

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

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

and

VILLAGE DEVELOPMENTS INC.

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended

**APPLICATION RECORD
(Returnable March 29, 2023)**

March 17, 2023

GOWLING WLG (CANADA) LLP

Barristers and Solicitors
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Toronto, ON M5X 1G5
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Lawyers for the Applicant

TO: The Attached Service List.

SERVICE LIST

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AND TO:	<p>RSM CANADA LIMITED 11 King Street West, Suite 700, Box 27 Toronto, Ontario M5H 4C7</p> <p>Daniel Weisz Tel: (416) 646-8778 Fax: (416) 480-2646 Email: daniel.weisz@rsmcanada.com</p> <p>Jeffrey Berger Tel: (647) 726-0496 Fax: (416) 480-2646 Email: jeff.berger@rsmcanada.com</p> <p><i>Proposed Receiver</i></p>

AND TO:	VILLAGE DEVELOPMENTS INC. 7686 Appleby Lane, Milton, Ontario L9E 0N1 Paul Debattista Email: pauldebattista@outlook.com <i>Respondent</i>
AND TO:	ZIMMERMAN ASSOCIATES 3338 Dufferin Street, Toronto, Ontario M6A 3A4 Lawrence Zimmerman Tel: (647) 792-1272, Ext. 208 Email: larry@zimlaw.ca <i>Counsel to the Respondent, Village Developments Inc.</i>
AND TO:	OLYMPIA TRUST COMPANY P.O. Box 2581 STN Central Calgary, Alberta T2P 1C8 <i>Co-Lender to the Applicant, Vector Financial Services Limited</i>
AND TO:	CURRENT TENANT 485 Ontario Street South Milton, Ontario L9T 2N2
AND TO:	CURRENT TENANT 501 Ontario Street South Milton, Ontario L9T 2N2
AND TO:	CURRENT TENANT 511 Ontario Street South Milton, Ontario L9T 2N2

AND TO:	SOCIETE EN COMMANDITE MVMT CAPITAL 200 Rue Hyppolite-Denaut La Prairie, Quebec J5R 6P2 <i>Mortgagee against the properties municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario</i>
AND TO:	JASON WAXMAN 18 Turner Avenue Hamilton, Ontario L8P 3K5 Tel: 905-575-7421 Email: jason@addisonwealth.com <i>Mortgagee against the properties municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario</i>
AND TO:	2343640 ONTARIO INC. 18 Turner Avenue Hamilton, Ontario L8P 3K5 <i>Mortgagee against the properties municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario</i>
AND TO:	ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION 18 Turner Avenue Hamilton, Ontario L8P 3K5 <i>Mortgagee against the properties municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario</i>
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AND TO:	1860346 ONTARIO INC. 18 Turner Avenue Hamilton, Ontario L8P 3K5 <i>Mortgagee against the properties municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario</i>

AND TO:	2459437 ONTARIO INC. 1960 Appleby Line 18 Burlington, Ontario L7L 0B7 <i>Mortgagee against the properties municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario</i>
AND TO:	1846836 ONTARIO INC. 64 Belvidere Avenue Toronto, Ontario M6C 1P6 <i>Mortgagee against the properties municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario</i>
AND TO:	VAULT CAPITAL INC. 41 Scarsdale Road, Unit 5 North York, Ontario M3B 2R2 <i>Secured Creditor of Village Developments Inc.</i>
AND TO:	2487586 ONTARIO INC. 200—3410 South Service Road Burlington, Ontario L7N 3T2 <i>Secured Creditor of Village Developments Inc.</i>
AND TO:	PINE ONTARIO DEVELOPMENT INC. G5—3410 South Service Road Burlington, Ontario L7N 3T2 <i>Secured Creditor of Village Developments Inc.</i>
AND TO:	CANADIAN WESTERN TRUST COMPANY 750 Cambie Street, Suite 300 Vancouver, British Columbia V6B 0A2 <i>Secured Creditor of Village Developments Inc.</i>

AND TO:	SOMERVILLE NATIONAL LEASING & RENTALS LTD. 75 Arrow Road Toronto, Ontario M9M 2L4 <i>Secured Creditor of Village Developments Inc.</i>
AND TO:	C&K MORTGAGE SERVICES INC. 1670 Bayview Avenue, Suite 400 Toronto, Ontario M4G 3C2 <i>Secured Creditor of Village Developments Inc.</i>
AND TO:	BAMBURGH HOLDINGS LTD. e/o 1670 Bayview Avenue, Suite 400 Toronto, Ontario M4G 3C2 <i>Secured Creditor of Village Developments Inc.</i>
AND TO:	YERUSHA INVESTMENTS INC. e/o 1670 Bayview Avenue, Suite 400 Toronto, Ontario M4G 3C2 <i>Secured Creditor of Village Developments Inc.</i>
AND TO:	1008118 ONTARIO LIMITED e/o 1670 Bayview Avenue, Suite 400 Toronto, Ontario M4G 3C2 <i>Secured Creditor of Village Developments Inc.</i>
AND TO:	DEPARTMENT OF JUSTICE CANADA Ontario Regional Office Tax Law Services Division The Exchange Tower 130 King St. West, Suite 3400, Box 36 Toronto, ON M5X 1K6 Diane Winters Tel: (416) 973-3172 Email: diane.winters@justice.gc.ca

AND TO:	MINISTRY OF FINANCE Legal Services Branch 33 King Street West, 6th Floor Oshawa, ON L1H 8H5 Insolvency Unit Tel: (905) 433-6934 Email: insolvency.unit@ontario.ca
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Email Addresses:

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daniel.weisz@rsmcanada.com; pauldebattista@outlook.com; larry@zimlaw.ca;
diane.winters@justice.gc.ca; insolvency.unit@ontario.ca; jason@addisonwealth.com

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TAB 1



Court File No. CV-

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

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

VILLAGE DEVELOPMENTS INC.

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Applicant. The claim made by the Applicant is set out on the following pages.

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

1. ☐ In person
2. ☐ By telephone conference
3. ☒ By video conference

at the following location: **Video conference details to be established.**

on **Wednesday, March 29, 2023, at 12:00 p.m.**

Please advise Thomas Gertner if you intend to join the heading of this Application by emailing Thomas.gertner@gowlingwlg.com.

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

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

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

Date: March 16, 2023

Issued by _____
Local Registrar

Address of Court Office:
330 University Avenue
Toronto, Ontario, Canada

TO: THE ATTACHED SERVICE LIST

SERVICE LIST

TO:	<p>GOWLING WLG (CANADA) LLP 1 First Canadian Place, 100 King Street West Suite 1600 Toronto, Ontario M5X 1G5</p> <p>Thomas Gertner Tel: (416) 369-4618 Fax: (416) 862-7661 Email: thomas.gertner@gowlingwlg.com</p> <p>Katherine Yurkovich Tel: 416-862-4342 Fax: 416-862-7661 Email: kate.yurkovich@gowlingwlg.com</p> <p><i>Counsel to the Applicant, Vector Financial Services Limited</i></p>
AND TO:	<p>RSM CANADA LIMITED 111 King Street West, Suite 700, Box 27 Toronto, Ontario M5H 4C7</p> <p>Daniel Weisz Tel: (416) 646-8778 Fax: (416) 480-2646 Email: daniel.weisz@rsmcanada.com</p> <p><i>Proposed Receiver</i></p>

AND TO:	VILLAGE DEVELOPMENTS INC. 7686 Appleby Lane, Milton, Ontario L9E 0N1 Paul Debattista Email: pauldebattista@outlook.com <i>Respondent</i>
AND TO:	ZIMMERMAN ASSOCIATES 3338 Dufferin Street, Toronto, Ontario M6A 3A4 Lawrence Zimmerman Tel: (647) 792-1272, Ext. 208 Email: larry@zimlaw.ca <i>Counsel to the Respondent, Village Developments Inc.</i>
AND TO:	OLYMPIA TRUST COMPANY P.O. Box 2581 STN Central Calgary, Alberta T2P 1C8 <i>Co-Lender to the Applicant, Vector Financial Services Limited</i>
AND TO:	SOCIETE EN COMMANDITE MVMT CAPITAL 200 Rue Hyppolite-Denaut La Prairie, Quebec J5R 6P2 <i>Mortgagee against the properties municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario</i>
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AND TO:	DEPARTMENT OF JUSTICE CANADA Ontario Regional Office Tax Law Services Division The Exchange Tower 130 King St. West, Suite 3400, Box 36 Toronto, ON M5X 1K6 Diane Winters Tel: (416) 973-3172 Email: diane.winters@justice.gc.ca
AND TO:	MINISTRY OF FINANCE Legal Services Branch 33 King Street West, 6th Floor Oshawa, ON L1H 8H5 Insolvency Unit Tel: (905) 433-6934 Email: insolvency.unit@ontario.ca

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daniel.weisz@rsmcanada.com; pauldebattista@outlook.com; larry@zimlaw.ca;
diane.winters@justice.gc.ca; insolvency.unit@ontario.ca

1. **THE APPLICANT, MAKES APPLICATION FOR, *inter alia*:**

- (a) An Order substantially in the form of Order attached at Tab 3 of the Application Record appointing RSM Canada Limited (“**RSM**”) as receiver (in such capacity, the “**Receiver**”), without security, of the lands and premises municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario (collectively, the “**Mortgaged Property**”) pursuant to Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the “**BIA**”) and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C43, as amended (the “**CJA**”); and
- (b) Such further and other relief as may be just and equitable.

2. **THE GROUNDS FOR THE APPLICATION ARE:**

- (a) Village Developments Inc. (“**VDI**”) is a real estate development company operating out of the Milton, Ontario region;
- (b) VDI acquired the Mortgaged Property with a view to construct a residential apartment building on the lands (the “**Development**”). As of the date of the Original Commitment Letter (as defined below), VDI intended to build a 6-storey residential apartment building with a total gross floor area of approximately two-hundred and seventy nine thousand (279,000) square feet. As of the date hereof, construction of the Development has not commenced in any material fashion;
- (c) Pursuant to a commitment letter dated as of December 8, 2021 between Vector, as administrator for and on behalf of Vector and the RRPS Investors with investments

- held at Olympia (the “**Lenders**”), as lenders, VDI, as borrower, and Mr. Debattista, as guarantor (the “**Original Commitment Letter**”), the Lenders agreed to advance the principal amount of ten million dollars (\$10,000,000) to VDI;
- (d) The Original Commitment Letter was subsequently amended pursuant to (i) an amending agreement dated as of January 14, 2022 (the “**First Amendment**”); (ii) an amending agreement dated as of February 1, 2022 (the “**Second Amendment**”); (iii) an amending agreement dated as of February 10, 2022 (the “**Third Amendment**”); and (iv) an amending agreement dated as of September 26, 2022 (the “**Fourth Amendment**” together with the Original Commitment Letter, the First Amendment, the Second Amendment and the Third Amendment, the “**Commitment Letter**”);
- (e) Pursuant to the Commitment Letter, VDI provided the Lenders with a first charge/mortgage against the Mortgaged Property in the principal amount of \$10,000,000 (the “**Vector Charge / Mortgage**”) and a general security agreement in respect of all of the personal property of VDI relating to the Mortgaged Property (the “**GSA**”);
- (f) In light of, among other things, VDI’s failure to make payments to Vector when due in full, Vector issued a formal demand letter on February 16, 2023 demanding repayment of all amounts owing under the Commitment Letter by no later than February 27, 2023 (the “**Demand Letter**”). The Demand Letter additionally enclosed a notice of intention to enforce security pursuant to section 244 of the BIA (the “**NITES**”);

- (g) The statutory notice period provided for under the BIA and outlined in the Demand Letter and the NITES has expired;
- (h) Under the terms and conditions of each of the Vector Charge / Mortgage and the GSA, VDI agreed that Vector would have the ability to appoint a receiver over the Mortgaged Property should VDI be in breach of the Commitment Letter;
- (i) It is just and convenient, at this time, for the Court to appoint a receiver over the Mortgaged Property;
- (j) Those other grounds set forth in the Affidavit of Noah Mintz, to be sworn (the “**Mintz Affidavit**”);
- (k) The provisions of the BIA, including Section 243;
- (l) Section 101 of the CJA;
- (m) Rules 1.04, 3.02, 16.08, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, c. C.43; and
- (n) Such further and other grounds as counsel may advise and this Honourable Court permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Application:

- (a) The Mintz Affidavit and the exhibits thereto; and
- (b) Such further material as counsel may advise and this Honourable Court may permit.

Date: March 16, 2023

GOWLING WLG (CANADA) LLP

Barrister and Solicitors

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Lawyers for the Applicant

Court File No.

VECTOR FINANCIAL SERVICES LIMITED

- and -

VILLAGE DEVELOPMENTS INC.

Applicant

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended

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

PROCEEDING COMMENCED AT TORONTO

NOTICE OF APPLICATION

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Lawyers for the Applicant

TAB 2

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

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

VILLAGE DEVELOPMENTS INC.

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**AFFIDAVIT OF NOAH MINTZ
(Sworn March 17, 2023)**

I, **NOAH MINTZ** of the city of Toronto, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Managing Director of the Applicant, Vector Financial Services Limited (in its capacity as administrator for and on behalf of the Lenders under the Commitment Letter (each as defined below), “**Vector**”). As a result, I have personal knowledge of the matters to which I hereinafter depose save and except where I refer to matters based on information and belief, in which case I verily believe that information to be true.

2. This affidavit is sworn in support of an application by Vector to the Ontario Superior Court of Justice [Commercial List] (the “**Court**”) for an Order (the “**Appointment Order**”) appointing RSM Canada Limited (“**RSM**”) as receiver (in such capacity, the “**Receiver**”) of the lands and premises

municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario (collectively, the “**Mortgaged Property**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C43 (the “**CJA**”). The Mortgaged Property is owned by Village Developments Inc. (“**VDI**”).

3. As will be further explored below, Vector is seeking the Appointment Order on the basis, among other things, that:

- (a) Vector’s loan to VDI has matured (the “**Loan**”);
- (b) VDI has failed to satisfy the conditions precedent under the Forbearance Agreement entered into by the parties;
- (c) Vector has lost faith in the ability of VDI to repay the Loan;
- (d) VDI has not identified to Vector any firm source of liquidity available to repay the Loan;
and
- (e) The sale of the Mortgaged Property appears to be the only viable option remaining to ensure the Loan is repaid in the near term.

I. DESCRIPTION OF THE PARTIES

4. Vector is a private mortgage broker, lender, and administrator in the business of originating and administering mortgage loans in Ontario. Mortgage loans originated by Vector are funded by a combination of outside investors, including through registered savings plans (the “**RRSP & RRIF Investors**”) held at Olympia Trust Company (“**Olympia**”), and by its existing shareholder group (and related companies).

5. VDI is a private company incorporated pursuant to the *Business Corporations Act* (Ontario) R.S.O. 1990, c. B.16.

6. According to a corporate profile report (the “**Corporate Profile Report**”) obtained from the provincial ministry with a file currency date of February 15, 2023:

(a) the registered and head office of VDI is 7686 Appleby Line, Milton, Ontario; and

(b) Paul Debattista (“**Mr. Debattista**”) is the sole director and officer of VDI.

Attached hereto and marked as **Exhibit “A”** is a true copy of the Corporate Profile Report.

II. DESCRIPTION OF THE BUSINESS OF VDI

7. VDI is a real estate development company operating out of the Milton, Ontario region.

8. VDI acquired the Mortgaged Property with a view to construct a residential apartment building on the lands (the “**Development**”). As of the date of the Original Commitment Letter (as defined below), VDI intended to build a 6-storey residential apartment building with a total gross floor area of approximately two-hundred and seventy nine thousand (279,000) square feet.

9. Construction of the Development was intended to commence in the spring of 2021, however, has been delayed due to holdups in obtaining a zoning by-law amendment, amongst other things.

10. It is my understanding that as of the date hereof, site plan approval has not yet been issued by the Corporation of the Town of Milton with respect to the Development and construction of the Development has not commenced in any material fashion.

11. I further understand there are currently three (3) residential homes situated on the Mortgaged Property that are to be demolished as part of the Development. It is unclear to me whether these residential homes are currently occupied.

III. THE COMMITMENT LETTER

12. Pursuant to a commitment letter dated as of December 8, 2021 (the “**Original Commitment Letter**”), Vector as administrator for and on behalf of Vector and the RRSP & RRIF Investors with investments held at Olympia (the “**Lenders**”) agreed to advance the principal amount of ten million dollars (\$10,000,000) to VDI.

13. The Original Commitment Letter was subsequently amended pursuant to:

- (a) an amending agreement dated as of January 14, 2022 (the “**First Amendment**”);
- (b) an amending agreement dated as of February 1, 2022 (the “**Second Amendment**”);
- (c) an amending agreement dated as of February 10, 2022 (the “**Third Amendment**”); and
- (d) an amending agreement dated as of September 26, 2022 (the “**Fourth Amendment**” together with the Original Commitment Letter, the First Amendment, the Second Amendment and the Third Amendment, the “**Commitment Letter**”).

Attached hereto and marked as **Exhibit “B”** is a true copy of the Commitment Letter.

IV. THE SECURITY

14. As security for its indebtedness and liability to the Lenders pursuant to the Commitment Letter, among other things, VDI provided the Lenders with the following security:

- (a) a first charge/mortgage against the Mortgaged Property in the principal amount of \$10,000,000 (the “**Vector Mortgage**”); and
- (b) a general security agreement in respect of all of the personal property of VDI related to the Mortgaged Property dated as of January 26, 2022 (the “**GSA**” together with the Vector Charge/Mortgage, the “**Security**”).

Attached hereto and marked as **Exhibits “C”** and “**D**” respectively are true copies of the Vector Mortgage and the GSA.

REGISTRATIONS AGAINST THE MORTGAGED PROPERTY

15. Prior to advancing funds under the Commitment Letter, the Lenders registered the Vector Mortgage with the Land Registry Office in Ontario. Attached hereto and marked as **Exhibit “E”** is a true copy of title searches obtained against the Mortgaged Property with a file currency date of February 15, 2023 (the “**Title Searches**”).

16. I have been advised by Gowling WLG (Canada) LLP (“**Gowling WLG**”), that the Title Searches confirm that the Vector Mortgage is a first ranking mortgage against the Mortgaged Property.

17. The Title Searches additionally indicate that there are four (4) subordinate mortgages registered against title to the Mortgaged Property as follows:

- (a) A second ranking mortgage in the principal amount of \$1,640,000 in favour of Jason Waxman, 2343640 Ontario Inc., Alexander Rabinovich Medicine Professional Corporation, Dr. James Dill Medicine Professional Corporation, Morris Zoladek, Martin Nash, Georgine Nash, Christopher Gratton and 1860346 Ontario Inc.;

- (b) A third ranking mortgage in the principal amount of \$912,500.00 in favour of Société en Commandite MVMT Capital;
- (c) A fourth ranking mortgage in the principal amount of \$1,620,580 in favour of Avondale Capital Inc. such charge having been transferred to 2459437 Ontario Inc. on April 14, 2022; and
- (d) A fifth ranking mortgage in the principal amount of \$1,000,000 in favour of 1846836 Ontario Inc. (“**184**”) (the “**184 Mortgage**”) (collectively, the “**Subordinate Mortgages**”).

18. Each of the Subordinate Mortgages are subject to either (a) a subordination and standstill agreement with the Lenders under which priority is granted to the Vector Mortgage; and / or (b) a postponement in favour of the Vector Mortgage registered on title to the Mortgaged Property (collectively, the “**Subordinations and Postponements in favour of Vector**”). Attached hereto and marked as **Exhibit “F”** are true copies of the Subordinations and Postponements in favour of Vector.

REGISTRATIONS UNDER THE PPSA

19. The Lenders have also registered their security interest in VDI’s personal property with the provincial registry maintained under the *Personal Property Security Act* (Ontario) R.S.O. 1990, c. P.10 (the “**PPSA**”). Attached hereto and marked as **Exhibit “G”** is a true copy of an Ontario PPSA search against VDI with a file currency date of March 15, 2023 (the “**PPSA Search**”).

20. I have been further advised by Gowling WLG, that the PPSA Search confirms that the Lenders have a first ranking security interest over all of the personal property of VDI in respect of the Mortgaged Property.

