of closing:
Keys for each unit in the building.

(c) The Seller agrees to inform the Buyer of any **leased equipment**. In the case of leased equipment, the Buyer may be required to purchase the product from the lessor or assume the existing lease. Current leased equipment is (include lessor name below):

- Hot Water Tank: _____ Furnace / Heating System: _____
- Propane Tank: _____ Security System: _____
- Other: _____

15. SURVEY

The cost of a New Brunswick Land Surveyor's Real Property Report shall be the responsibility of the Buyer. Notwithstanding the foregoing, the Seller is to supply to the Buyer or Buyer's Agent any New Brunswick Land Surveyor's Real Property Report / Subdivision Plan / Survey Plan that may be in the Seller's possession, without warranty.

Acknowledgement of completion of Page 3 - Buyer's Initials  JB / _____ Seller's Initials _____ / _____

Property designated as civic address: 125 Prince William Street, Saint John, NB

16. TITLE SEARCH

The Buyer may examine the title of the Property at the Buyer's expense and any valid objection to title which the Buyer wishes to make shall be made in writing to the Seller on or before the day of closing. In the event a valid objection to title is made that the Seller is unable or unwilling to remove prior to closing, and which the Buyer does not waive, this Agreement becomes null and void.

17. CONVEYANCE

The conveyance of the Property shall be by Transfer, Deed, or Bill of Sale drawn at the expense of the Seller, to be delivered on payment of the purchase price on the Closing Date. The Property is to be conveyed free from encumbrances, except utility easements that do not materially affect the enjoyment of the Property, registered restrictions, or covenants that affect the Property.

18. ADDITIONAL DOCUMENTS

The attached additional documents, if applicable, form part of this contract:

- Covenants
- Builder's Specifications
- Municipal Drainage Plans
- Floor Plans
- House Plans
- Schedule: _____
- Other: _____
- Other: _____

19. GENERAL

- (a) Any tender of documents to be delivered or money payable may be made by the Seller, Seller's Agent or Lawyer or the Buyer, Buyer's Agent or Lawyer or any other party acting on their behalf. Money paid, subsequent to the deposit, shall be by Solicitor's trust cheque, certified cheque, or the equivalent, drawn on a chartered Canadian Bank, Trust Company or Credit Union.
- (b) The Buyer shall have the right, upon providing the Seller with reasonable notice, to conduct a pre-closing inspection of the Property to ensure that the Property is in the same state of repair and condition as viewed on the date of this Agreement. If the Property is not in the same state of repair and condition and the Seller is unable or unwilling to make the necessary repairs, then this Agreement may become null and void at the Buyer's discretion.
- (c) All warranties and representations contained in this Agreement shall survive the closing unless otherwise stated in this Agreement.
- (d) In all aspects of this Agreement, time shall be of the essence. In the event of a written agreement of extension, time shall continue to be of the essence. This Agreement shall be to the benefit of and be binding upon the parties, their respective heirs, executors, administrators, successors and assigns.
- (e) This Agreement is to be read with all changes of gender or number as the context requires. This Agreement shall constitute the entire Agreement between the parties and shall be governed by the laws of the Province of New Brunswick.
- (f) The Seller and the Buyer agree to be bound by offers and counter offers and related documentation and/or communication that may be transmitted electronically and that reproductions of the signatures therein will be treated as originals.
- (g) The Buyer and Seller have the right to seek legal counsel with respect to this Agreement.
- (h) If the Buyer defaults in the completion of the sale under the terms of this Agreement, any money paid hereunder shall be forfeited to the Seller without interest or penalty by way of liquidated damages, or the Seller may, at the Seller's option, compel the Buyer to complete the sale.
- (i) If this Agreement becomes null and void under the terms of this Agreement, all deposits paid shall be returned to the Buyer in full. By signing this Agreement, the Buyer and Seller consent and irrevocably instruct the Seller's Agent to release all deposits to the Buyer without interest or penalty.
- (j) In the event that 19(i) is applicable, the Buyer and Seller both agree to release and forever discharge each other, the Seller's Agent and the Buyer's Agent from any claims that either party has or may have arising from the deposit.
- (k) Once received and accepted, all Schedules and additional documents attached shall form part of this Agreement of Purchase and Sale and shall be deemed acceptable to the Buyer and Seller.
- (l) The Seller warrants that the Property IS or IS NOT registered under the Farm Land Identification Program (FLIP).