21. The PPSA Search also indicates that, among other secured parties, each of 184 and Jason Waxman have registered financing statements against VDI in respect of the Mortgaged Property, and Vault Capital Inc. has registered a financing statement against all personal property of VDI, as well as a financing statement against collateral classified as “accounts” and “other”.

V. FAILURE TO REPAY THE LOAN WHEN DUE

22. The Commitment Letter requires that the Indebtedness be repaid by no later than February 10, 2023 (the “**Maturity Date**”).

23. On February 10, 2023, VDI breached the Commitment Letter by failing to repay the balance owing to the Lenders on that date (the “**February Payment Default**”).

24. Following the passing of the Maturity Date, Vector, through counsel, issued a default notice to VDI on February 13, 2023, advising VDI of the February Payment Default and providing VDI with an additional day to pay amounts due and owing. Vector did not receive payment within the extended time period. Attached hereto and marked as **Exhibit “H”** is a true copy of the February 13, 2023 default notice.

25. On February 16, 2023, Vector through its enforcement counsel, Gowling WLG, issued a formal demand letter to VDI and Mr. Debattista demanding repayment of all amounts owing under the Commitment Letter by no later than February 27, 2023 (the “**Demand Letter**”). The Demand Letter additionally enclosed a notice of intention to enforce security pursuant to section 244 of the BIA (the “**NITES**”) for VDI. Attached hereto and marked as **Exhibit “I”** is a true copy of the Demand Letter and the NITES.

VI. VDI BREACHES THE FORBEARANCE AGREEMENT

26. Following delivery of the Demand Letter and NITES, on or around February 16, 2023, Mr. Debattista wrote to counsel for Vector requesting an extension of the Maturity Date by two months. Attached hereto as **Exhibit “J”** is a true copy of the February 16, 2023 email from Mr. Debattista.

27. On or around February 21, 2023, and in consideration of VDI’s requests for an extension to February 22, 2023, I spoke with Mr. Debattista with respect to potential forbearance arrangements (the “**February 21 Discussion**”). As part of the February 21 Discussion, I advised Mr. Debattista that Vector would consider entering into a formal forbearance agreement, provided such an agreement included, among other things, the following terms:

- (a) VDI would prepay a reserve equivalent to three months interest (the “**Initial Reserve**”) to be applied against payments due to Vector under the Commitment Letter; and
- (b) Vector would agree to forbear from taking any further steps to enforce on the Security from VDI until May 10, 2023 (the “**Forbearance Period**”), at which time the Indebtedness would be required to be repaid in full.

28. Based on the February 21 Discussion, on February 22, 2023, Gowling WLG sent VDI’s counsel, Zimmerman Associates, a draft forbearance agreement (the “**February 22 Draft Forbearance Agreement**”). The February 22 Draft Forbearance Agreement required payment of the Initial Reserve by no later than February 23, 2022.

29. On February 27, 2023, following the exchange of the February 22 Draft Forbearance Agreement, I spoke with Mr. Debattista at his request (the “**February 27 Discussion**”). During our discussion, Mr. Debattista advised that he would not be in a position to pay the Initial Reserve until March 3, 2023, and

asked that the draft forbearance agreement include an optional extension of the Forbearance Period to August, 2023, provided payment of a further reserve in the amount of \$337,500 was made by May 3, 2023 (the “**Extension Reserve**”).

30. By email correspondence dated February 28, 2023 and March 1, 2023, Vector advised that it was prepared to proceed with the concept of an Extension Reserve and requested that VDI have its counsel revise the February 22 Draft Forbearance Agreement (the “**February 28 and March 1 Emails**”). By responding email, VDI agreed to have Zimmerman Associates do so. Attached hereto as **Exhibit “K”** is a true copy of the February 28 and March 1 Emails.

31. Despite multiple emails requesting the same, Vector did not receive a revised version draft of the forbearance agreement until March 6, 2023 (the “**March 6 Draft Forbearance Agreement**”).

32. Under the March 6 Draft Forbearance Agreement, the timing for payment of the Initial Reserve was amended by Zimmerman Associates to March 7, 2023. Attached hereto as **Exhibit “L”** is a true copy of the March 6 Draft Forbearance Agreement.

33. On March 7, 2023, Vector, VDI and Mr. Debattista executed a finalized forbearance agreement, a true copy of which is appended hereto as **Exhibit “M”** (the “**Forbearance Agreement**”).

34. The Forbearance Agreement, as agreed to by the parties, required payment of the Initial Reserve to Vector on March 7, 2023 (the “**Initial Reserve CP**”).

35. When it provided a signed copy of the Forbearance Agreement, VDI’s counsel advised Gowling WLG by email that he expected to have the Initial Reserve in his trust account on March 8, 2023. Gowling WLG by responding email the following day reminded Zimmerman Associates that the Initial Reserve

CP was required to be satisfied by March 7, 2023 and asked for an immediate status update. Attached hereto as **Exhibit “N”** is a true copy of this email correspondence.

36. That same day, I then received email correspondence from Mr. Debattista, advising me that VDI would not pay Vector the Initial Reserve until March 14, 2023, which was contrary to both the email received from his counsel and the terms of the Forbearance Agreement that has been agreed to by the parties. Attached hereto as **Exhibit “O”** is a true copy of the March 8, 2023 email from Mr. Debattista.

37. On the same date, and in response, Gowling WLG wrote to Zimmerman Associates, notifying it that VDI had failed to satisfy the Initial Reserve CP, which had not been waived by Vector, and that Vector intended to seek the appointment of a receiver over the Mortgaged Property. Mr. Debattista thereafter wrote to Gowling WLG by email advising that VDI would pay the Initial Reserve on Friday, March 10, 2023. Attached hereto as **Exhibit “P”** is a true copy of this correspondence.

38. To date, no such payment has been made or accepted by Vector, nor has Vector waived compliance with the Initial Reserve CP.

VII. CONCLUSION AND NEED FOR THE APPOINTMENT OF A RECEIVER

39. As of February 22, 2023, VDI was indebted to Vector in the approximate amount of \$10,391,309.44 (the amount owing from time to time, the “**Indebtedness**”). The Indebtedness has not been repaid and continues to accumulate interest and fees since that date.

40. Under the terms and conditions of each of the Vector Mortgage and the GSA, VDI agreed that Vector would have the ability to appoint a receiver over the Mortgaged Property should VDI be in breach of the Commitment Letter.

41. As set out above, VDI failed to repay the Indebtedness on the Maturity Date when required under the Commitment Letter.
42. Despite the passage of the Maturity Date, Vector agreed to enter into the Forbearance Agreement.
43. VDI failed to satisfy the Initial Reserve CP under the Forbearance Agreement when required.
44. In light of, among other things, VDI's failure to repay the Indebtedness on the Maturity Date, construction of the Development has not commenced in any material fashion, and the failure of VDI to pay the Initial Reserve when required under the Forbearance Agreement, Vector has lost faith in VDI's ability to repay the Indebtedness in the near term.
45. The statutory notice period provided for under the BIA and outlined in the Demand Letter and the NITES has expired.
46. I am not aware of VDI having any firm sources of funding available to it sufficient to satisfy the Indebtedness.
47. It is my view that the appointment of a receiver over the Mortgaged Property will create a transparent marketing process for the sale of the Mortgaged Property and a clear way forward for the repayment of amounts owed to Vector and the subordinate mortgagees.
48. This Affidavit is sworn in support of Vector's Application for the Appointment Order and for no other or improper purpose.

**SWORN BEFORE ME VIA
VIDEOCONFERENCE**, the affiant being
located in the City of Toronto in the Province
of Ontario and the Commissioner being
located in the City of Toronto in the Province
of Ontario on March 17, 2023 in accordance
with O. Reg. 431/20, Administering Oath or
Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

Katherine Yurkovich LSO# 80396R



Noah Mintz

TAB A

THIS IS EXHIBIT "A"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to be "Kyn.", is written above a horizontal line.

A commissioner for taking affidavits



Ministry of Public and
Business Service Delivery

Profile Report

VILLAGE DEVELOPMENTS INC. as of February 15, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	VILLAGE DEVELOPMENTS INC.
Ontario Corporation Number (OCN)	2590883
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	August 04, 2017
Registered or Head Office Address	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	PAUL DEBATTISTA
Address for Service	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1
Resident Canadian	Yes
Date Began	August 04, 2017

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla-W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Officer(s)

Name	PAUL DEBATTISTA
Position	Secretary
Address for Service	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1
Date Began	July 05, 2021

Name	PAUL DEBATTISTA
Position	President
Address for Service	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1
Date Began	August 04, 2017

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Corporate Name History

Name

Effective Date

VILLAGE DEVELOPMENTS INC.

August 04, 2017

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla-W.

Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: LI CHENG - OTHER	July 20, 2021
CIA - Notice of Change PAF: LEROY BLETA - OTHER	November 14, 2019
CIA - Initial Return PAF: DINO MAZZORATO - OTHER	December 20, 2018
Annual Return - 2018 PAF: PAUL DEBATTISTA - DIRECTOR	December 09, 2018
BCA - Articles of Incorporation	August 04, 2017

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

TAB B

THIS IS EXHIBIT "B"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to be "Kyn", followed by a period.

A commissioner for taking affidavits

COMMITMENT LETTER

December 8, 2021

Village Development Inc.
7686 Appleby Line
Milton, ON, L9E 0N1

Attention: Mr. Paul Debattista and Mr. Rene Caron

Dear Sirs,

Re: **VECTOR FINANCIAL SERVICES LIMITED** mortgage loan to **Village Development Inc.** upon the security of all property and assets comprising **485 – 511 Ontario Street South in Milton** as formally described in "Schedule E".
Vector Reference No. #22-02

We are pleased to submit herewith our agreement to provide mortgage financing (herein called the "**Loan**") for the Property (as defined herein), subject to receipt and satisfactory review by the Lender (as defined herein) of all deliveries and information required herein, and upon and subject to the terms and conditions set out in this letter and accompanying schedules (herein called this "**Commitment**"). This Commitment shall be read in conjunction with the Loan Documents (as defined in Section 22). In the event of any inconsistency between the terms of this Commitment and the terms of any of the Loan Documents, the Lender shall decide, in its sole discretion and at its option, which shall prevail.

Each Borrower Entity (as defined herein) acknowledges and agrees that the provisions of this Commitment shall constitute a binding and enforceable agreement amongst the Lender and each Borrower Entity made for valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each Borrower Entity). It shall be enforceable by the Lender against each Borrower Entity who shall be jointly and severally liable for the obligations and liabilities set out in this Commitment.

1. **LENDER** (the "**Lender**" or "**Vector**"):

Vector Financial Services Limited in trust for a group of lenders its successors and assigns in its capacity as Lender and not as Administrator.

2. **ADMINISTRATOR** (the "**Administrator**"):

Vector Financial Services Limited its successors and assigns in its capacity as Administrator and not as Lender.

3. **BORROWER(S)** (individually and collectively, the "**Borrower**"):

Village Development Inc.

DEC 8/21



4. **BENEFICIAL OWNER(S)** (individually and collectively, the “**Beneficial Owner**”):

The Borrower is the nominee and bare trustee of the Property for and on behalf of the beneficial owner(s) listed below, and the Property is not recorded as an asset of the Borrower on its financial statements.

TBD

5. **GUARANTOR(S)** (individually and collectively, the “**Guarantor**”):

Mr. Paul Debattista

Each of the Borrower, Beneficial Owner, and Guarantor(s), individually and collectively, shall be known as the “**Borrower Entity**”.

6. **WAIVER OF CONDITIONS:**

In addition to any other conditions set out in this Commitment, the Loan and the Lender’s obligation to make the initial advance of the Loan are subject to the review and approval by the Lender in its sole discretion of the Pre-Funding Deliverables outlined in Section 23 below. Any such approval by the Lender shall be issued and communicated by the Lender to the Borrower in writing and is herein called the “**Waiver of Conditions**”. The Waiver of Conditions may be issued upon terms and conditions which are not materially different from those set out in this Commitment, or upon terms and conditions which are materially different from those set out in this Commitment but previously agreed to by the Lender and Borrower. It is also agreed that a change of the Scheduled Closing Date (as defined herein) and/or the Expiry Date shall not be material. For greater clarity, it is acknowledged and agreed, that the Lender has no obligation to issue a Waiver of Conditions.

7. **LOAN AMOUNT** (the “**Loan Amount**” or “**Principal Amount**”):

TEN MILLION DOLLARS (\$10,000,000)

8. **PURPOSE OF LOAN & EXIT:**

- (a) The Loan will be used to refinance the real properties formally described in Schedule ‘E’ (individually and collectively, the “**Property**”), which includes all related buildings, improvements, leases, rents, equipment, surveys, plans, development plans, agreements, permits, and other personal property of every nature and kind);
- (b) The proposed development of the Property will include the construction of a 6-storey apartment building with a Gross Floor Area of approximately 279,000 square feet (the “**Project**”). The current zoning classification is residential low density.

Dec 8/21



Village Development Inc.

Commitment Letter – 485 – 511 Ontario Street South, Milton, Ontario

December 8, 2021

(c) Uses and Sources of Funds:

	Total
Uses of Funds:	
Refinance of Subject Property - 1 st Mortgage	\$6,500,000
Refinance of Subject Property - 2 nd Mortgage	\$2,000,000
Interest Reserve (9 months)	\$694,000
Soft Costs Reserve	\$506,000
Broker Fee	\$100,000
Lender Fees	\$175,000
Legals & Closing (est.)	\$25,000
TOTAL	\$10,000,000
Sources of Funds:	
Vector Loan	\$10,000,000
TOTAL	\$10,000,000

(d) The Loan shall be repaid out of the sale or refinancing of the Property.

9. **LOAN PRIORITY:**

Except as otherwise expressly provided herein, the Loan and all Loan Documents shall rank in **first priority** to or in respect of the interests of the Borrower Entity and, all other mortgagees and all other persons having any interest in the Property.

No subordinate financing to the Loan or subsequent encumbrance of the Property shall be permitted without the prior written consent of the Lender. The Borrower shall disclose to the Lender all existing or proposed financing related to the Project and shall not pledge or otherwise encumber its interest in any Properties or the Loan Documents to any party other than the Lender without the prior written consent of the Lender. This clause shall remain in effect for the term of the Loan. In the event of default under this clause, the Borrower consents that it shall be responsible for an amount of \$100,000, which will be added to the Loan Amount and collected at repayment of the Loan.

10. **CLOSING:**

The actual date upon which the full advance or Initial Advance (as herein defined) of the Loan occurs is called the "**Initial Advance Date**", the "**Closing Date**", "**Closing**" or other similar reference. As required by the context, "**Closing**" also means the successful completion of the Loan and the full or Initial Advance thereunder as the case may be.



245 Eglinton Avenue East, Suite 400
Toronto, Ontario M4P 3B7



416-483-8018



www.vectorfinancial.ca

10
Dec 8/21

The Closing shall occur on **January 21, 2022** unless, prior thereto, the Borrower and the Lender agree in writing (which may be evidenced by one or more emails from or between the Borrower and/or the Lender and/or their respective solicitors) that the Closing shall occur on some other date. The date set out in this paragraph or such other date, is called the "**Scheduled Closing Date**".

Each Borrower Entity acknowledges that the Loan may be syndicated by the Lender to one or more co-lenders, who will provide the Lender, prior to the Scheduled Closing Date, their respective shares of advances to be made under the Loan with the expectation that the Closing shall occur and that interest shall accrue from and after the Scheduled Closing Date. Each Borrower Entity acknowledges and agrees that interest shall accrue from and after the Scheduled Closing Date on the Loan Amount notwithstanding that, in order to comply with all of the terms and conditions of the Commitment, the actual Closing may not occur until after the Scheduled Closing Date.

The Closing shall take place no later than **January 31, 2022** or such other date as agreed in writing by the Borrower and the Lender (the "**Expiry Date**"). Unless extended by an agreement in writing, this Commitment shall terminate at 5:00 p.m. EST on the Expiry Date, and the Lender shall have no obligation to make the full or Initial Advance of the Loan after such time.

11. TERM & MATURITY:

All Loan indebtedness shall become due and repayable in full on the 10th day of the month which is 13 calendar months after the Interest Adjustment Date (the "**Maturity Date**").

Provided an Event of Default (defined herein) has not occurred and has never occurred during the Term, at the Lender's sole and unfettered discretion, and upon payment of an extension fee equal to 0.50% of the outstanding Loan Amount (for each extension) (the "**Extension Fee**"), the Borrower shall have one (1) option to extend the Term for an additional six (6) months beyond the Maturity Date (the "**Extension Options**"). In the event that the Extension Option is exercised, the Maturity Date shall be revised to the 10th day of the month, which is 19 calendar months after the IAD.

12. INTEREST ADJUSTMENT DATE (the "Interest Adjustment Date" or "IAD")

The 10th day of the month next following the Closing Date.

13. STEP-UP DATE (the "Step-Up Date"):

The 10th day of the first calendar month immediately prior to the Maturity Date, or such earlier date as may be established pursuant to the Borrower's election for prepayment pursuant to Section 17 hereof.

14. INTEREST RATE (the "Interest Rate"):

For the period from and including the Scheduled Closing Date to and including the day immediately preceding the Step-Up Date, the greater of: (i) **9.25%** per annum, and (ii) the Prime Rate plus **6.80%**; and

10/28/21



From and after the Step-Up Date and until the Loan indebtedness is repaid in full, the Interest Rate shall be the greater of: (i) **13.00%**, and (ii) the Prime Rate plus **10.55%** (the **"Step Up Rate"**).

"Prime Rate" means the Prime Rate of interest announced from time to time by Canadian Imperial Bank of Commerce at its head office in Toronto, Ontario as a reference rate for determining interest rates on Canadian dollar commercial loans in Canada.

Each Borrower Entity acknowledges and agrees that the Step-Up Rate occurs solely by passage of time, and not as the result of the occurrence of any default or event of default.

The Interest Rate(s) shall be adjusted with fluctuations in the Prime Rate on the next Payment Date (defined below) following a change in the Prime Rate.

15. **AMORTIZATION:**

Not applicable (interest only loan).

16. **PAYMENT DATE:**

Interest payments are due monthly, on the 10th day of each month (or on the following business day if the 10th day of any month is not a business day) (herein called the **"Payment Date"**). Interest is calculated daily (on the basis of 360 days/year), not in advance, and compounded monthly on each Payment Date on the total of the Principal Amount plus any accrued interest outstanding on the Payment Date.

17. **PREPAYMENT:**

The Loan is closed and not open for prepayment in whole or in part prior to the 10th day of the sixth (6th) month after the IAD.

When not in default, and upon giving the Lender not less than 30 days prior written notice of the Borrower's intended date to do so (the **"Notice"**), and **upon payment of an additional 1-month's interest**, the Borrower may, between the 20th and 31st of the sixth (6th) month following the IAD, prepay the whole (but not part) of the then outstanding Principal Amount plus (i) all accrued, unpaid and compound interest calculated to and including the date of prepayment, plus (ii) all costs and expenses then due and payable to the Lender under the Loan Documents (as defined herein). From and after the giving such notice, the date of such prepayment selected by the Borrower shall become the Prepayment Date. In the event that repayment is not made after giving Notice, the entire Loan indebtedness shall become due and payable forthwith at the option of and upon demand by the Lender, together with an additional 1 months interest at the Step-Up Rate.

18. **PARTIAL DISCHARGES:**

No partial discharges shall be permitted.

IB DEC 8/21



19. LOAN FEES, BROKERAGE FEES AND DISBURSEMENTS:

As consideration for the time, effort, and expense incurred by the Lender, its officers and employees in reviewing the financial and other information, plans, development proposals, materials and other documents, and undertaking the investigations, inspections and other due diligence necessary to prepare and approve this Commitment, each Borrower Entity jointly and severally agrees to pay to the Lender the amount of **\$175,000** (the “**Commitment Fee**”) as follows:

- (a) **\$25,000** (the “**Earnest Fee**”) payable upon acceptance of this Commitment (and in respect of which the Lender acknowledges receipt of \$5,000 as a non-refundable deposit toward the Earnest Fee plus an additional \$19,985 that has been received for a total of \$24,985), subject to the following:
 - (i) if the documents and information submitted by the Borrower are determined by the Lender to be materially different than as originally represented, or if the Borrower fails to provide all documents and information as reasonably requested by the Lender to substantiate the Borrower's original representations to the Lender, the Earnest Fee shall be retained by the Lender even if it declines to issue the Waiver of Conditions;
 - (ii) if the Lender issues the Waiver of Conditions upon terms and conditions which are not materially different from those set out in this Commitment (and it is agreed that a change of the Scheduled Closing Date and/or the Expiry Date shall not be material), or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted, the Earnest Fee shall be retained by the Lender; and
- (b) the balance of the Commitment Fee in the amount of **\$150,015** shall be deemed earned after issuance by the Lender of the Waiver of Conditions upon terms and conditions which are not materially different from those set out in this Commitment (and it is agreed that a change of the Scheduled Closing Date and/or the Expiry Date shall not be material) or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted. This amount shall be deducted from the Initial Advance or payable at the time of and on the Expiry Date, whichever shall first occur.

For greater clarity, if the Lender issues the Waiver of Conditions upon substantially the same terms and conditions as this Commitment, or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted, and any Borrower Entity defaults under this Commitment prior to the full or Initial Advance or elects not to draw down on the Loan or any part thereof, or if the full or Initial Advance does not occur for any other reason through no fault of the Lender, the Earnest Fee shall be retained by the Lender and the balance of the Commitment Fee in clause (b) above as well as an amount equal to 6-months of Interest on the Loan, shall be deemed earned, due and payable forthwith to the Lender by each Borrower Entity, who shall each be jointly and severally liable for the same.

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The Borrower, and not the Lender, shall be responsible for payment of any brokerage or finder's fees, commissions or other compensation, plus applicable taxes (collectively, the "**Brokerage Fees**") payable to **RCA Financial Services Inc.** (the "**Mortgage Broker**") or any other person not affiliated with or contracted by the Lender in connection with the Loan and shall indemnify and hold the Lender and all related entities harmless in respect of same. The Commitment Fee does not include the Brokerage Fees. Such Brokerage Fees will have an impact on the total cost of borrowing and the Borrower acknowledges Brokerage Fees in the amount of **\$100,000** and hereby irrevocably authorizes and directs the Lender to deduct the Brokerage Fees from the Initial Advance and pay the same to the Mortgage Broker at Closing.

The Borrower acknowledges and agrees to pay, in addition to all other fees and costs described in Section 19, the disbursements and fees, listed on "**Schedule A**" attached hereto.

Whether or not the transaction contemplated herein is successfully completed, the Borrower agrees to pay, the reasonable legal fees and disbursements of the Lender's legal counsel, **Jonathan Freeman** of **Cassels, Brock and Blackwell LLP**, or such other legal counsel appointed by the Lender at any time (the "**Lender's Solicitors**"), for all customary or extraordinary legal services required by the Lender in connection with the Loan. The Borrower acknowledges that the Lender may engage its legal counsel upon signing of this Commitment Letter and they shall be responsible for same.

20. **LOAN ADMINISTRATION AND SPECIAL SERVICING FEES:**

Each Borrower Entity acknowledges and agrees that after Closing and at all times following the occurrence of any Event of Default (as defined in the Loan Documents including the failure to repay the Principal Amount by the Maturity Date), the Borrower will pay to the Administrator Default Administration Fees as defined in 'Schedule A' attached.

If the Borrower fails to repay the Principal Amount on the Maturity Date, the Borrower shall pay to the Administrator an amount calculated at a rate of 0.25% per month multiplied by the then-outstanding Principal Amount for each month the Loan remains unpaid (the "**Special Servicing Fee**").

Each Borrower Entity further acknowledges and agrees that Default Administration Fees and Special Servicing Fees are fair and commercially reasonable costs and expenses incurred by the Administrator in connection with the Loan and do not constitute a fine, penalty, or default interest charged on arrears of principal or interest. Until paid by the Borrower to the Administrator all amounts payable on account of such fees (plus applicable taxes if any) will be costs within the meaning of the Loan Documents, and together with interest thereon at the applicable Interest Rate will be added to the Loan indebtedness monthly on the first day of the Lender's billing cycle and will be secured by the Loan Documents.

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21. **ADVANCES:**

On the Closing Date, the full Loan Amount of **\$10,000,000** (the “**Initial Advance**”) will be advanced to or for the benefit of the Borrower as follows:

- (a) the amount of **\$150,015** will be deducted and paid to the Lender on account of the outstanding balance of the Commitment Fee;
- (b) the amount of **\$100,000** will be deducted and paid to the Mortgage Broker on account of Brokerage Fees;
- (c) the amount of **\$1,200,000** will be deducted and retained by the Lender or the Lender’s Solicitors on account of the following loan reserve(s) (individually and collectively called the “**Loan Reserve**”):
 - (i) the amount of **\$694,00** as and on account of an interest reserve (the “**Interest Reserve**”) to be used to fund the first eight (8) months and last one (1) month of interest coming due under the Loan; and
 - (ii) the amount of **\$506,000** as and on account of a reserve to be used to pay future arm’s length soft costs related to the Project (the “**Soft Costs Reserve**”) which will be released to the Borrower in accordance with the budget of such costs as provided by the Borrower and approved by the Lender or its consultant(s) retained for such purpose before the Closing Date. Upon receipt of satisfactory evidence that such costs (excluding HST) have been incurred for the benefit of the Project, the Lender shall have up to 5 business days to process and remit a payment to the Borrower subject to the costs or disbursements listed on ‘Schedule A’ attached.

The Borrower shall acknowledge that the Loan Reserve shall be deemed to have been fully advanced by the Lender to the Borrower and shall bear interest from and after the date of the Initial Advance at the Interest Rate(s) as set out in the Loan Documents. The Loan Reserve, together with any interest earned thereon, shall be pledged by the Borrower to the Lender as security for the Loan. All interest earned on the Loan Reserve shall be for the benefit of the Lender and the Lender shall not be required to separately account for these amounts to the Borrower. In the event the Loan is in default, the Lender shall be entitled to utilize and apply, as determined by the Lender in its sole discretion, all or any part of the Loan Reserve toward payment of principal, interest, costs, and other monies owing under the Loan.

- (d) the balance in the amount of **\$8,549,985** (after deducting an amount for ‘Schedule A’ related closing costs and interest from the Closing Date to the IAD) will be remitted to the Lender’s Solicitors for the benefit of the Borrower to pay for closing costs (including outstanding realty taxes, and legal costs), refinancing of the Property, and other costs pursuant to the provisions set out herein. See Section 8c above for a list of costs to be funded on closing.

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22. **SECURITY:**

The Loan and all Loan indebtedness will be secured and supported by the documents listed in 'Schedule C' (the "**Loan Documents**"), each to be in form and substance satisfactory to the Lender and the Lender's Solicitors:

23. **PRE-FUNDING DELIVERABLES:**

Issuance of the Commitment and the advance of any funds by the Lender shall be subject to its receipt and satisfactory review in sole, absolute and unfettered discretion of each of the following items, which must be received no later than 7 days following acceptance of this Commitment in order to allow the Lender sufficient time to complete its review and intended syndication of the Loan:

- (a) the Earnest Fee or the unpaid balance thereof;
- (b) current and previous 2 years externally prepared audited financial statements for each Borrower Entity that is not an individual, and an opening balance sheet and trial balance for the most recent month-end of the Project (including a detailed list of costs to date);
- (c) current signed Net-Worth Statement for each Borrower Entity that is an individual;
- (d) a credit check and a corporate and personal due diligence check will be conducted by the Lender and is consented to by each Borrower Entity. The cost of the review shall be borne by the Borrower as outlined on 'Schedule A'.
- (e) a resume, summary, or biographical information detailing real estate development or other relevant business experience of the Borrower Entity and/or Guarantor;
- (f) evidence that, prior to the Initial Advance, there shall be not less than **\$2,000,000** of cash equity in the Property and/or the Project contributed by one or more Borrower Entities from their own resources and not from borrowed sources;
- (g) an organization chart showing the legal ownership interests of the Property amongst the Borrower, each Beneficial Owner (if any), and all shareholders, unit-holders, companies, partnerships or trusts that have a direct or indirect ownership interest in the Property (or Project) and identifies individuals that have a 10% or greater, direct or indirect ownership interest in the Property (or Project);
- (h) for each Borrower Entity that is a corporation, (i) copies of its articles of incorporation and all amendments thereto, and (ii) copy of the shareholders agreement and all amendments thereto and (iii) the full names of all officers, directors, and shareholders thereof, including number and class of shares;
- (i) If applicable, a copy of any joint venture agreements related to the Property;
- (j) for each Borrower Entity that is a partnership or trust, copies of the signed partnership or trust agreement as the case may be and any amendments thereof;



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- (k) evidence that a segregated bank account has been opened in the name of the Borrower for transactions pertaining to the Property or Project;
- (l) copies of two pieces of identification for each Borrower Entity that is an individual, one of which must be government issued photo identification (i.e.: driver's license, passport etc.);
- (m) the following reports for each Property or Project, each prepared by a consultant acceptable to the Lender and, where required, a reliance letter addressed to the Lender stating that it may rely on such report:
 - i. appraisal report prepared within 12 months of the Initial Advance on an "As-Is" basis prepared by an AACI;
 - ii. current phase 1 environmental report;
 - iii. if necessary, current phase 2 environmental report;
 - iv. current geotechnical report and hydrogeological report (if applicable);
 - v. a planning report on the current zoning and status of any rezoning progress (if available);
 - vi. a current site plan and available architectural and engineering drawings (if available);
 - vii. if applicable, arborist or tree inventory report; and
- (n) the final Agreements of Purchase and Sale including all amendments thereto, entered into by the Borrower to acquire each Property;
- (o) if applicable, copies of all commitment letters, term sheets or loan agreements (including all amendments thereto) in respect of all encumbrances affecting the Property or Project;
- (p) if applicable, copies of all commitment letters, term sheets or loan agreements (including all amendments thereto) for any subsequent mortgages to be registered at Closing;
- (q) if applicable, the condominium disclosure statement (including, without limitation, the declaration, bylaws, proposed budgets and reserve fund studies) for each Property which is or is intended to be registered as a condominium;
- (r) detailed development budget(s) and schedule(s), indicating individual costs per line item broken out on a monthly basis;
- (s) a pro-forma profit statement for the Project;
- (t) if applicable, evidence that the Borrower, or a related entity that will be constructing the Project, is registered as a builder under the Tarion Warranty Program (Ontario);
- (u) if applicable, the letter of credit requirements and associated release requirements of each applicable municipal or other governmental authority;
- (v) copies of all offers to lease, leases, rental agreements, licences, and other occupancy agreements, and all amendments thereof, affecting the whole or

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any part of each Property, together with tenant estoppel certificates if required by the Lender;

- (w) copy of a rent roll certified by the Borrower and including, for each unit, the tenant name(s), unit number(s), monthly and annual rental amounts, deposits, and expiry dates.
- (x) evidence satisfactory to the Lender as to the source of the Borrower's required equity in each Property;
- (y) a current and up-to-date survey of each Property signed and certified by a duly qualified Ontario Land Surveyor and prepared in accordance with all applicable surveying standards and practices for real properties in Ontario; and
- (z) satisfactory evidence that property and liability insurance has been obtained for the Property or Project in accordance with the particulars thereof set out on **'Schedule B'** attached hereto, and that all premiums in respect thereof have been paid in full. The Borrower will pay or reimburse the Lender for the fees, disbursements, and applicable taxes incurred by the Lender's insurance consultant for its reviews (both pre-funding and annual) of the insurance policies (see **'Schedule A'**).
- (aa) Any other information or documentation that may reasonably be required by the Lender.

24. SYNDICATION AND COMMITMENT CONFIRMATION:

The Lender reserves the right to syndicate an interest in the Loan to one or more co-lenders who may or may not be related to the Lender. Each Borrower Entity consents to the disclosure by the Lender to any such prospective assignee/participant of all information and documents regarding the Loan, each Property, and each Borrower Entity that is in the possession or control of the Lender.

The Lender shall be allowed until its issuance of a Waiver of Conditions, upon terms and conditions which are not materially different from those set out in this Commitment, or until such later time as may be provided by a Waiver of Conditions upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted, to syndicate a portion or portions of the Loan, in an amount or amounts and upon terms to be determined by and satisfactory to the Lender in its sole discretion, failing which and upon written notice thereof given by the Lender to the Borrower, this Commitment will be terminated and at an end, the balance of the Commitment Fee will not be payable and the Earnest Fee shall be returned to the Borrower net of any and all disbursements incurred by or on behalf of the Lender for legal fees, third-party peer review, and any other reasonable disbursements incurred by the Lender in reviewing the Loan.

25. OPTION TO PROVIDE CONSTRUCTION FINANCING:

The Borrower shall grant to the Lender:

- a) a right of first opportunity (the "Right of First Opportunity") and
- b) a right of first refusal ("Right of First Refusal") (collectively, the "Further Financing Rights"),

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with respect to providing any further financing required for the Project, including without limitation arranging replacement or additional financing for the Project as contemplated herein, and financing for any further development of the Project or any improvements thereon (any such financing being referred to herein as "Further Financing").

With respect to the Right of First Opportunity: prior to consulting with any lender with respect to any Further Financing, the Borrower shall provide to the Lender in writing a request for such Further Financing with all information necessary for the Lender to process the request and the Lender shall have a period of thirty (30) days after receipt of same (the "Opportunity Period") to provide the Borrower a mortgage commitment letter to provide the Further Financing. The Borrower hereby undertakes not to communicate to any other lender with respect to provision of the Further Financing during the Opportunity Period, and to fully cooperate with the Lender in good faith during the Opportunity Period to provide such further information as the Lender may require in pursuit of its Right of First Opportunity.

With respect to the Right of First Refusal: upon receipt by the Borrower of any written offer of financing received from any other party, including but not limited to term sheets, mortgage commitments, and funding agreements (the "Third-Party Funding Offer"), the terms of which the Borrower is prepared to accept, the Borrower shall provide to the Lender a copy of the Third-Party Funding Offer and all information relative to it. Upon receipt of same, the Lender shall have a period of fourteen (14) days (the "Matching Period") to provide a mortgage commitment letter to the Borrower containing financing terms that are substantially the same or better as the Third-Party Funding Offer (the "Matching Offer"). The Borrower hereby undertakes, in the event that the Lender submits to the Borrower a Matching Offer within the Matching Period, to accept the Matching Offer and forthwith provide to the Lender such information and execute such documentation as is reasonably required by it in connection with that acceptance. In the event that the Lender fails to deliver to the Borrower a Matching Offer within the Matching Period, the Borrower shall be at liberty to accept the Third-Party Funding Offer. The Borrower hereby undertakes to fully cooperate with the Lender in good faith during the Matching Period to provide such information as the Lender may require in pursuit of its Right of First Refusal.

26. **INFORMATION UPDATES AND FINANCIAL REPORTING:**

Until repayment of the Loan, the Borrower(s) shall provide to the Lender, within 14 days after each request for the same, such updated information relating to any of the Project or condition precedent requirements as the Lender may request from time to time. Failure to provide items 26 (a) through 26 (c) may constitute a default in the Lender's sole discretion.

Until repayment of the Loan or upon request, each Borrower Entity shall provide to the Lender, within 120 days after the end of its fiscal year, the following:

- (a) Audited financial statements of each Borrower Entity that is not an individual, including a balance sheet and supporting schedules, a detailed statement of income and expenses and supporting schedules, and a statement of change in cash flow;



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- (b) Updated net worth statements of each Borrower Entity that is an individual;
 - (c) Notice to Reader financial statements in respect of the Property, including a balance sheet and supporting schedules and, if applicable, a detailed statement of income and expenses and supporting schedules;
 - (d) If applicable, a current rent roll for the Property containing such detail as may be required by the Lender; and
 - (e) If applicable, a budget for the Property for the next fiscal year, forecasting operating income, expenses, and capital expenditures.

27. IDENTIFICATION OF BORROWER ENTITIES:

Prior to Closing, each Borrower Entity will be required to produce certificates and identification acceptable to the Lender and the Lender's Solicitors for the purpose of compliance with the provisions of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and regulations thereunder. Such identification shall include clear and legible copies (both the front and back) of at least two identification documents (with at least one being a photo ID). Such identification shall be supported by a solicitor's certification confirming that the identity of all persons signing as or on behalf of each Borrower Entity have been properly identified and that their signatures are genuine. An Ontario Health Card is not an acceptable identification document.

28. REPRESENTATIONS AND ACKNOWLEDGEMENTS

Each Borrower Entity acknowledges, represents and warrants that:

- (a) the Lender is a "Licensed Brokerage" (License No. 10160) and an "Administrator" (License No. 11205) under the Mortgage Brokerages, Lenders and Administrators Act (Ontario), and the Lender is not aware of any conflicts of interest in acting as lender herein and as a brokerage and administrator within the meaning of such Act, or as between the Lender and any Mortgage Broker (as defined above);
- (b) as of the date of the acceptance of this Commitment and as of the Closing Date, it has and will have the power, capacity, and authority to enter into this Commitment and the Loan Documents and to perform and complete the transaction contemplated herein, all of which has been duly authorized by all necessary corporate, partnership, and/or trust action(s) as applicable and the Commitment and the Loan Documents shall constitute legally binding obligations enforceable with their terms and that no third-party consents are necessary;
- (c) it has not withheld and will not withhold any information of a material nature relating to the Property, the Project or any Borrower Entity;
- (d) it has had an opportunity to consult its legal counsel, accountants, and other financial advisors;
- (e) it has been informed of and has considered the risks involved in the Loan, including, without limitation, that (i) the Lender is not an institutional lender; (ii)

Borrower Initial:



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the Interest Rate may be higher and more onerous than that of institutional lenders; (iii) the Loan will bear interest only and, except as otherwise provided, the entire outstanding Principal Amount, accrued and unpaid interest and costs will be due and payable in full on the Maturity Date; (iv) default under the Loan may result in the Borrower's equity being at risk; (v) each Guarantor or Borrower Entity may be called upon to repay the Loan in full and make good on shortfalls required to fully repay the Loan; (vi) the Borrower's ability to service and refinance the Loan may be dependent upon factors beyond the Borrower's control, including, but not limited to, the impairment of the sources of cash flow, the Lender's refusal to renew or extend the Loan on maturity thereof, the lack of other refinancing alternatives and/or adverse market conditions; and (vii) in the event any default under the Loan which is not cured within any time allowed therefor, the Lender will be entitled to enforce all remedies available by law including, without limitation, sale of or foreclosure upon any Property, appointment of a receiver, seizure of rents and income, obtaining a court judgment and entitlement to payment of 3 months of additional interest; and

Borrower Initial:



- (f) the Borrower's ability to repay the Loan will not be supported by insurance upon the life of any Borrower Entity. The Borrower is encouraged to consult with its' insurance professionals in such regard.

Borrower Initial:



29. **PRIVACY LEGISLATION AND POLICIES**

The Lender and all of its related or associated companies (collectively, the **"Vector Group"**) follow and comply with the Personal Information Protection and Electronic Documents Act (Canada). Vector Group's Privacy Policy is available at www.vectorfinancialservices.com. Each Borrower Entity confirms and represents that it has read, understands, and agrees to the Vector Group's Privacy Policy.

Each Borrower Entity has provided certain personal and financial information to the Lender. Each Borrower Entity consents to the Lender using the information so provided to ascertain the credit-worthiness of the Borrower Entity, including, without limitation, obtaining credit reports; contacting the Borrower Entity's bank; verifying employment; and completing background, bankruptcy and criminal checks. Each Borrower Entity hereby grants permission to the Lender to obtain such credit reports.

The funds advanced under the Loan will likely come from a number of private participants who will each contribute to a portion of the Loan. The Mortgage Brokerages, Lenders and Administrators Act, 2006 (Ontario) requires that all lenders have access to financial information about a borrower's ability to meet mortgage payments. This information is provided in the required *Form 3.2 – Disclosure Statement for Investor/Lender in a Non-qualified Syndicated Mortgage*, which all participants in the Loan will receive.



Village Development Inc.

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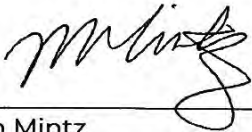
30. **APPLICABLE LAW**

This Commitment shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. Each party hereto irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

If the terms and conditions (including those outlined in 'Schedule D' of this Commitment are acceptable, please so indicate by signing the attached copy of this Commitment and return it to the writer's attention by **December 10, 2021**.

Yours very truly,

VECTOR FINANCIAL SERVICES LIMITED



Noah Mintz
Managing Director
Lic. #: M08006173



Mitchell Oelbaum
President
Lic. #: M13001562

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Village Development Inc.