20. AGENCY RELATIONSHIP

The Seller and the Buyer acknowledge having received, read and understood the "WORKING WITH A REALTOR®" form, as published by The New Brunswick Real Estate Association and acknowledge and confirm as follows:

(a) The Seller DOES or DOES NOT have an Agency relationship with:

<p>Brunswick Brokers Limited</p>	as represented by	<p>Stephanie Turner</p>
NAME OF AGENT (company)		NAME OF REALTOR® (please print)
NAME OF AGENT (company)	as represented by	NAME OF REALTOR® (please print)

Acknowledgement of completion of Page 4 - Buyer's Initials JB / Seller's Initials _____ / _____

Property designated as civic address: 125 Prince William Street, Saint John, NB

(b) The Buyer DOES or DOES NOT have an Agency relationship with:

eXp Realty as represented by Shawn Tucker
NAME OF AGENT (company) NAME OF REALTOR® (please print)

(c) The Buyer and the Seller acknowledge that by signing this Agreement they have consented to a Dual Agency relationship with:

NAME OF AGENT (company) as represented by _____
NAME OF REALTOR® (please print)

NAME OF REALTOR® (please print)

21. TIME FOR ACCEPTANCE

This offer shall be open for acceptance until 1:00 p.m. on the 12 day of December, 2022.
Notification of the acceptance of this offer shall be communicated by the Seller's Agent to the Buyer's Agent prior to the designated time and date or this Agreement becomes null and void.

Dated at Montreal, this _____ day of 12/09/22, 20____.

Signed and delivered in the presence of:

WITNESS

 Jacques Bouchacourt
BUYER Jacques Bouchacourt

WITNESS

BUYER

22. ACCEPTANCE

The Seller hereby confirms this offer was presented and accepted at _____ on the _____ day of _____, 20____.

Signed and delivered in the presence of:

WITNESS

SELLER

WITNESS

SELLER

23. REJECTION

The Seller hereby confirms this offer was presented and rejected at _____ on the _____ day of _____, 20____.

Signed and delivered in the presence of

WITNESS

SELLER

WITNESS

SELLER

Property designated as civic address: 125 Prince William Street, Saint John, NB

24. COUNTER OFFER

(a) The Seller hereby confirms having read and understood this Agreement and has **MODIFIED THE PRICE TO** or **ACCEPTED THE PRICE**
OF: _____ Dollars (\$ _____)

along with the following amendments:

This counter offer shall be open for acceptance until _____ on the _____ day of _____, 20____.
Notification of the acceptance of this counter offer shall be communicated by the Buyer's Agent to the Seller's Agent prior to the designated time and date or this Agreement becomes null and void.

Dated at _____, this _____ day of _____, 20____.

Signed and delivered in the presence of

WITNESS

SELLER

WITNESS

SELLER

(b) The Buyer hereby agrees to the above price of \$ _____ and all other amendments contained in this counter offer.

- OR -

(c) The Buyer hereby confirms this counter offer was presented and rejected at _____ on the _____ day of _____, 20____.

Dated at _____, this _____ day of _____, 20____.

Signed and delivered in the presence of

WITNESS

BUYER **Jacques Bouchacourt**

WITNESS

BUYER

Seller's Solicitor: _____

Phone: _____

Fax: _____

Buyer's Solicitor: _____

Phone: _____

Fax: _____

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Acknowledgement of completion of Page 6 - Buyer's Initials **JB** / _____ Seller's Initials _____ / _____