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ACCEPTANCE

ACCEPTED on the terms and conditions herein provided this 8 day of DECEMBER, 20 21

Village Development Inc. - As Borrower



Per:

I have the sole authority to bind the corporation.



Paul Debattista – As Guarantor



Witness:

The Borrower's solicitors for this transaction will be:	
Law Firm:	DINO MAZZORATO
Name:	" "
Phone No.:	905 699 1676
Email:	DMMAZZORATO@BELLNET.CA



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SCHEDULE "A" – DISBURSEMENT & FEE SCHEDULE

Item	Estimated Fee Amount	Comments
<u>Deducted From Initial Advance:</u>		
Credit Sterling BackCheck	\$35 per credit report \$155 (per guarantor)	<ul style="list-style-type: none"> To reimburse Lender for expenses incurred in ordering credit bureau and Sterling BackCheck investigations
Valuation Verification (Altus)	\$250 Per Loan	<ul style="list-style-type: none"> Valuation Verification
Lender Site Inspection	To be determined	<ul style="list-style-type: none"> To reimburse lender for all reasonable costs incurred as part of due diligence
Title Search (Teranet)	\$40 per PIN	<ul style="list-style-type: none"> To confirm title (as required)
Property Insurance Review	\$690 - \$1,750	<ul style="list-style-type: none"> Peer review of insurance coverage by the Lenders Insurance Consultant
Regulator Fee	\$750 per Loan	<ul style="list-style-type: none"> To reimburse Lender for expenses incurred in processing Loan with financial regulators
Environmental Site Assessment – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> Peer review of subject property for hazardous materials and contaminants
Geotechnical Reports – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> Peer review of subject property for site suitability
Cost Consultant Review	\$1,500 - \$2,500 per Report	<ul style="list-style-type: none"> Peer review of construction budget, work in place, and cost to complete
Third Party Market Study	\$1,000- 1,500 per Report	<ul style="list-style-type: none"> Market feasibility & end unit valuation
Planning Review	\$1,500 - \$4,000 per Report	<ul style="list-style-type: none"> Peer review of planned development
<u>Costs During Term of the Loan</u>		
Mortgage Information Statement	\$350 per Statement	<ul style="list-style-type: none"> For information purposes and audit verification
N.S.F. Cheque and/or Failed Debit under an EFT Plan	\$350 per occurrence	<ul style="list-style-type: none"> Borrower shall pay liquidated damages to cover the Lender's administrative costs
Insurance Coverage Change or Annual Review	\$350 per occurrence	<ul style="list-style-type: none"> Lapsed or cancelled insurance not reinstated or replaced by the Borrower. Lender shall have option to replace coverage without notice to borrower.
Subsequent Advance Review (Hard & Soft Costs)	\$500 - \$1,000	<ul style="list-style-type: none"> Deducted from the draw upon release of funds to the Borrower
Annual Review	\$500 per year	<ul style="list-style-type: none"> Confirmation of realty taxes, insurance coverage, and general project monitoring
Bank Processing Fee	\$500	<ul style="list-style-type: none"> On repayment of Loans over \$2 Million
Mortgage Discharge Statement	\$350 per statement	<ul style="list-style-type: none"> Pay off and discharge mortgage as requested by the Borrower.
<u>Default Administration Costs:</u>		
Default Letters	\$750 per occurrence	<ul style="list-style-type: none"> For each collection letter written whether in connection with one default or more
Default Administration	\$5,000 First month; \$10,000 Each month thereafter	<ul style="list-style-type: none"> \$5,000 for 1st default remaining uncured for 14 days, \$10,000 for all subsequent months the default remains uncured

SCHEDULE "B" - INSURANCE REQUIREMENTS (as applicable)

1. Comprehensive General Liability insurance against loss from liability imposed by law as owner or landlord of the Property resulting from personal injury or death, and damage to or loss of property, of any person, in an amount not less than \$5,000,000 on a single occurrence basis. When Umbrella/Excess Liability insurance is proposed, the Umbrella must follow the form of the underlying Comprehensive General Liability.
2. "All Risks" Property Insurance in an amount not less than 100% of the full replacement cost of the subject property including improvements and personal property. **OR**

"All Risks" Builders Risk / Course of Construction Insurance on a replacement cost basis including the existing structures and/or new build projects. The insurance must insure against damage to or destruction including but not limited to footings, foundations and all parts above and below grade in the amount that equals the full rebuilding cost.

"All Risk" policies are subject to but not limited to the following coverages:

- a. Replacement cost endorsement;
 - b. Deletion from the policy any provision requiring reconstruction on same or adjacent sites;
 - c. An endorsement to the effect that the policy will cover any additional costs of reconstruction as a result of enforcement of current building by-laws and regulations, including the cost of demolition of any undamaged portion of any building or improvement and resultant business income
 - d. Such policy of insurance shall not contain a percentage co-insurance endorsement other than a stated amount co-insurance endorsement for an amount not less than full replacement cost;
 - e. Such policy of insurance shall be written with loss payable and mortgagee to Vector Financial Services Limited in accordance with a form of mortgage clause approved by the Insurance Bureau of Canada or other organization acceptable to the Lender including, without limitation, that the policy will remain in full force notwithstanding anything contained in or omitted from the application therefor, that such insurance will not be invalidated or affected by any act or omission of any person other than the Lender, and that such policy will not be cancelled, terminated or permitted to expire unless the Lender shall first receive 30 days prior written notice of same.
3. Standard Comprehensive form boiler and machinery insurance, including pressure vessels, heating, and air conditioning equipment and other like equipment forming part of the improvements on the Property, against loss or damage by explosion, rupture of steam pipes, and other usual risks covered by such insurance, in an amount which is equal to the full replace cost thereof, and upon and subject to the same terms and conditions required under paragraph 1;
 4. Insurance against loss of rent, rental value, and other payments required to be paid or made by tenants, or loss of income and profits from the business carried out on the Property from at least those risks covered by the insurance herein required and under which the period of indemnity will be not less than twelve months and to the extent of

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Village Development Inc.

Commitment Letter – 485 – 511 Ontario Street South, Milton, Ontario
December 8, 2021

not less than 100% of such loss of gross rent or rental value, or income value from time to time with no co-insurance provisions; and

5. Any and all other insurance coverages, which the Lender may reasonably require from time to time.

The Lender will not accept “will endeavor” language in the cancellation notice. Other specific insurance policy wording requirements will be provided by the Lender’s insurance consultant and any revisions will be made in coordination with the Borrower and/or its insurance broker.

The foregoing shall not be construed as a recommendation or opinion by the Lender as to the full scope of insurance which may be required by a prudent owner of the Property, and each Borrower Entity is hereby advised to govern itself accordingly in that regard.

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SCHEDULE 'C' - SECURITY

- (a) a first Charge/Mortgage of the Property in the principal amount of **\$10,000,000** securing all Loan indebtedness;
- (b) a First priority General Assignment of Leases and Rents in respect of the Property;
- (c) a General Security Agreement over all personal property of every nature and kind located at, used in connection with or relating to the Property and the Project which is owned by or leased to the Borrower or any Beneficial Owner;
- (d) an indemnity made by each Borrower Entity in favour of the Lender, in the Lender's standard form, for and in respect of: (i) unauthorized removal of any secured collateral from the Property; (ii) waste or damage to the Property (including unauthorized demolition of any structure on the Property prior to Closing) arising from intentional misconduct, willful neglect, or gross negligence of any Borrower Entity; (iii) any and all environmental matters; (iv) any claim that any amount paid from any Loan advance as a Loan Reserve or other reserve or on account of any Subsequent Advance(s) or costs has not been advanced or does not bear interest or is not secured by the Loan documents; (v) failure to comply with any requirements of the Loan Documents regarding new leases, renewal or extension of existing leases, or insurance of the Property; (vi) any fraud or material misrepresentation in connection with the Loan; (vii) misappropriation of rents, insurance proceeds, or expropriation proceeds; (viii) breach of restrictions relating to transfers or encumbrances of the Property; or (ix) breach of restrictions relating to redemption of or payment of dividends under any of the shares or units of any Borrower Entity or withdrawal of any proceeds, profits, capital, or other equity from the Project;
- (e) an unlimited joint and several guarantee and postponement of claim made by each Guarantor for all Loan indebtedness;
- (f) if applicable, an agreement by each Beneficial Owner consenting to the Loan, authorizing and directing the Borrower to enter into the Loan Documents, and confirming that the interests of each Beneficial Owner are subject and subordinate to the interests of the Lender under the Loan Documents;
- (g) an Assignment of Material Documents relating to the Project including, without limitation, all designs, plans, site plans, studies, reports, deposits and levies paid, consultants and construction contracts, management agreements, and all other agreements relating to the development and ongoing management of the Property or Project;
- (h) irrevocable directions to each governmental or quasi-governmental authority that has been provided any security deposit relating to the Project, and to the issuer of each letter of credit provided to satisfy any such security deposit, to pay to the Lender all monies representing such security deposit, or posted to secure such letter of credit forthwith upon partial or full release of the requirement for such security deposit and return of the applicable letter of credit as the case

if



Village Development Inc.

Commitment Letter – 485 – 511 Ontario Street South, Milton, Ontario

December 8, 2021

may be; and each such irrevocable direction shall be acknowledged by the holder of the security deposit or issuer of the letter of credit as the case may be;

- (i) an assignment and agreement in respect of the Loan Reserves in accordance with the provisions set out herein;
- (j) if applicable, an assignment of all condominium voting rights held by the Borrower or related parties;
- (k) a first assignment of proceeds of all property and liability insurance policies;
- (l) a subordination and standstill agreement between the Lender and any approved subsequent mortgagees, in form and content satisfactory to the Lender and the Lender's Solicitors;
- (m) customary resolutions and officers' certificates in respect of each Borrower Entity that is not an individual;
- (n) one or more opinions provided by counsel for each Borrower Entity, each in form and substance satisfactory to the Lender and the Lender's Solicitors, confirming the existence, power, authorization and execution of the loan documents by each Borrower Entity that is not an individual and the enforceability of the loan documents against each Borrower Entity;
- (o) In order to secure the Lender's Further Financing Rights, the Borrower hereby authorizes the Lender and its solicitors to register on title to the Project a notice pursuant to Section 118 of the Land Titles Act restricting the Borrower from further charging the Project except upon consent of the Lender.
- (p) one or more title insurance policies insuring the Lender's interest in the Property; and
- (q) such other security, documents, acknowledgements, directions, undertakings, and other assurances as may be reasonably required by the Lender or the Lender's Solicitors.

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SCHEDULE "D"

GENERAL CONDITIONS

- (a) The Borrower agrees to at all times fully comply with all applicable federal, provincial, and municipal laws, statutes, regulations, rules, by-laws, orders, permits, licenses, authorizations, approvals, and all applicable common laws or equitable principles whether now or hereafter in force and effect and pertaining to the Property and each Borrower Entity;
- (b) If the Borrower intends to Lease any part of any Property, then the Lender must approve the tenant and its intended use. The Lender may require, in its sole discretion, a statutory declaration, signed by the Tenant, of its intended use. Estoppels certificates using the Lender's form will be required prior to Closing.
- (c) No distributions of any kind (including but not limited to dividends, payment of interest or principal on any shareholders loans, or management fees payable to any Borrower Entity) shall be permitted to be made to any Borrower Entity or any affiliate thereof or any of the respective directors, officers, and shareholders of them during the term of the Loan without the consent of the Lender, which consent may be arbitrarily withheld.
- (d) The Borrower shall operate a segregated bank account for the Property and/or the Project during the term of the Loan, and all receipts and payments for the Property and the Project must be deposited into and disbursed from such account. Such funds and account shall not be co-mingled with any funds from other projects, properties and/or entities of or related to any Borrower Entity.
- (e) Notwithstanding the satisfaction of all Loan conditions and/or any other event or circumstance of any kind, the Lender will not be required to advance the Loan and may terminate this Commitment at any time if it determines, in its sole discretion, that any event or circumstance has occurred which, in the opinion of the Lender in its sole discretion, either has or could reasonably be expected to have a material adverse effect on (i) the value or marketability of the Property (including without limitation, the physical, environmental, or financial condition of the Property or any tenant or lease of the Property), or (ii) the financial or other condition of any Borrower Entity or its ability to observe and perform any of its respective covenants and obligations to the Lender under or in respect of the Loan and the Loan documents when due.
- (f) In the event of the Borrower failing to pay any amount when due; being in breach of any covenant, term, condition of this Commitment or any Loan Document; if any representation made by or information provided by any Borrower Entity or its agent or representative is found to be untrue or incorrect; or if any default or Event of Default (as defined in the Loan Documents) occurs, the Borrower shall be in default of its obligations and the Lender may, at its option, declare the Loan indebtedness and any other amount due under this Commitment and the Loan Documents to be forthwith due and payable, or cease or delay further funding, and/or exercise any and/or all remedies available to it at law or in equity.



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- (g) If the Lender deems that use of any Property is illegal, it shall inform any governmental authority of same without notice to the Borrower.
- (h) Until all Loan indebtedness is repaid in full, the Lender shall have the right, upon reasonable notice, to conduct inspections of each Property to ensure that it is properly maintained and that its intended use conforms to all laws.
- (i) Each Borrower Entity shall jointly and severally indemnify and save harmless the Lender and its directors, officers, shareholders', agents, trustees, employees, contractors, licensees, and other representatives from and against any and all losses, damages, injuries, expenses, suits, actions, claims, and demands of every nature and kind whatsoever arising out of the provisions of this Commitment and the Loan Documents, any letters of credit or letters of guarantee issued, and any sale or lease of any Property and/or the Project and/or the use or occupation thereof, including, without limitation, those arising from the right to enter any Property at any time and to carry out the various tests, inspections, and other activities permitted by this Commitment and the Loan Documents. In addition to the obligations and liabilities of each Borrower Entity under this Commitment and the Loan Documents, each Borrower Entity shall be jointly and severally liable for any and all of the Lender's costs, expenses, damages, or liabilities, including, without limitation, all reasonable legal fees, directly, or indirectly arising out of, or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence on, under, or about any Property of any hazardous or noxious substances. The provisions of this subparagraph are (i) separate and distinct obligations from the other obligations of each Borrower Entity under this Commitment and the Loan Documents; (ii) survive the repayment of the Loan indebtedness and satisfaction of such other obligations and discharge of the Loan Documents; (iii) are not discharged or released by foreclosure by the Lender under the Loan Documents; and (iv) shall continue in effect after any transfer of any Property including, without limitation, transfer pursuant to any judicial or non-judicial foreclosure proceeding or by any transfer in lieu of foreclosure.
- (j) The Borrower and Guarantor(s) will provide the usual warranties and representations respecting: the accuracy of financial statements and that there has been no material adverse change in the financial condition or operations of any Borrower Entity as reflected in the financial statements used by the Lender to evaluate the Loan; title to each Property; the power and authority of each Borrower Entity to execute and deliver documents; the accuracy of documents delivered and representations made to the Lender; that there are no pending adverse claims, outstanding judgments or defaults under agreements relating to any Property and/or the Project; the payment of all taxes; that no consents, approvals or authorizations are necessary or, if required, that same have been obtained; the compliance with the Construction Lien Act (Ontario) as amended from time to time; the status of permitted encumbrances; that all necessary services are available to the Project; that no hazardous substances are used, stored, discharged, or present on any Property; and such other reasonable matters as the Lender or the Lender's Solicitors may require.
- (k) The voting and managerial control of the Borrower shall not be changed without the prior written consent of the Lender in its sole discretion.





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- (l) The location(s) of the Borrower's offices and records shall not be changed without the prior written consent of the Lender acting reasonably.
 - (m) Loan disbursement(s) shall take place only upon title to the Property being acceptable to the Lender's Solicitors and all matters in connection with the priority, validity, and enforceability of the Loan Documents and other documentation deemed necessary or advisable by Lender's Solicitors being complied with by each Borrower Entity as applicable.
 - (n) The Borrower shall pay forthwith on demand all other reasonable fees and disbursements incurred or to be incurred in connection with the Loan Documents and all other documents, including, without limitation, registration costs, discharge costs, appraisal fees, surveyor's costs, and monitoring costs and costs itemized on **Schedule "A"** hereto.
 - (o) The express or implicit waiver by the Lender of any breach or default by any Borrower Entity under this Commitment or any Loan Document shall not be construed as a waiver of any other or subsequent breach or default by such Borrower Entity. Any failure by the Lender to exercise any of its rights or remedies shall not constitute or be construed as a waiver thereof.
 - (p) This Commitment, the Loan, and the Loan Documents may be assigned, transferred, or otherwise disposed of by the Lender in whole or in part to any third party without the consent of any Borrower Entity.
 - (q) This Commitment is not assignable by any Borrower Entity.
 - (r) The Lender shall have the right to provide at its cost a sign, no greater than 4 feet x 6 feet, advertising the fact that the Lender provided the Loan financing. The sign shall be erected by the Borrower at its cost in a prominent location on or about the hording or construction fence at a location mutually agreed by the Borrower and the Lender.
 - (s) This Commitment constitutes the entire agreement between the parties and there are no other representations, warranties, terms, or conditions pertaining to this Commitment or the subject matter hereof other than as herein set forth. All Schedules to this Commitment form a part hereof. No amendment or release of this Commitment shall be binding or enforceable unless made in writing signed by all of the parties hereto. Time is and shall remain of the essence under this Commitment, provided that the time for performing or completing any matter under or pursuant to this Commitment may be extended or abridged by an agreement in writing by the parties or their respective solicitors. Failure by any party to strictly enforce any provisions hereof shall not operate as a waiver or limitation of such party's rights hereunder in respect of any subsequent default. If any provision of this Commitment or the application thereof to any person or circumstance is to any extent held or rendered invalid, unenforceable, or illegal, it shall be considered separate and severable here from and all other provisions of this Commitment shall remain in full force and effect and be binding upon the parties hereto. The headings set forth in this Commitment are inserted for convenience and reference only and shall not define or limit the intent or interpretation of any of the provisions hereof. This Commitment shall be read and construed with all changes of gender and number of the party or parties referred to in each case as required by the context, and the covenants



and agreements of each party shall be deemed to be joint and several where such party is more than one person, firm, or corporation. Nothing in this Commitment shall constitute or be construed or deemed as creating the relationship of principal and agent, partnership, joint tenancy, or joint venture between or amongst the Lender and any Borrower Entity. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles applied on a consistent basis. All amounts referred to in dollars shall mean dollars in lawful money of Canada unless otherwise expressly provided herein.

- (t) Any mortgage statement issued by the Lender will be correct absent a manifest error.
- (u) The Lender shall not be required to accept payment or provide a discharge unless the mortgage statement is acknowledged by the Borrower
- (v) The Borrower acknowledges that the discharge funds will be immediately distributed to the Lender's investors and there shall be no adjustment of the payout amount once such distribution has taken place.

SCHEDULE "E"

Legal/Property Description

Municipal Address	Legal Description	PIN
485 Ontario St South	PT LTS 7 & 8, PL 375 , AS IN 807053 ; MILTON	24943-0016
501 Ontario St South	PT LTS 8 & 9, PL 375 , AS IN 771273; MILTON	24943-0017
511 Ontario St South	LT 10, PL 375, EXCEPT PL851. TOWN OF MILTON	24943-0018



COMMITMENT LETTER AMENDMENT

January 14, 2022

Village Developments Inc.
7686 Appleby Line
Milton, ON, L9E 0N1

Attention: Mr. Paul Debattista

Dear Sirs,

RE: VECTOR FINANCIAL SERVICES LIMITED (the "Lender") First (1st) Mortgage Financing (the "Loan") on all property and assets comprising 485-511 Ontario Street South in Milton, Ontario (the "Property") to Village Developments Inc. (the "Borrower")
Vector Reference No. BC 22-02

AND RE: The Commitment Letter issued by the Lender and addressed to the Borrower dated December 8, 2021 (the "Commitment Letter")

This letter will confirm our agreement to the following amendments to the Commitment Letter:

Section 3: **BORROWER(S)**

The Borrower shall be revised to Village Developments Inc.

All other terms and conditions of the Commitment Letter shall remain the same and all parties hereto continue to be bound by the Commitment Letter as amended herein.

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Village Developments Inc.

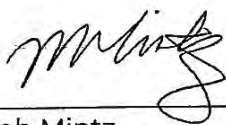
Commitment Letter Amendment – 485-511 Ontario Street South, Milton, Ontario

January 14, 2022


If the above is acceptable, please so indicate by executing and returning one original copy of this letter on or before **January 16, 2022**.

Yours very truly,

VECTOR FINANCIAL SERVICES LIMITED



Noah Mintz
Managing Director
Lic. #: M08006173



Mitchell Oelbaum
Chief Operating Officer
Lic. #: M13001562

ACCEPTANCE

ACCEPTED on the terms and conditions herein provided this 14 day of JANUARY, 2022.

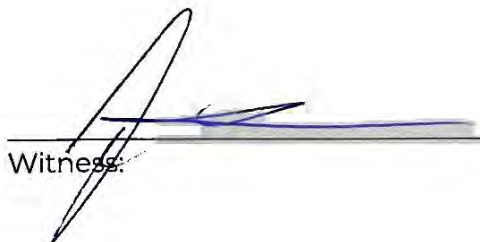
Village Developments Inc. - As Borrower



Per;
I have the sole authority to bind the corporation.



Paul Debattista – As Guarantor


Witness:

COMMITMENT LETTER AMENDMENT

February 1, 2022

Village Developments Inc.
7686 Appleby Line
Milton, ON, L9E 0N1

Attention: Paul Debattista

Dear Sirs,

RE: VECTOR FINANCIAL SERVICES LIMITED (the "Lender") First (1st) Mortgage Financing (the "Loan") on all property and assets comprising 485 – 511 Ontario Street South in Milton, Ontario (the "Property") to Village Developments Inc. (the "Borrower")
Vector Reference No. BC #22-02

AND RE: The Commitment Letter issued by the Lender and addressed to the Borrower dated December 8, 2021 and Amendment Letter to the Borrower dated January 14, 2022 (collectively the "Commitment Letter")

This letter will confirm our agreement to the following amendments to the Commitment Letter:

Section 8: **PURPOSE OF LOAN & EXIT**

(C) The Use and Sources of Funds shall be revised to:

Total Uses	(\$)
Refinance of Subject Property - 1st Mtg	\$5,750,000
Refinance of Subject Property - 2nd Mtg	\$1,026,000
Refinance of Subject Property - 3rd Mtg	\$2,288,000
Principal Pay down - Village Milton	\$130,000
Interest Reserve (9 Months)	\$694,000
Soft Cost Reserve	\$506,000
Property Tax Arrears	\$35,000
Writ Payment + Interest	\$99,000
Broker Fee	\$100,000
Lender Fees	\$275,000
Legals & Closing Costs (Est.)	\$40,000
Total	\$10,943,000
Total Sources	(\$)
Vector 1st Mortgage	\$10,000,000
Deferred Lender Fee	\$200,000
Deferred Broker Fee	\$50,000
2nd Mortgage - Net Proceeds	\$693,000
Total	\$10,943,000

Paul Debattista

Section 9: LOAN PRIORITY

No subordinate financing to the Loan or subsequent encumbrance of the Property shall be permitted without the prior written consent of the Lender. The Borrower shall disclose to the Lender all existing or proposed financing related to the Project and shall not pledge or otherwise encumber its interest in any Properties or the Loan Documents to any party other than the Lender without the prior written consent of the Lender. This clause shall remain in effect for the term of the Loan. In the event of default under this clause, the Borrower consents that it shall be responsible for an amount of \$100,000, which will be added to the Loan Amount and collected at repayment of the Loan.

Notwithstanding the above, the lender acknowledges a 2nd mortgage will be registered in favour of Jason Waxman up to \$1,750,000. The lender also acknowledges that a 3rd mortgage will be registered in favour from Milton Village Park Inc. All subordinate mortgages will be subject to a Subordination and Standstill Agreement on the Lender's form.

Section 10: CLOSING:

The Expiry Date shall be amended to **February 4th, 2022** or such other date as agreed in writing by the Borrower and the Lender.

The Borrower acknowledges that the Loan funds have been advanced to the Lender's solicitor's account and interest will accrue on the Loan as of January 28, 2022.

Section 19 LOAN FEES, BROKERAGE FEES AND DISBURSEMENTS:

As consideration for the time, effort, and expense incurred by the Lender, its officers and employees in reviewing the financial and other information, plans, development proposals, materials and other documents, and undertaking the investigations, inspections and other due diligence necessary to prepare and approve this Commitment, each Borrower Entity jointly and severally agrees to pay to the Lender the amount of **\$275,000** (the "**Commitment Fee**") as follows:

- (a) **\$25,000** (the "**Earnest Fee**") payable upon acceptance of this Commitment (and in respect of which the Lender acknowledges receipt of \$5,000 as a non-refundable deposit toward the Earnest Fee plus an additional \$19,985 that has been received for a total of \$24,985), subject to the following:
 - (i) if the documents and information submitted by the Borrower are determined by the Lender to be materially different than as originally represented, or if the Borrower fails to provide all documents and information as reasonably requested by the Lender to substantiate the Borrower's original representations to the Lender, the Earnest Fee shall be retained by the Lender even if it declines to issue the Waiver of Conditions;

Feb 1 '22



Village Developments Inc.

Commitment Letter Amendment – 485-511 Ontario Street South, Milton, Ontario

February 1, 2022

- (ii) if the Lender issues the Waiver of Conditions upon terms and conditions which are not materially different from those set out in this Commitment (and it is agreed that a change of the Scheduled Closing Date and/or the Expiry Date shall not be material), or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted, the Earnest Fee shall be retained by the Lender; and
- (b) the balance of the Commitment Fee in the amount of **\$250,015** shall be deemed earned after issuance by the Lender of the Waiver of Conditions (already issued by the Lender) upon terms and conditions which are not materially different from those set out in this Commitment (and it is agreed that a change of the Scheduled Closing Date and/or the Expiry Date shall not be material) or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted. Of the balance of the Commitment Fee owed, **\$50,015** shall be deducted from the Initial Advance or payable at the time of and on the Expiry date, whichever shall first occur. The remaining portion of the earned Commitment Fee, **\$200,000**, shall be payable on the earlier of the initial Maturity Date and the Repayment of the Loan

For greater clarity, if the Lender issues the Waiver of Conditions upon substantially the same terms and conditions as this Commitment, or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted, and any Borrower Entity defaults under this Commitment prior to the full or Initial Advance or elects not to draw down on the Loan or any part thereof, or if the full or Initial Advance does not occur for any other reason through no fault of the Lender, the Earnest Fee shall be retained by the Lender and the balance of the Commitment Fee in clause (b) above as well as an amount equal to 6-months of Interest on the Loan, shall be deemed earned, due and payable forthwith to the Lender by each Borrower Entity, who shall each be jointly and severally liable for the same.

The Borrower, and not the Lender, shall be responsible for payment of any brokerage or finder's fees, commissions or other compensation, plus applicable taxes (collectively, the "**Brokerage Fees**") payable to **RCA Financial Services Inc.** (the "**Mortgage Broker**") or any other person not affiliated with or contracted by the Lender in connection with the Loan and shall indemnify and hold the Lender and all related entities harmless in respect of same. The Commitment Fee does not include the Brokerage Fees. Such Brokerage Fees will have an impact on the total cost of borrowing and the Borrower acknowledges Brokerage Fees in the amount of \$100,000 and hereby irrevocably authorizes and directs the Lender to deduct **\$50,000** of the Brokerage Fees from the Initial Advance and pay the same to the Mortgage Broker at Closing. The balance of the Brokerage Fees will be paid directly from the Borrower to the Mortgage Broker at a mutually agreed upon time and the Lender shall have no responsibility with respect to the balance of the Brokerage Fee.

The Borrower acknowledges and agrees to pay, in addition to all other fees and costs described in Section 19, the disbursements and fees, listed on "**Schedule A**" attached hereto.

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Village Developments Inc.

Commitment Letter Amendment – 485-511 Ontario Street South, Milton, Ontario
February 1, 2022

Whether or not the transaction contemplated herein is successfully completed, the Borrower agrees to pay, the reasonable legal fees and disbursements of the Lender's legal counsel, **Jonathan Freeman of Cassels, Brock and Blackwell LLP**, or such other legal counsel appointed by the Lender at any time (the "**Lender's Solicitors**"), for all customary or extraordinary legal services required by the Lender in connection with the Loan. The Borrower acknowledges that the Lender may engage its legal counsel upon signing of this Commitment Letter and they shall be responsible for same.

Section 21: **ADVANCES:**

On the Closing Date, the full Loan Amount of **\$10,000,000** (the "**Initial Advance**") will be advanced to or for the benefit of the Borrower as follows:

- (a) the amount of **\$50,015** will be deducted and paid to the Lender on account of a portion of the outstanding balance of the Commitment Fee;
- (b) the amount of **\$134,000** will be deducted and retained by the Lender's Solicitors on account a portion of the Lender's fee to go towards the following:
 - i. Property Tax Arrears (\$35,000)
 - ii. 2 Writ judgements from creditor (John Geoffrey Robinson - \$99,000)
- (c) the amount of **\$50,000** will be deducted and paid to the Mortgage Broker on account of a portion of the Brokerage Fees;
- (d) the amount of **\$1,200,000** will be deducted and retained by the Lender' or the Lender's Solicitors on account of the following loan reserve(s) (individually and collectively called the "**Loan Reserve**"): 12 Feb 22
 - (i) the amount of **\$694,000** as and on account of an interest reserve (the "**Interest Reserve**") to be used to fund the first eight (8) months and last one (1) month of interest coming due under the Loan; and
 - (ii) the amount of **\$506,000** as and on account of a reserve to be used to pay future arm's length soft costs related to the Project (the "**Soft Costs Reserve**") which will be released to the Borrower in accordance with the budget of such costs as provided by the Borrower and approved by the Lender or its consultant(s) retained for such purpose before the Closing Date. Upon receipt of satisfactory evidence that such costs (excluding HST) have been incurred for the benefit of the Project, the Lender shall have up to 5 business days to process and remit a payment to the Borrower subject to the costs or disbursements listed on 'Schedule A' attached.



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Village Developments Inc.

Commitment Letter Amendment – 485-511 Ontario Street South, Milton, Ontario
February 1, 2022

The Borrower shall acknowledge that the Loan Reserve shall be deemed to have been fully advanced by the Lender to the Borrower and shall bear interest from and after the date of the Initial Advance at the Interest Rate(s) as set out in the Loan Documents. The Loan Reserve, together with any interest earned thereon, shall be pledged by the Borrower to the Lender as security for the Loan. All interest earned on the Loan Reserve shall be for the benefit of the Lender and the Lender shall not be required to separately account for these amounts to the Borrower. In the event the Loan is in default, the Lender shall be entitled to utilize and apply, as determined by the Lender in its sole discretion, all or any part of the Loan Reserve toward payment of principal, interest, costs, and other monies owing under the Loan.

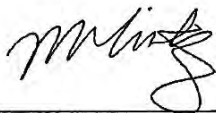
the balance in the amount of **\$8,565,985** (after deducting an amount for 'Schedule A' related closing costs and interest from the Closing Date to the IAD) will be remitted to the Lender's Solicitors for the benefit of the Borrower to pay for closing costs (including outstanding realty taxes, and legal costs), refinancing of the Property, and other costs pursuant to the provisions set out herein. See Section 8c above for a list of costs to be funded on closing.

All other terms and conditions of the Commitment Letter shall remain the same and all parties hereto continue to be bound by the Commitment Letter as amended herein.

If the above is acceptable, please so indicate by executing and returning one original copy of this letter on or before **February 1, 2022**.

Yours very truly,

VECTOR FINANCIAL SERVICES LIMITED



Noah Mintz
Managing Director
Lic. #: M08006173



Mitchell Oelbaum
Chief Operating Officer
Lic. #: M13001562

17 Feb 1 22



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Village Developments Inc.

Commitment Letter Amendment – 485-511 Ontario Street South, Milton, Ontario
February 1, 2022

ACCEPTANCE

ACCEPTED on the terms and conditions herein provided this 1 day of February, 2022.

Village Developments Inc. - As Borrower

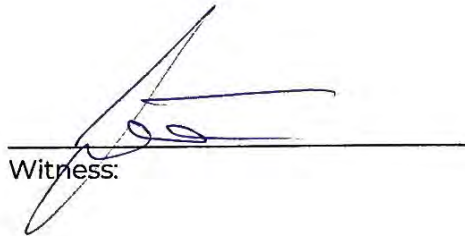


Per: PAUL DEBATTISTA

I have the sole authority to bind the corporation.



Paul Debattista – As Guarantor



Witness:



245 Eglinton Avenue East, Suite 400
Toronto, Ontario M4P 3B7



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COMMITMENT LETTER AMENDMENTFebruary 10th, 2022Village Developments Inc.
7686 Appleby Line
Milton, ON, L9E 0N1**Attention: Paul Debattista**

Dear Sirs,

RE: VECTOR FINANCIAL SERVICES LIMITED (the "Lender") First (1st) Mortgage Financing (the "Loan") on all property and assets comprising 485 – 511 Ontario Street South in Milton, Ontario (the "Property") to Village Developments Inc. (the "Borrower")
Vector Reference No. BC #22-02

AND RE: The Commitment Letter issued by the Lender and addressed to the Borrower dated December 8, 2021 and Amendment Letters to the Borrower dated January 14, 2022 and February 1, 2022 (collectively the "Commitment Letter")

This letter will confirm our agreement to the following amendments to the Commitment Letter:

Section 8: PURPOSE OF LOAN & EXIT

(C) The Use and Sources of Funds shall be revised to:

Total Uses	(\$)
Refinance of Subject Property - 1st Mtg	\$5,750,000
Refinance of Subject Property - 2nd Mtg	\$1,026,000
Refinance of Subject Property - 3rd Mtg	\$2,300,000
Interest Reserve (9 Months)	\$694,000
Soft Cost Reserve	\$306,000
Writ Payment + Interest	\$99,000
Property Tax Arrears	\$35,000
Broker Fee	\$100,000
Lender Fees	\$275,000
Legals & Closing Costs (Est.)	\$50,000
Total	\$10,635,000
Total Sources	(\$)
Vector 1st Mortgage	\$10,000,000
Deferred Lender Fee	\$200,000
Deferred Broker Fee	\$50,000
2nd Mortgage - Net Proceeds	\$385,000
Total	\$10,635,000

1 Feb 10 22

Village Developments Inc.

Commitment Letter Amendment – 485-511 Ontario Street South, Milton, Ontario

February 10th, 2022

Section 10: **CLOSING:**

The Expiry Date shall be amended to **February 11th, 2022** or such other date as agreed in writing by the Borrower and the Lender.

Section 21: **ADVANCES:**

On the Closing Date, the full Loan Amount of **\$10,000,000** (the "**Initial Advance**") will be advanced to or for the benefit of the Borrower as follows:

- (a) the amount of **\$50,015** will be deducted and paid to the Lender on account of a portion of the outstanding balance of the Commitment Fee;
- (b) the amount of **\$134,000** will be deducted and retained by the Lender's Solicitors on account a portion of the Lender's fee to go towards the following:
 - i. Property Tax Arrears (\$35,000)
 - ii. 2 Writ judgements from creditor (John Geoffrey Robinson - \$99,000)
- (c) the amount of **\$50,000** will be deducted and paid to the Mortgage Broker on account of a portion of the Brokerage Fees;
- (d) the amount of **\$1,000,000** will be deducted and retained by the Lender' or the Lender's Solicitors on account of the following loan reserve(s) (individually and collectively called the "**Loan Reserve**"):
 - (i) the amount of **\$694,000** as and on account of an interest reserve (the "**Interest Reserve**") to be used to fund the first eight (8) months and last one (1) month of interest coming due under the Loan; and
 - (ii) the amount of **\$306,000** as and on account of a reserve to be used to pay future arm's length soft costs related to the Project (the "**Soft Costs Reserve**") which will be released to the Borrower in accordance with the budget of such costs as provided by the Borrower and approved by the Lender or its consultant(s) retained for such purpose before the Closing Date. Upon receipt of satisfactory evidence that such costs (excluding HST) have been incurred for the benefit of the Project, the Lender shall have up to 5 business days to process and remit a payment to the Borrower subject to the costs or disbursements listed on 'Schedule A' attached. Prior to the release of the first soft cost advance, the Borrower must show proof of \$200,000 spent on project-related costs from the date of Initial Advance.

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245 Eglinton Avenue East, Suite 400
Toronto, Ontario M4P 3B7



416-483-8018



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Village Developments Inc.

Commitment Letter Amendment – 485-511 Ontario Street South, Milton, Ontario
February 10th, 2022

The Borrower shall acknowledge that the Loan Reserve shall be deemed to have been fully advanced by the Lender to the Borrower and shall bear interest from and after the date of the Initial Advance at the Interest Rate(s) as set out in the Loan Documents. The Loan Reserve, together with any interest earned thereon, shall be pledged by the Borrower to the Lender as security for the Loan. All interest earned on the Loan Reserve shall be for the benefit of the Lender and the Lender shall not be required to separately account for these amounts to the Borrower. In the event the Loan is in default, the Lender shall be entitled to utilize and apply, as determined by the Lender in its sole discretion, all or any part of the Loan Reserve toward payment of principal, interest, costs, and other monies owing under the Loan.

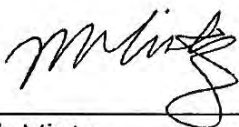
the balance in the amount of **\$8,765,985** (after deducting an amount for 'Schedule A' related closing costs and interest from the Closing Date to the IAD) will be remitted to the Lender's Solicitors for the benefit of the Borrower to pay for closing costs (including outstanding realty taxes, and legal costs), refinancing of the Property, and other costs pursuant to the provisions set out herein. See Section 8c above for a list of costs to be funded on closing.

All other terms and conditions of the Commitment Letter shall remain the same and all parties hereto continue to be bound by the Commitment Letter as amended herein.

If the above is acceptable, please so indicate by executing and returning one original copy of this letter on or before **February 10th, 2022**.

Yours very truly,

VECTOR FINANCIAL SERVICES LIMITED



Noah Mintz
Managing Director
Lic. #: M08006173



Mitchell Oelbaum
Chief Operating Officer
Lic. #: M13001562

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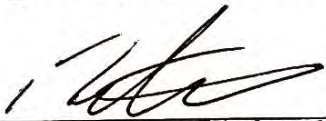
Village Developments Inc.

Commitment Letter Amendment – 485-511 Ontario Street South, Milton, Ontario
February 10th, 2022

ACCEPTANCE

ACCEPTED on the terms and conditions herein provided this 10 day of FEBRUARY, 2022.

Village Developments Inc. - As Borrower



Per: PAUL DEBATTISTA

I have the sole authority to bind the corporation.



Paul Debattista – As Guarantor


Witness.

245 Eglinton Avenue East, Suite 400
Toronto, Ontario M4P 3B7



416-483-8018



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COMMITMENT LETTER AMENDMENT

September 26th, 2022

Village Developments Inc.
7686 Appleby Line
Milton, ON, L9E 0N1

Attention: Paul Debattista

Dear Sirs,

RE: VECTOR FINANCIAL SERVICES LIMITED (the "Lender") First (1st) Mortgage Financing (the "Loan") on all property and assets comprising 485 – 511 Ontario Street South in Milton, Ontario (the "Property") to Village Developments Inc. (the "Borrower")
Vector Reference No. BC #22-02

AND RE: The Commitment Letter issued by the Lender and addressed to the Borrower dated December 8, 2021 and Amendment Letters to the Borrower dated January 14, 2022 and February 1, 2022 and February 10, 2022 (collectively the "Commitment Letter")

This letter will confirm your agreement to the following amendments to the Commitment Letter:

Section 11: **TERM & MATURITY**

All Loan indebtedness shall become due and repayable in full on the 10th day of the month which is **12 calendar months** after the Interest Adjustment Date (the "Maturity Date").

The Maturity Date is revised to: **February 10, 2022**

The Borrower acknowledges and agrees that the remaining balance currently held in the "Soft Cost Reserve", being **\$306,547.25**, will be transferred in full to the Interest Reserve to be utilized for interest payments going forward until the Interest Reserve account balance is zero or until maturity, whichever comes first. If there is any difference or shortfall in the Interest Payment Amount and the Interest Reserve Balance, the Borrower is solely responsible to cover the remainder of the payment. To the extent that the Loan Reserve has been depleted while any part of the Loan indebtedness remains outstanding, each Borrower Entity will jointly and severally undertake to immediately replenish the Loan Reserve accordingly, and failure to do so shall constitute a default under the Loan.

If the Loan is repaid before the Maturity Date any balance remaining in the Interest Reserve will be credited to the Borrower on the mortgage payout statement requested prior to Loan repayment.



Village Developments Inc.

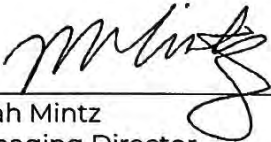
Commitment Letter Amendment – 485-511 Ontario Street South, Milton, Ontario
September 26th, 2022

All other terms and conditions of the Commitment Letter shall remain the same and all parties hereto continue to be bound by the Commitment Letter as amended herein.

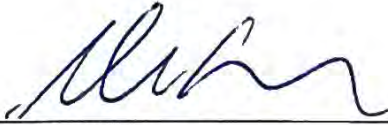
If the above is acceptable, please so indicate by executing and returning one original copy of this letter on or before **September 27th, 2022**.

Yours very truly,

VECTOR FINANCIAL SERVICES LIMITED



Noah Mintz
Managing Director
Lic. #: M08006173



Mitchell Oelbaum
President
Lic. #: M13001562

ACCEPTANCE

ACCEPTED on the terms and conditions herein provided this 26 day of SEPT., 2022.

Village Developments Inc. - As Borrower



Per:

I have the sole authority to bind the corporation.



Paul Debattista – As Guarantor



Witness



245 Eglinton Avenue East, Suite 400
Toronto, Ontario M4P 3B7



416-483-8018



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TAB C

THIS IS EXHIBIT "C"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to be "Kyn", with a horizontal line extending from the end of the signature.

A commissioner for taking affidavits

Properties				
PIN	24943 - 0016	LT	Interest/Estate	Fee Simple
Description	PT LTS 7 & 8, PL 375 , AS IN 807053 ; MILTON			
Address	485 ONTARIO ST S MILTON			
PIN	24943 - 0017	LT	Interest/Estate	Fee Simple
Description	PT LTS 8 & 9, PL 375 , AS IN 771273; MILTON			
Address	501 ONTARIO ST S MILTON			
PIN	24943 - 0018	LT	Interest/Estate	Fee Simple
Description	LT 10, PL 375, EXCEPT PL851.; TOWN OF MILTON			
Address	511 ONTARIO ST S MILTON			

Chargor(s)	
The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.	
Name	VILLAGE DEVELOPMENTS INC.
Address for Service	7686 Appleby Line Milton, Ontario L9E 0N1
A person or persons with authority to bind the corporation has/have consented to the registration of this document.	
This document is not authorized under Power of Attorney by this party.	

Chargee(s)		Capacity	Share
Name	VECTOR FINANCIAL SERVICES LIMITED		95.27%
Address for Service	245 Eglinton Avenue East, Suite 400 Toronto, ON M4P 3B7		
Name	OLYMPIA TRUST COMPANY		4.73%
Address for Service	P.O. Box 2581 STN Central Calgary, AB T2P 1C8		

Statements
Schedule: See Schedules

Provisions			
Principal	\$10,000,000.00	Currency	CDN
Calculation Period	Daily, Compounded Monthly		
Balance Due Date	2023/02/10		
Interest Rate	See Schedule		
Payments			
Interest Adjustment Date	2022 02 10		
Payment Date	10th Day of Each Month		
First Payment Date	2022 03 10		
Last Payment Date	2023 03 10		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	Paul Debattista		

Signed By				
Jonathan David Freeman		40 King Street West, Suite 2100 Toronto M5H 3C2	acting for Chargor(s)	Signed 2022 02 04
Tel	416-869-5300			
Fax	416-360-8877			
I have the authority to sign and register the document on behalf of the Chargor(s).				

Submitted By

CASELS BROCK & BLACKWELL LLP

40 King Street West, Suite 2100
Toronto
M5H 3C2

2022 02 04

Tel 416-869-5300

Fax 416-360-8877

Fees/Taxes/Payment

Statutory Registration Fee

\$66.30

Total Paid

\$66.30

File Number

Chargee Client File Number :

49004-108

SCHEDULE "A"

ADDITIONAL PROVISIONS

1. STANDARD CHARGE TERMS

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

2. DEFINITIONS

In this schedule, the following definitions apply:

- (a) **Applicable Laws** means, in respect of any person, property, transaction or event, all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licences, authorizations, approvals and all applicable common law or equitable principles in force and effect during the currency of this Charge;
- (b) **Balance Due Date** means the 10th day of March, 2023;
- (c) **Charge** means this Charge/Mortgage of Land made pursuant to the *Land Registration Reform Act* and any amendments thereto and including the Standard Charge Terms;
- (d) **Chargee** shall mean collectively Vector Financial Services Limited, as to a 95.27% interest, Olympia Trust Company, as to a 4.73% interest each of their respective successors and assigns;
- (e) **Chargor** shall mean Village Developments Inc., including its successors and permitted assigns;
- (f) **CIBC** means the Canadian Imperial Bank of Commerce;
- (g) **Commitment Letter** means collectively the commitment letter issued by Vector Financial Services Limited dated December 8, 2021, as may be amended from time to time, setting out the terms of the loan secured by this Chargee;
- (h) **Costs** shall include but not be limited to all of the fees, costs, charges, losses, damages and expenses incurred by the Chargee as a direct or indirect consequence of granting the loan secured by this Charge including, without limitation, all expenses incurred in the construction, preservation, maintenance, repair, insuring and realization of the security contained herein, and all reasonable legal costs incurred by the Chargee as between a solicitor and his own client;
- (i) **Covenantor** shall mean Paul Debattista and includes his heirs, executors, successors and permitted assigns;
- (j) **Environmental Laws** means all present and future Applicable Laws, standards and requirements relating to environmental or occupational health and safety matters, including those relating to the presence, release, reporting, licensing, permitting, investigation, disposal, storage, use, remediation and clean-up or any other aspect of a Hazardous Substance;

- (k) **Environmental Proceeding** means any investigation, action, proceeding, conviction, fine, judgment, notice, order, claim, directive, permit, license, approval, agreement or lien of any nature or kind arising under or relating to Environmental Laws;
- (l) **Hazardous Substance** means any substance or material that is prohibited, controlled, otherwise regulated by any governmental authority or is otherwise hazardous in fact, including without limitation contaminants, pollutants, asbestos, lead, urea formaldehyde foam insulation, polychlorinated by-phenyls or hydrocarbon products, any materials containing same or derivatives thereof, explosives, radioactive substances, petroleum and associated products, underground storage tanks, dangerous or toxic substances or materials, controlled products, and hazardous wastes.
- (m) **Interest** means interest at the Interest Rate calculated daily (on the basis of 360 days/year) and compounded monthly not in advance both before and after maturity, default, and judgment;
- (n) **Interest Adjustment Date** means the 10th day of the month following the date of the first advance;
- (o) **Interest Rate** means,
- a. for the period from and including the scheduled closing date to and including the day immediately preceding the Step-Up Date, the greater of:
 - i. 9.25% per annum, and
 - ii. the Prime Rate plus 6.80%; and
 - b. from and after the Step-Up Date and until the Loan indebtedness is repaid in full (the "**Step Up Rate**"), the greater of:
 - 1. 13.00%; and
 - 2. the Prime Rate plus 10.55%; and
- Interest shall be adjusted daily as to fluctuations from time-to-time of the Prime Rate and shall be calculated daily (based on 360 days), compounded monthly and payable monthly. In the event that the Prime Rate changes, the Monthly Payments will be adjusted in the subsequent interest billing cycle.
- The Chargor and Covenantor each acknowledge that the Step Up Rate increase occurs solely by passage of time and not as a result of the occurrence of any default or Event of Default.
- (p) **Loan** means the loan made by the Chargee to the Chargor pursuant to the terms of the Commitment Letter.
- (q) **Monthly Payments** means the payments of Interest only made on the tenth (10th) day of each month on the Principal outstanding from time to time;
- (r) **Prime Rate** means the annual rate of interest which is announced from time to time by CIBC at its head office in Toronto, Ontario as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans made in Canada;
- (s) **Principal Amount or Principal** means the maximum principal amount of \$10,000,000.00 in lawful money of Canada which may be advanced under this

Charge as it may be increased or decreased prior to registration of a discharge of this Charge;

- (t) **Project** means the proposed construction on the Property of a 6-storey apartment building with a gross floor area of approximately 279,000 square feet;
- (u) **Property or Charged Property** means the lands described in the Charge to which this Schedule is attached and as further described in Schedule "B" attached and all buildings, fixtures and improvements now or hereafter brought or erected thereon;
- (v) **Standard Charge Terms** means the set of Standard Charge Terms filed as No. 200033;
- (w) **Step-Up Date** means the 10th day of the month immediately prior to the Balance Due Date or such earlier date as may be established pursuant to the Chargor's election for prepayment pursuant to Section 5 hereof; and
- (x) **Receiver** means a receiver or receiver-manager of the Property.

3. CHARGE

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

4. MONTHLY PAYMENTS

Interest on the Principal Amount from time to time advanced prior to the Interest Adjustment Date, computed from the respective dates of such advances to the Interest Adjustment Date, shall, at the option of the Chargee, be deducted from the advances; after the Interest Adjustment Date, the interest only payments computed from the Interest Adjustment Date on the Principal Amount outstanding from time to time, shall become due and be paid in Monthly Payments as provided by this Schedule to this Charge and the balance of the Principal Amount and Interest shall become due and payable on the Balance Due Date. The Monthly Payments, when received, shall be applied firstly to outstanding Costs, secondly to outstanding Interest and the Principal Amount outstanding.

5. PREPAYMENT

The Loan is closed and not open for prepayment in whole or in part prior to the 10th day of the 6th month after the Interest Adjustment Date.

During the term of the Loan (the "**Term**"), when not in default and upon thirty (30) days prior written notice to the Chargee (the "**Notice**") and upon payment of an additional 1-month's Interest, the Chargor may, between the 20th and 31st of the sixth (6th) month following the Interest Adjustment Date prepay the whole (but not part) of the then outstanding Principal Amount plus: (i) all accrued and unpaid interest and compound interest calculated to and including the date of prepayment, and (ii) all costs and expenses then due payable to the Chargee under the Loan and the Security (hereinafter defined). From and after the giving of the Notice, the date of such prepayment so selected by the Chargor shall become the new Step-Up Date. In the event that the Notice is given by the Chargor, and if payment is not made in accordance with the Notice, then the entire Loan indebtedness shall become due and payable forthwith at the option and upon the demand by the Chargee, together with an additional one (1) month's interest calculated at the Step-Up Rate.

6. PAYMENTS BY CHARGEES

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

7. COSTS

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

8. INSURANCE PROVISIONS

The Chargor will at all times during the Term maintain the insurance required by the Chargee including, without limitation, the following coverages:

1. Comprehensive General Liability insurance against loss from liability imposed by law as owner or landlord of the Property resulting from personal injury or death, and damage to or loss of property, of any person, in an amount not less than \$5,000,000 on a single occurrence basis. When Umbrella/Excess Liability insurance is evidenced, the Umbrella must follow form of the underlying Comprehensive General Liability.
2. "All Risks" property insurance in an amount not less than 100% of the full replacement cost of the Property including improvements and personal property or "All Risks" Builders Risk/Course of Construction Insurance on a replacement cost basis including the existing structures and/or new build projects. The insurance must insure against damage to or destruction including but not limited to footings, foundations and all parts above and below grade in the amount that equals the full rebuilding cost.

"All Risk" policies are subject to but not limited to the following coverages:

- (a) Replacement cost endorsement;
- (b) Deletion from the policy any provision requiring reconstruction on same or adjacent sites;
- (c) An endorsement to the effect that the policy will cover any additional costs of reconstruction as a result of enforcement of current building by-laws and regulations, including the cost of demolition of any undamaged portion of any building or improvement;
- (d) Such policy of insurance shall not contain a percentage co-insurance endorsement other than a stated amount co-insurance endorsement for an amount not less than full replacement cost;
- (e) Such policy of insurance shall be written with loss payable to the Chargee in accordance with a form of mortgage clause approved by the Insurance Bureau of Canada or other organization acceptable to the Chargee including, without limitation, that the policy will remain in full force notwithstanding anything contained in or omitted from the application therefor, that such insurance will not be invalidated or affected by any act or omission of any person other than the Chargee and that such policy will not be cancelled, terminated or permitted to expire unless the Chargee shall first receive thirty (30) days prior written notice of same;

3. Standard Comprehensive form boiler and machinery insurance, including pressure vessels, heating, and air conditioning equipment and other like equipment forming part of the improvements on the Property, against loss or damage by explosion, rupture of steam pipes, and other usual risks covered by such insurance, in an amount which is equal to the full replace cost thereof, and upon and subject to the same terms and conditions required under subparagraph 1 hereunder;
4. Insurance against loss of rent, rental value, and other payments required to be paid or made by tenants, or loss of income and profits from the business carried out on the Property from at least those risks covered by the insurance herein required and under which the period of indemnity will be not less than twelve months and to the extent of not less than 100% of such loss of gross rent or rental value, or income value from time to time with no co-insurance provisions; and
5. Any and all other insurance coverages which the Chargee may reasonably require from time to time.

The Chargee will not accept "will endeavor" language in the cancellation notice. Other specific insurance policy wording requirements will be provided by the Chargee's insurance consultant and any revisions will be made in coordination with the Chargor and/or its insurance broker.

9. ENVIRONMENTAL CLAUSE

Representations:

The Chargor hereby represents, warrants, covenants and agrees with the Chargee that, to its knowledge, the Property and all businesses and operations conducted thereon comply with all Environmental Laws, save as may be disclosed in the Environmental Audit submitted by the Chargor to the Chargee. The Property has not been used for or designated as a waste disposal site and, except as disclosed in the environmental audit obtained by the Chargee prior to the advance of funds under this Charge (the "**Environmental Audit**"), contains no Hazardous Substances and there is no existing or threatened Environmental Proceeding against or affecting the Property. Copies of all existing environmental assessments, audits, tests and reports relating to the Property have been delivered to the Chargee. To the best of the Chargor's knowledge and belief, there are no pending or proposed changes to Environmental Laws or to any Environmental Proceedings which would render illegal or materially restrict or change the present use and operation of the Property. Except as disclosed in the Environmental Audit, neither of the Chargor nor, to the best of the Chargor's knowledge and belief after due inquiry and investigation, any other person or organization: (i) has used or permitted the use of the Property to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances; (ii) has been subject to any Environmental Proceeding related to the Property; (iii) has caused or permitted the release or discharge of any Hazardous Substance on or in the vicinity of the Property; (iv) has received or otherwise has knowledge of any Environmental Proceedings or of any facts which could give rise to any Environmental Proceeding related to the Property; (v) has undertaken any remediation or clean-up of any Hazardous Substance on or in the vicinity of the Property; or (vi) has defaulted in reporting any occurrence or circumstance to any governmental authority in relation to the Property which is or was required to be reported pursuant to any Environmental Laws.

Covenants:

The Chargor shall: (i) ensure that the Property and the Chargor comply with all Environmental Laws at all times; (ii) not permit any Hazardous Substance to be located,

manufactured, stored, spilled, discharged or disposed of at, on or under the Property (except in the ordinary course of business of the Chargor or any tenant and in compliance with all Environmental Laws) nor permit any other activity on or in respect of the Property that might result in any Environmental Proceeding affecting the Property, Chargor or Chargee; (iii) notify the Chargee promptly of any threatened or actual Environmental Proceedings; (iv) remediate and cure in a timely manner any non-compliance by the Property or the Chargor with Environmental Laws, including removal of any Hazardous Substances from the Property; (v) maintain all environmental and operating documents and records including all permits, licenses, certificates, approvals, orders and agreements relating to the Property as required by Environmental Laws; (vi) provide the Chargee promptly upon request with such information, documents, records, permits, licences, certificates, approvals, orders, agreements, environmental audits, reports, assessments and inspections and take such other steps (all at the Chargor's expense) as may be required by the Chargee to confirm and/or ensure compliance by the Property and the Chargor with Environmental Laws, and (vii) execute all consents, authorizations and directions necessary to permit any inspection of the Property by any governmental authority and to permit the release to the Chargee or its representatives, of any information relating to the Property and the Chargor.

Indemnity:

Without limiting any other provision of this Charge or any document collateral hereto, the Chargor shall indemnify and pay, protect, defend and save the Chargee harmless from and against all actions, proceedings, losses, damages, liabilities, claims, demands, judgments, costs, expenses, (including legal fees and disbursements on a solicitor and his own client basis) (collectively "**Environmental Claims**"), imposed on, made against or incurred by the Chargee arising from or relating to, directly or indirectly, and whether or not disclosed by the Environmental Audit and whether or not caused by the Chargor or within its control, (i) any actual or alleged breach of Environmental Laws relating to or affecting the Property, (ii) the actual or alleged presence, release, discharge or disposition of any Hazardous Substance in, on, over, under, from or affecting all or part of the Property or surrounding lands, including any personal injury or property damage arising therefrom, (iii) any actual or threatened Environmental Proceeding affecting the Property including any settlement thereof, (iv) any assessment, investigation, containment, monitoring, remediation and/or removal of all Hazardous Substances from all or part of the Property or surrounding areas or otherwise complying with Environmental Laws, or (v) any breach by the Chargor of any covenant hereunder or under any document collateral hereto or under Applicable Law relating to environmental matters. This indemnity shall survive repayment of the loan secured hereby, foreclosure upon this Charge and any other extinguishing of the obligations of the Chargor under this Charge and any other exercise by the Chargee of any remedies available to it against the Chargor.

Inspections:

The Chargee or its agent may, at any time, before and after an Event of Default, and for any purpose deemed necessary by the Chargee, enter upon the Property, upon 48 hours' prior written notice to the Chargor (except in the case of an emergency), to inspect the Property and buildings thereon to ensure it is properly maintained and that its intended use conforms to all laws. Without in any way limiting the generality of the foregoing, the Chargee may enter upon the Property, upon 48 hours' prior written notice to the Chargor (except in the case of an emergency), to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee and the reasonable cost of such testing, assessment, investigation or study, as the case may be, shall bear interest at the rate set out in this Charge from the date of disbursement until paid and all such sums together with interest as aforesaid shall be a charge upon the Property. The exercise of any of the powers enumerated in this clause shall not result in the Chargee, or its agents being deemed to be in possession, management, or control of the Property and buildings.

10. PROPERTY MANAGEMENT

The Chargee shall have the right to require that the Chargor retain professional property management for the Property satisfactory to the Chargee, acting reasonably. The Chargee shall also have the right to approve the terms and conditions of the management agreement. Any change in the management of the Property shall require the prior written approval of the Chargee, both as to manager and the terms and conditions of the management agreement.

11. SURVIVAL OF COMMITMENT LETTER

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

12. EVENTS OF DEFAULT

The Chargor shall be in default under this Charge if any one or more of the following events of default occurs at any time or times prior to registration of a complete discharge of this Charge and continues beyond any cure period agreed to by the parties (an "**Event of Default**"):

- (a) the Chargor default under any one or more of the covenants, conditions, terms, agreements, provisions and obligations contained in this Charge to be kept, observed and performed by the Chargor and such default is not rectified or cured within 1 business day for a monetary default and 7 business days for a non-monetary default of receiving notice of such breach or default;
- (b) the Chargor becomes insolvent, bankrupt or a trustee in bankruptcy is appointed for the Chargor or the Chargor makes a general assignment for the benefit of creditors or goes into liquidation either voluntarily or under an order of the court of competent jurisdiction or otherwise acknowledges his insolvency;
- (c) there is shown to be any discrepancy or inaccuracy in any written information, statement, warranty or representations made or furnished to the Chargee by or on behalf of the Chargor with respect to the Property or the Chargor financial condition and if such discrepancies or inaccuracies are material in the opinion of the Chargee, acting reasonably;
- (d) the Chargor defaults under any one or more covenants, conditions, terms, agreements, provisions and obligations contained in any document submitted to the Chargee by or on behalf of the Chargor in connection with this Charge, including, without limitation, the Commitment Letter;
- (e) any or all of the shares issued and outstanding in the capital stock of the Chargor are directly or indirectly transferred, pledged, encumbered, hypothecated or dealt with in any manner whatsoever such that the Chargee determines, in its sole and unfettered discretion, that there is a change in control of the Chargor;
- (f) there is litigation or any other proceeding, application, claim or action pending or threatened before any court, administrative board, or other tribunal which, if determined adversely to the Chargor or, in the opinion of the Chargee, acting

reasonably, would materially affect the Property, the financial condition of the Chargor or the value of the Property;

- (g) there is rendered against the Chargor a final judgment, order or decree for the payment of money which remains unpaid for 30 days and which, in the sole opinion of the Chargee, will materially affect the Property, the financial condition of the Chargor or the value of the Property;
- (h) the Chargor is in default under any subsequent mortgage or encumbrance affecting the Property;
- (i) the Chargor is in default under any loan or mortgage or encumbrance affecting any other property owned by the Chargor;
- (i) there is a change in mind or management or location of the Chargor's offices or place of records without the consent of the Chargee, not to be unreasonably withheld; or
- (j) the Chargor fails to operate a segregated bank account for the Property or Project or co-mingles any funds from any other projects or properties and/or entities of the Chargor or Covenantor;

If any of the foregoing Events of Default shall occur then, notwithstanding the provisions of any other agreement between the Chargor and the Chargee and at the option of the Chargee, the whole of the Principal Amount, Interest and any other amount due under this Charge shall immediately become due and payable and the Chargee shall be relieved of any further obligations to advance monies to the Chargor. If an Event of Default is waived by the Chargee, such waiver shall not operate as a waiver of any other, further or continuation of the same Event of Default. In addition, any failure by the Chargee to exercise any rights or remedies hereunder shall not constitute a waiver hereof.

13. **DUE ON SALE**

If:

- (a) the Chargor or beneficial owner of the Property directly or indirectly sells, conveys, transfers or otherwise disposes of its interest in the Property or any part thereof or agrees to do so;
- (b) there is a change in the direct or indirect effective voting control of the Chargor or more than 25% of the voting shares/units of the Chargor are transferred unless the Chargor is a publicly traded entity (as hereinafter defined); or
- (c) the Chargor amalgamates or merges;

without the prior written consent of the Chargee being obtained, such consent not to be unreasonably withheld, conditioned, or delayed, then the Chargee may, at its option, declare forthwith due and payable the entire balance of the unpaid principal together with accrued and unpaid interest due thereon. The decision to accelerate the Loan shall be at the sole option of the Chargee. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions. A "publicly traded entity" means an entity whose shares/units are listed and traded on a recognized stock exchange in Canada or the United States.

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

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

14. SUBSEQUENT ENCUMBRANCES

The Chargor shall not, without the Chargee's prior written approval, further charge or otherwise encumber the Property or any interest therein. The Chargor shall disclose to the Chargee all existing or proposed financing relating to the Project and shall not pledge or otherwise encumber its interest in the Property or the Security to any other party, other than the Chargee, without the prior written approval of the Chargee, which may be withheld in its sole discretion. The Chargor consents and agrees to a \$100,000.00 penalty to be added to the Principal Amount to be collected by the Chargee on repayment of the Loan in the event of a default by the Chargor under this Section 14.

15. RIGHT TO DISTRAIN

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

16. CHARGE NOT A CHARGE IN POSSESSION

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

17. LEASES AND SPECIFIC ASSIGNMENTS OF LEASES

If the Chargor intends to lease any part of the Property, then the Chargee must approve the tenant and its intended use. The Chargee may require, in its sole discretion, a statutory declaration, signed by the tenant, of its intended use.

18. ADDITIONAL SECURITY

In the event that the Chargee, in addition to the Property, holds or shall hold, in the future, further security on account of the Principal Amount, it is agreed that no single or partial exercise of any of the Chargee's powers under this Charge or any of such further security (this Charge and any such further security are hereinafter together referred to as the "**Security**"), shall preclude other and further exercise of any other right, power or remedy pursuant to the Security. The Chargee shall at all times have the right to proceed against all, any or any portion of the Security in such order and in such a manner as the Chargee shall, in the Chargee's sole and unfettered discretion, deem fit without waiving any rights which the Chargee might have with respect to the Security and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining Security.

19. FINANCIAL STATEMENTS

Until repayment of the Loan, the Chargor shall supply the Chargee with such updated information relating to the Project or condition precedent requirements as the Chargee may reasonably request from time to time. Such information shall be provided to the Chargee within 14 days from the date of the Chargee's request. Failure to provide items 19(a) through 19(c) shall, at the option of the Chargee, constitute an Event of Default under the Charge.

Until repayment of the Loan or upon request, the Chargor and Covenantors shall provide the Chargee within 120 days after the end of each fiscal year of the Chargor:

- (a) audited financial statements of the Chargor, any beneficial owner of the Property, and of any corporate Covenantor, including a balance sheet and supporting schedules, a detailed statement of income and expenditures and supporting schedules, and a statement of change in cash flow; in the case of an individual chargor or additional covenantor, net worth statements may be supplied in lieu of financial statements;
- (b) updated net worth statement for any individual beneficial owner or Covenantor;
- (c) notice to reader financial statements in respect of the Property, including a balance sheet and supporting schedules and a detailed statement of income and expenditures and supporting schedules;
- (d) a current rent roll for the Property containing such details as may be required by the Chargee, if applicable; and
- (e) a budget for the Property for the next fiscal year, forecasting operating income, expenses and capital expenditures, if applicable.

Each Chargor and additional Covenantor hereby authorizes the Chargee to obtain such further financial information reasonably requested by the Chargee.

20. CREDIT MANAGEMENT

The Chargor acknowledges that it is important to insulate the revenue stream from the Property in order to avoid claims by other projects, commitments or liabilities of the Chargor. If this is not possible, the Chargor agrees to provide the Chargee with a reasonable degree of revenue segregation through separate reporting. In this regard the Chargee will monitor the financial aspects of the Property, depending upon its financial status. The Chargor shall operate a segregated bank account for the Property and the Project during the term of the Loan, and all receipts and payments for the Property and the Project must be deposited into and disbursed from such account. Such funds and account shall not be co-mingled with any funds from other projects, properties, and/or entities of, or related to, any of the Chargor, Beneficial Owner, or Covenantor.

The Chargor covenants and agrees to provide the Chargee with standalone property reporting, isolating the Property's financial and operating accounts and information from that of other properties owned by the Chargor. The Chargor further covenants and agrees to provide the Chargee with separate financial statements for the Property. In the Event of Default by the Chargor under the Charge that is continuing beyond all applicable cure periods, or if the Chargor seeks relief under the Companies' Creditors Arrangement Act or other debtor relief legislation, the Chargee shall, if possible, be entitled to establish a separate project bank account for the Property.

As security for the aforesaid, an assignment of revenue (general assignment of rents) shall be registered both against title to the Property as well as under the applicable personal property registration system. The assignment of revenue shall take effect automatically, at the Chargee's option, if there is a default under the Charge. In addition, a general security agreement (or equivalent), shall be provided to the Chargee.

21. SIGNAGE

The Chargee shall have the right to provide at its cost a sign, no greater than 4 feet x 6 feet, advertising the fact that financing was provided by the Chargee. The sign shall be erected by the Chargor at its cost in a prominent location on or about the hoarding or construction fence at a location mutually agreed by the Chargor and the Chargee.

22. PAYMENTS

Any payment made by the Chargor to the Chargee which is received by the Chargee on a non-business day of the Chargee shall be deemed to have been received by the Chargee on the next business day of the Chargee.

23. EXTENSION OPTION

Provided an Event of Default has not occurred and has never occurred during the Term, at the Chargee's sole and unfettered discretion, and upon payment of an extension fee equal to 0.50% of the outstanding Principal Balance (the "**Extension Fee**") no later than 30 days prior to the Balance Due Date, the Chargor shall have one (1) option to extend the Term for an additional six (6) months beyond the Balance Due Date (the "**Extension Option**"). In the event that the Extension Option is exercised, the Balance Due Date shall be revised to the 10th day of the month, which is 19 calendar months after the Interest Adjustment Date. No additional options to extend shall be provided by the Chargee other than those contained in this Section 23.

24. TAXES

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

25. MAJOR ALTERATIONS

Any major changes, additions and/or alterations, save and except for demolition work proposed in the plans for the Project, including major changes in use of the Property and for proposed use of the Property must receive the Chargee's written consent, such consent not to be unreasonably withheld, conditioned, or delayed, prior to the commencement of the changes, additions and/or alterations. For greater clarity, demolition or removal of debris from the Property shall not be subject to such consent from the Chargee. If the Chargor changes and/or alters the Property without the prior written consent of the Chargee being obtained, then the Chargee may, at its sole option, declare forthwith due and payable the entire balance of the unpaid principal together with the accrued interest due thereon. The Chargor will provide reasonable notice to the Chargee of any anticipated or impending transaction which would require the consent of the Chargee under this Section together with such reasonable information as the Chargee may require to determine whether or not to grant its consent thereto.

26. CONSENT TO DISCLOSURE

The Chargor and Covenantor consent to the disclosure by the Chargee to any such perspective assignee/participant of all information and documents regarding the Loan, the Chargor and Covenantor within the possession or control of the Chargee.

27. RECEIVER

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

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

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

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

and out of such monies so received every such receiver shall, in the following order, pay:

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

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

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

Notwithstanding the foregoing or anything else contained herein, the Chargee may also apply to court for the appointment of a Receiver.

28. CRIMINAL RATE OF INTEREST

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

29. INTEREST RESERVE

On closing of the Loan, an interest reserve in the amount of \$694,000.00 (the "**Interest Reserve**") will be deducted from the amount of the initial advance of the Loan, placed in a Chargee controlled escrow account, and utilized to make the first 8 months and the final monthly Interest payments as required under the Loan. The Chargor acknowledges that the Interest Reserve has been fully advanced and shall bear interest from and after the date of the initial advance at the Interest Rate. The Interest Reserve is hereby pledged by the Chargor to the Chargee as security for the Loan. If there is an Event of Default, the Chargee shall utilize and apply all or any part of the Interest Reserve toward the payment of Principal, Interest, costs or other monies owing under the Loan in the Chargee's sole discretion. All interest earned on the Interest Reserve shall be for the benefit of the Chargee and the Chargee shall not be required separately account for these amounts to the Chargor.

30. **SOFT COST RESERVE**

On closing of the Loan, a soft cost reserve in the amount of \$506,000.00 (the "**Soft Cost Reserve**") will be deducted from the amount of the initial advance of the Loan, placed in a Chargee controlled escrow account, and utilized to pay for future arm's length soft costs related to the Project and released to the Chargor in accordance with the budget of soft costs as approved by the Chargee or its consultant(s) retained for such purpose and upon receipt of satisfactory evidence that such costs have been incurred for the benefit of the Project. The Chargee shall have up to five (5) Business Days to process and remit a payment to the Chargor, subject to the costs or disbursements listed on Schedule "A" of the Commitment Letter, following receipt of satisfactory evidence that such costs (excluding HST) have been incurred for the benefit of the Project.

The Chargor acknowledges that the Soft Cost Reserve has been fully advanced and shall bear Interest from and after the date of the initial advance at the Interest Rate. The Soft Cost Reserve, together with Interest earned thereon, are hereby pledged by the Chargor to the Chargee as security for the Loan. If there is an Event of Default the Chargee shall utilize and apply all or any part of the Soft Cost Reserve toward the payment of Principal, Interest, costs or other monies owing under the Loan in the Chargee's sole discretion. To the extent the Soft Cost Reserve referenced herein is depleted at any time during the Term of the Loan, as may be extended, the Chargor and Covenantor undertake to immediately replenish the Interest Reserve by an amount required to service the Loan to the Balance Due Date. Failure to do so shall constitute an Event of Default hereunder. All interest earned on the Soft Cost Reserve shall be for the benefit of the Chargee and the Chargee shall not be required separately account for these amounts to the Chargor.

31. **LOAN DEFAULT ADMINISTRATION AND SERVICING FEE**

The Chargor and Covenantor hereby acknowledge and agree that after the closing of the Loan and at all times following the occurrence of any uncured Event of Default, the Chargor shall pay to the Chargee the Administrator Default Administration Fees set out in Schedule "A" of the Commitment Letter.

If the Chargor fails to repay the Principal Amount on the Balance Due Date, the Chargor shall pay to the Chargee, an amount calculated at a rate of 0.25% per month multiplied by the then outstanding Principal Amount for each month the Loan remains unpaid (the "**Special Servicing Fee**"); and

The Chargor and Covenantor hereby further acknowledge and agree that the Default Administration Fees and Special Servicing Fee are fair and commercially reasonable costs and expenses incurred by the Chargee in connection with the Loan and do not constitute a fine, penalty, or default interest charged on arrears of principal or interest. Until paid by the Chargor to the Chargee all amounts payable on account of such fees (plus applicable taxes if any) will be costs within the meaning of the security documents delivered pursuant to the Commitment Letter, and together with interest thereon at the

applicable Interest Rate, will be added to the Loan indebtedness monthly on the first day of the Chargee's billing cycle and will be secured by the security documents delivered pursuant to the Commitment Letter.

32. **PARTIAL DISCHARGES**

No partial discharges shall be permitted.

33. **OPTION TO PROVIDE CONSTRUCTION FINANCING**

The Chargor hereby grants to the Chargee the following:

- a) a right of first opportunity (the "**Right of First Opportunity**"); and
- b) a right of first refusal (the "**Right of First Refusal**" and together with the Right of First Opportunity collectively, the "**Further Financing Rights**")

with respect to providing any further financing required for the Project, including without limitation, arranging replacement or additional financing for the Project as contemplated by the Commitment Letter, and financing for any further development of the Project or any improvements thereon (any such financing being referred to herein as "**Further Financing**").

With respect to the Right of First Opportunity, prior to consulting with any lender with respect to any Further Financing, the Chargor shall provide to the Chargee in writing a request for such Further Financing with all information necessary for the Chargee to process the request and the Chargee shall have a period of thirty (30) days after receipt of same (the "Opportunity Period") to provide the Chargor a mortgage commitment letter to provide the Further Financing. The Chargor hereby undertakes not to communicate to any other lender with respect to provision of the Further Financing during the Opportunity Period, and to fully cooperate with the Chargee in good faith during the Opportunity Period to provide such further information as the Chargee may require in pursuit of its Right of First Opportunity.

With respect to the Right of First Refusal, upon receipt by the Chargor of any written offer of financing received from any other party, including but not limited to term sheets, mortgage commitments, and funding agreements (the "**Third-Party Funding Offer**"), the terms of which the Chargor is prepared to accept, the Chargor shall provide to the Chargee a copy of the Third-Party Funding Offer and all information relative to it. Upon receipt of same, the Chargee shall have a period of fourteen (14) days (the "**Matching Period**") to provide a mortgage commitment letter to the Chargor containing financing terms that are substantially the same or better as the Third-Party Funding Offer (the "**Matching Offer**"). The Chargor hereby undertakes, in the event that the Chargee submits to the Chargor a Matching Offer within the Matching Period, to accept the Matching Offer and forthwith provide to the Chargee such information and execute such documentation as is reasonably required by it in connection with that acceptance. In the event that the Chargee fails to deliver to the Chargor a Matching Offer within the Matching Period, the Chargor shall be at liberty to accept the Third-Party Funding Offer. The Chargor hereby undertakes to fully cooperate with the Chargee in good faith during the Matching Period to provide such information as the Chargee may require in pursuit of its Right of First Refusal.

In order to secure the Chargee's Further Financing Rights, the Chargor hereby authorizes the Chargee and its solicitors to register on title to the Project a notice pursuant to Section 118 of the Land Titles Act restricting the Chargor from further charging the Project except upon the consent of the Chargee.

34. **NEGATIVE COVENANTS OF THE CHARGOR**

The Chargor covenants that, without the Chargee's prior written consent, which consent may be arbitrarily withheld, it shall not:

- (a) enter into any shareholder loans with any shareholder of the Chargor,
- (b) distribute dividends of any kind (including, but not limited to, dividends, payment of interest or principal on any shareholder loans, or management fees payable to the Chargor, any beneficial owner, or any Covenantor) to the Chargor, Covenantors, any beneficial owner, or any affiliate thereof or any of the respective directors, officers, and shareholders of them during the term of the Loan.

35. POSITIVE COVENANTS OF THE CHARGOR

The Chargor covenants that it shall:

- (a) inform the Chargee in writing of any default by the Chargor under any loan affecting the Property or any other property owned by the Chargor; and
- (b) inform the Chargee of any default by the Covenantor under any guarantor or covenant and postponement of claim granted by the Covenantor to any other lender.

36. VALIDITY OF PROVISIONS

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

37. TIME OF THE ESSENCE

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

38. INTERPRETATION AND HEADINGS

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

SCHEDULE "B"

Legal/Property Description

Registered Owner	Municipal Address	PIN No(s).	Legal Description
Village Developments Inc.	485 Ontario Street South, Milton, ON	24943-0016 (LT)	PT LTS 7 & 8, PL 375, AS IN 807053; MILTON
Village Developments Inc.	501 Ontario Street South, Milton, ON	24943-0017 (LT)	PT LTS 8 & 9, PL 375, AS IN 771273; MILTON
Village Developments Inc.	511 Ontario Street South, Milton, ON	24943-0018 (LT)	LT 10, PL 375, EXCEPT PL851; TOWN OF MILTON

TAB D

THIS IS EXHIBIT "D"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to be "Kyn", with a period at the end.

A commissioner for taking affidavits

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, Village Developments Inc. (the "**Debtor**"), hereby grants to Vector Financial Services Limited and Olympia Trust Company (collectively, the "**Lender**"), by way of assignment and transfer, a security interest (the "**Security Interest**") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Accounts, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor relating to the Property described in Schedule "A" annexed hereto (including such as may be returned to or repossessed by the Debtor) and in all Proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "**Collateral**"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- (i) all present and future equipment of the Debtor, including all machinery, appliances, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto ("**Equipment**");
 - (ii) all present and future inventory of the Debtor, including all raw materials, materials used or consumed in the business or profession of the Debtor, work-in-progress, finished goods, goods used for packing, materials used in the business of the Debtor not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ("**Inventory**");
 - (iii) all book accounts and book debts and generally all accounts, receivables, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("**Accounts**");
 - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (v) all present and future intangible personal property of the Debtor, including all contract rights, licences, goodwill, patents, trademarks, copyrights and other industrial property, and all other choses in action of the Debtor of every kind, whether due at the present time or hereafter to become due or owing ("**Intangibles**");
 - (vi) all monies other than trust monies lawfully belonging to others;



- (vii) all present and future securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and including an uncertificated security within the meaning of Part VI (Investment Securities) of the Business Corporations Act, 1990, (Ontario) and all substitutions therefor and dividends and income derived therefrom ("**Securities**");
 - (viii) all Personal Property now in or in the future located at the premises of the Debtor described in Schedule "A" annexed or described in any schedule hereafter annexed or in any subsequent security agreement related to the Indebtedness of the Debtor and belonging to the Debtor.
- (b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
 - (c) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Accounts", "Money", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", "Personal Property", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act (Ontario), as amended from time to time (herein referred to as the "**P.P.S.A.**"). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The term "Proceeds", whenever used herein and interpreted as above shall, by way of example, include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

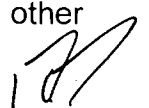
2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender arising out of a certain mortgage delivered by the Debtor to the Lender for the principal sum of **TEN MILLION DOLLARS (\$10,000,000.00)** and given in accordance with a commitment letter dated December 8, 2021, as it may be further amended from time to time (collectively, the "**Commitment Letter**"), which indebtedness shall be fully satisfied upon payment in full of the said mortgage (hereinafter collectively called the "**Indebtedness**").

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) The Collateral is genuine and owned legally by the Debtor, free of all interests, mortgages, liens, claims, charges or other



encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption;

- (b) Each Account, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Debtor**"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors is owing except for normal cash discounts where applicable, and the Debtor will use its best efforts to insure that no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified in Schedule "A" as to business operations, the location of Collateral and records is accurate and complete.

4. **COVENANTS OF THE DEBTOR**

So long as this Security Agreement remains in effect the Debtor covenants and agrees:

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption and not to sell, exchange, transfer, assign, lease, otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until the occurrence of an Event of Default, as hereinafter defined, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use monies available to the Debtor;
- (b) To notify the Lender promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting Collateral;
 - (iv) any material loss or damage to Collateral;
 - (v) any material Event of Default (as hereinafter defined) by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - (vi) the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any

policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;

- (d) To do, execute, acknowledge and deliver such further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all reasonable costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;
- (f) To insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) To deliver to the Lender from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to Collateral; and
 - (v) such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request;
- (j) To have the premises at which the Debtor carries on business or where Collateral is located professionally managed at all times. Lender acknowledges that the Debtor is a professional property manager, and is currently managing the Property (as defined in Schedule "A" to the Charge).

5. **USE AND VERIFICATION OF COLLATERAL**

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until the occurrence of an Event of Default (as defined in the Charge), possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access, upon forty-eight (48) hours' notice, to all places where Collateral may be located and to the premises described in Schedule "A".

6. **COLLECTION OF DEBTS**

After an Event of Default (as hereinafter defined) under this Security Agreement, if the Lender believes that its security is impaired, the Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Lender. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from Account Debtors after an Event of Default under this Security Agreement shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request if the Lender believes that its security is impaired.

7. **DISPOSITION OF MONIES**

Subject to any applicable requirements of the P.P.S.A., all monies collected or received by the Lender pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as the Lender deems best or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Lender hereunder, and any surplus shall be accounted for as required by law.

8. **EVENTS OF DEFAULT**

Has the meaning ascribed to it in Schedule "A" to the Charge in favour of the Lender.

9. **REMEDIES**

- (a) Upon an Event of Default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. The Chargee may also apply to court for the appointment of a Receiver. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Lender and the Lender shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instruments appointing him, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of

Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Lender, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

- (b) Upon an Event of Default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing subclause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon an Event of Default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may deem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after an Event of Default, all rights and remedies of a secured party under the P.P.S.A. provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed if practicable.
- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or indirectly for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first

charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have its premises professionally managed in accordance with Clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage such premises at the sole expense of the Debtor.

10.

MISCELLANEOUS

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted encumbrances affecting Collateral) as the Lender may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
- (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.
- (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any Event of Default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent Event of Default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.



- (e) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and, subject to Clause 9(g) hereof, notice of any other action taken by the Lender.
- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a Written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Subject to the requirements of Clauses 9(g) and 10(e) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon that other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party set forth in the Charge or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party set forth in the Charge or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.
- (i) This Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.



11. **COPY OF AGREEMENT AND ATTACHMENT**

The Debtor hereby acknowledges receipt of a copy of this Security Agreement and that the parties do not intend any postponement of the attachment of the Security Interest to the Collateral.

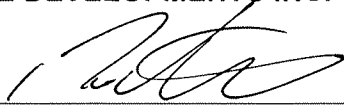
This Security Agreement may be executed electronically and in counterparts and all counterparts so executed will constitute one document binding on each of the undersigned effective on execution by all of them.

[signature line on next page]

A handwritten signature in black ink, appearing to be a stylized 'J' or 'D' followed by a flourish.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officer(s) as of the 26 day of January, 2022.

VILLAGE DEVELOPMENTS INC.

By: 
Name: Paul Debattista
Title: President

I have authority to bind the corporation

SCHEDULE “A”

Description of Land

Registered Owner	Municipal Address	PIN No(s).	Legal Description
Village Developments Inc.	485 Ontario Street South, Milton, ON	24943-0016 (LT)	PT LTS 7 & 8, PL 375, AS IN 807053; MILTON
Village Developments Inc.	501 Ontario Street South, Milton, ON	24943-0017 (LT)	PT LTS 8 & 9, PL 375, AS IN 771273; MILTON
Village Developments Inc.	511 Ontario Street South, Milton, ON	24943-0018 (LT)	LT 10, PL 375, EXCEPT PL851; TOWN OF MILTON

SCHEDULE “B”

Permitted Encumbrances

Nil.

TAB E

THIS IS EXHIBIT "E"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to be "Ryn" followed by a period.

A commissioner for taking affidavits

LAND
REGISTRY
OFFICE #20

24943-0016 (LT)

PAGE 1 OF 3
PREPARED FOR Magdalena
ON 2023/02/15 AT 11:33:59

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

PROPERTY DESCRIPTION: PT LTS 7 & 8, PL 375 , AS IN 807053 ; MILTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

1996/05/27

OWNERS' NAMES

VILLAGE DEVELOPMENTS INC.

CAPACITY SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<div><div>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/05/27 ON THIS PIN**</div><div>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1996/05/27**</div><div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</div><div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div><div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</div><div>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</div><div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</div><div>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</div><div>** CONVENTION.</div><div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div><div>**DATE OF CONVERSION TO LAND TITLES: 1996/05/27 **</div><div>NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY</div><div>BL7061958/04/29BYLAWC</div><div>2648031969/02/10BYLAWC</div><div>HR16664602019/11/19TRANSFER\$6,996,665MILTON VILLAGE PARK INC.VILLAGE DEVELOPMENTS INC.C</div><div>REMARKS: PLANNING ACT STATEMENTS.</div><div>HR16664862019/11/19CHARGE\$1,620,580VILLAGE DEVELOPMENTS INC.AVONDALE CAPITAL INC.C</div><div>HR17057952020/06/08CHARGE\$2,000,000VILLAGE DEVELOPMENTS INC.SOCIÉTÉ EN COMMANDITE MVMT CAPITALC</div><div>HR17057992020/06/08NOTICEVILLAGE DEVELOPMENTS INC.AVONDALE CAPITAL INC.C</div><div>REMARKS: H1666486</div></div>						

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

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PAGE 2 OF 3
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ON 2023/02/15 AT 11:33:59

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HR1760203	2021/01/21	POSTPONEMENT	\$10,000,000	AVONDALE CAPITAL INC.	SOCIÉTÉ EN COMMANDITE MVMT CAPITAL	C
REMARKS: HR1666486 TO HR1705795						
HR1865625	2022/02/04	CHARGE		VILLAGE DEVELOPMENTS INC.	VECTOR FINANCIAL SERVICES LIMITED OLYMPIA TRUST COMPANY	C
HR1865626	2022/02/04	NO ASSGN RENT GEN		VILLAGE DEVELOPMENTS INC.	VECTOR FINANCIAL SERVICES LIMITED OLYMPIA TRUST COMPANY	C
REMARKS: HR1865625.						
HR1867179	2022/02/11	CHARGE	\$1,640,000	VILLAGE DEVELOPMENTS INC.	WAXMAN, JASON 2343640 ONTARIO INC. ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS NASH, MARTIN NASH, GEORGINE GRATTON, CHRISTOPHER 1860346 ONTARIO INC.	C
HR1867180	2022/02/11	NO ASSGN RENT GEN		VILLAGE DEVELOPMENTS INC.	WAXMAN, JASON 2343640 ONTARIO INC. ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS NASH, MARTIN NASH, GEORGINE GRATTON, CHRISTOPHER 1860346 ONTARIO INC.	C
REMARKS: RENTS HR1867179						
HR1867356	2022/02/11	NOTICE		VILLAGE DEVELOPMENTS INC.	SOCIÉTÉ EN COMMANDITE MVMT CAPITAL	C
REMARKS: AMENDING CHARGE RE: HR1705795						
HR1867366	2022/02/11	POSTPONEMENT		AVONDALE CAPITAL INC.	VECTOR FINANCIAL SERVICES LIMITED OLYMPIA TRUST COMPANY	C
REMARKS: HR1666486 TO HR1865625						
HR1867369	2022/02/11	POSTPONEMENT		SOCIÉTÉ EN COMMANDITE MVMT CAPITAL	VECTOR FINANCIAL SERVICES LIMITED OLYMPIA TRUST COMPANY	C
REMARKS: HR1705795 TO HR1865625						
HR1867370	2022/02/11	POSTPONEMENT		SOCIÉTÉ EN COMMANDITE MVMT CAPITAL	WAXMAN, JASON	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
					2343640 ONTARIO INC. ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS NASH, MARTIN NASH, GEORGINE GRATTON, CHRISTOPHER 1860346 ONTARIO INC.	
HR1867371	2022/02/11	POSTPONEMENT		AVONDALE CAPITAL INC.	WAXMAN, JASON 2343640 ONTARIO INC. ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS NASH, MARTIN NASH, GEORGINE GRATTON, CHRISTOPHER 1860346 ONTARIO INC.	C
HR1867682	2022/02/14	POSTPONEMENT		AVONDALE CAPITAL INC.	VECTOR FINANCIAL SERVICES LIMITED	C
HR1867683	2022/02/14	RESTRICTION-LAND		VILLAGE DEVELOPMENTS INC.		C
HR1883797	2022/04/14	TRANSFER OF CHARGE		AVONDALE CAPITAL INC.	2459437 ONTARIO INC.	C
HR1924375	2022/09/27	CHARGE	\$1,000,000	VILLAGE DEVELOPMENTS INC.	1846836 ONTARIO INC.	C
HR1924376	2022/09/27	NO ASSGN RENT GEN		VILLAGE DEVELOPMENTS INC.	1846836 ONTARIO INC.	C

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PAGE 1 OF 3
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* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LTS 8 & 9, PL 375 , AS IN 771273; MILTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

1996/05/27

OWNERS' NAMES

VILLAGE DEVELOPMENTS INC.

CAPACITY SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<div><div>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/05/27 ON THIS PIN**</div><div>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1996/05/27**</div><div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</div><div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div><div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</div><div>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</div><div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</div><div>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</div><div>** CONVENTION.</div><div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div><div>**DATE OF CONVERSION TO LAND TITLES: 1996/05/27 **</div><div>NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY</div><div>BL7061958/04/29BYLAWC</div><div>2648031969/02/10BYLAWC</div><div>HR16664602019/11/19TRANSFER\$6,996,665MILTON VILLAGE PARK INC.VILLAGE DEVELOPMENTS INC.C</div><div>REMARKS: PLANNING ACT STATEMENTS.</div><div>HR16664862019/11/19CHARGE\$1,620,580VILLAGE DEVELOPMENTS INC.AVONDALE CAPITAL INC.C</div><div>HR17057952020/06/08CHARGE\$2,000,000VILLAGE DEVELOPMENTS INC.SOCIÉTÉ EN COMMANDITE MVMT CAPITALC</div><div>HR17057992020/06/08NOTICEVILLAGE DEVELOPMENTS INC.AVONDALE CAPITAL INC.C</div><div>REMARKS: H1666486</div></div>						

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HR1760203	2021/01/21	POSTPONEMENT	\$10,000,000	AVONDALE CAPITAL INC.	SOCIÉTÉ EN COMMANDITE MVMT CAPITAL	C
REMARKS: HR1666486 TO HR1705795						
HR1865625	2022/02/04	CHARGE		VILLAGE DEVELOPMENTS INC.	VECTOR FINANCIAL SERVICES LIMITED OLYMPIA TRUST COMPANY	C
HR1865626	2022/02/04	NO ASSGN RENT GEN		VILLAGE DEVELOPMENTS INC.	VECTOR FINANCIAL SERVICES LIMITED OLYMPIA TRUST COMPANY	C
REMARKS: HR1865625.						
HR1867179	2022/02/11	CHARGE	\$1,640,000	VILLAGE DEVELOPMENTS INC.	WAXMAN, JASON 2343640 ONTARIO INC. ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS NASH, MARTIN NASH, GEORGINE GRATTON, CHRISTOPHER 1860346 ONTARIO INC.	C
HR1867180	2022/02/11	NO ASSGN RENT GEN		VILLAGE DEVELOPMENTS INC.	WAXMAN, JASON 2343640 ONTARIO INC. ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS NASH, MARTIN NASH, GEORGINE GRATTON, CHRISTOPHER 1860346 ONTARIO INC.	C
REMARKS: RENTS HR1867179						
HR1867356	2022/02/11	NOTICE		VILLAGE DEVELOPMENTS INC.	SOCIÉTÉ EN COMMANDITE MVMT CAPITAL	C
REMARKS: AMENDING CHARGE RE: HR1705795						
HR1867366	2022/02/11	POSTPONEMENT		AVONDALE CAPITAL INC.	VECTOR FINANCIAL SERVICES LIMITED OLYMPIA TRUST COMPANY	C
REMARKS: HR1666486 TO HR1865625						
HR1867369	2022/02/11	POSTPONEMENT		SOCIÉTÉ EN COMMANDITE MVMT CAPITAL	VECTOR FINANCIAL SERVICES LIMITED OLYMPIA TRUST COMPANY	C
REMARKS: HR1705795 TO HR1865625						
HR1867370	2022/02/11	POSTPONEMENT		SOCIÉTÉ EN COMMANDITE MVMT CAPITAL	WAXMAN, JASON	C

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HR1867371	2022/02/11	POSTPONEMENT		AVONDALE CAPITAL INC.	WAXMAN, JASON 2343640 ONTARIO INC. ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS NASH, MARTIN NASH, GEORGINE GRATTON, CHRISTOPHER 1860346 ONTARIO INC.	C
HR1867682	2022/02/14	POSTPONEMENT		AVONDALE CAPITAL INC.	VECTOR FINANCIAL SERVICES LIMITED	C
HR1867683	2022/02/14	RESTRICTION-LAND		VILLAGE DEVELOPMENTS INC.		C
HR1883797	2022/04/14	TRANSFER OF CHARGE		AVONDALE CAPITAL INC.	2459437 ONTARIO INC.	C
HR1924375	2022/09/27	CHARGE	\$1,000,000	VILLAGE DEVELOPMENTS INC.	1846836 ONTARIO INC.	C
HR1924376	2022/09/27	NO ASSGN RENT GEN		VILLAGE DEVELOPMENTS INC.	1846836 ONTARIO INC.	C

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PROPERTY DESCRIPTION: LT 10, PL 375, EXCEPT PL851.; TOWN OF MILTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

1996/05/27

OWNERS' NAMES

VILLAGE DEVELOPMENTS INC.

CAPACITY

SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
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HR1865626	2022/02/04	NO ASSGN RENT GEN		VILLAGE DEVELOPMENTS INC.	VECTOR FINANCIAL SERVICES LIMITED OLYMPIA TRUST COMPANY	C
HR1867179	2022/02/11	CHARGE	\$1,640,000	VILLAGE DEVELOPMENTS INC.	WAXMAN, JASON 2343640 ONTARIO INC. ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS NASH, MARTIN NASH, GEORGINE GRATTON, CHRISTOPHER 1860346 ONTARIO INC.	C
HR1867180	2022/02/11	NO ASSGN RENT GEN		VILLAGE DEVELOPMENTS INC.	WAXMAN, JASON 2343640 ONTARIO INC. ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS NASH, MARTIN NASH, GEORGINE GRATTON, CHRISTOPHER 1860346 ONTARIO INC.	C
HR1867356	2022/02/11	NOTICE		VILLAGE DEVELOPMENTS INC.	SOCIÉTÉ EN COMMANDITE MVMT CAPITAL	C
HR1867369	2022/02/11	POSTPONEMENT		SOCIÉTÉ EN COMMANDITE MVMT CAPITAL	VECTOR FINANCIAL SERVICES LIMITED OLYMPIA TRUST COMPANY	C
HR1867370	2022/02/11	POSTPONEMENT		SOCIÉTÉ EN COMMANDITE MVMT CAPITAL	WAXMAN, JASON 2343640 ONTARIO INC. ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION	C

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		REMARKS: HR1705795 TO HR1867179			DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS NASH, MARTIN NASH, GEORGINE GRATTON, CHRISTOPHER 1860346 ONTARIO INC.	
HR1867371	2022/02/11	POSTPONEMENT		AVONDALE CAPITAL INC.	WAXMAN, JASON 2343640 ONTARIO INC. ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS NASH, MARTIN NASH, GEORGINE GRATTON, CHRISTOPHER 1860346 ONTARIO INC.	C
		REMARKS: HR1666486 TO HR1867179				
HR1867682	2022/02/14	POSTPONEMENT		AVONDALE CAPITAL INC.	VECTOR FINANCIAL SERVICES LIMITED	C
		REMARKS: HR1666486 TO HR1865625				
HR1867683	2022/02/14	RESTRICTION-LAND		VILLAGE DEVELOPMENTS INC.		C
		REMARKS: NO DEALING. PROHIBITING ANY CHARGE WITHOUT THE CONSENT OF VECTOR FINANCIAL SERVICES LIMITED.				
HR1883797	2022/04/14	TRANSFER OF CHARGE		AVONDALE CAPITAL INC.	2459437 ONTARIO INC.	C
		REMARKS: HR1666486.				
HR1924375	2022/09/27	CHARGE	\$1,000,000	VILLAGE DEVELOPMENTS INC.	1846836 ONTARIO INC.	C
HR1924376	2022/09/27	NO ASSGN RENT GEN		VILLAGE DEVELOPMENTS INC.	1846836 ONTARIO INC.	C
		REMARKS: HR1924375				

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TAB F

THIS IS EXHIBIT "F"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to be "Kyn", with a period at the end.

A commissioner for taking affidavits

SUBORDINATION AND STANDSTILL AGREEMENT

THIS AGREEMENT effective as of the 9 day of February, 2022.

AMONG:

VILLAGE DEVELOPMENTS INC.

(hereinafter called the "**Borrower**")

- and -

VECTOR FINANCIAL SERVICES LIMITED and OLYMPIA TRUST COMPANY

(hereinafter collectively, called the "**Prior Lender**")

- and -

AVONDALE CAPITAL INC.

(hereinafter called the "**Subordinate Lender**")

WHEREAS:

- A. The Borrower is the registered owner of certain lands and premises described in Appendix 1 attached hereto (the "**Lands**") together with all personal property (the "**Personal Property**") located on or arising out of, from or in connection with ownership, use or disposition of the Lands (the said Lands and Personal Property being hereinafter collectively referred to as the "**Property**");
- B. The Prior Lender agreed to make or extend a loan (the "**Loan**") to the Borrower in the maximum principal amount of **TEN MILLION DOLLARS (\$10,000,000.00)** which loan or credit facility was secured by, *inter alia*, the following security:
- i. a first Charge/Mortgage in the principal amount of \$10,000,000.00 registered in the Land Registry Office for the Land Titles Division of Halton (#20) ("**Land Titles Office**") as Instrument No. HR1865625 on February 4, 2022 (the "**First Charge**");
 - ii. a first ranking general assignment of rents registered in the Land Titles Offices as Instrument No. HR1865626 on February 4, 2022 (the "**First General Assignment of Rents**"); and
 - iii. PPSA File No. 780342894 bearing registration no. 20220211103092341376 and PPSA File No. 780342921 bearing registration no. 20220211103292341377 (collectively, the "**Prior Lender PPSAs**").

All existing and future indebtedness and all other obligations and liabilities owing by the Borrower to the Prior Lender from time to time pursuant to the Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Prior Lender thereunder, including \$200,000.00 of the Deferred Lender Fee (as defined in the Prior Lender's commitment letter relating to the Loan), being hereinafter referred to as the "**Prior Indebtedness**", and the First Charge, the First General Assignment of Rents, the Prior Lender PPSAs, and all other additional or collateral security now or hereafter securing the Prior Indebtedness being hereinafter referred to as the "**Prior Security**";

And for greater particularity, reference in this Agreement to the Loan, the Prior Indebtedness and the Prior Security includes all renewals, extensions, amendments, modifications and restatements thereof or thereto from time to time;

- C. The Subordinate Lender has made a loan or credit facility (the "**Subordinate Loan**") available to the Borrower in the maximum principal amount of **ONE**

[Handwritten signature]
[Handwritten initials]

MILLION SIX HUNDRED TWENTY THOUSAND FIVE HUNDRED EIGHTY DOLLARS (\$1,620,580.00) which loan or credit facility is secured by, *inter alia*, the following security:

- I. a fourth ranking Charge/Mortgage of Land in the original principal amount of \$1,620,580.00 registered in the Land Titles Office as Instrument No. HR1666486 on November 19, 2019 (the "**Subordinate Charge**"), as amended.

All existing and future indebtedness and all other obligations and liabilities owing by the Borrower to the Subordinate Lender from time to time pursuant to the Subordinate Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Subordinate Lender thereunder being hereinafter referred to as the "**Subordinate Indebtedness**", and the Subordinate Charge in favour of the Subordinate Lender, and all other additional or collateral security now or hereafter securing the Subordinate Indebtedness being hereinafter referred to as the "**Subordinate Security**";

And for greater particularity, reference in this Agreement to the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security includes all renewals, extensions, amendments, modifications and restatements thereof or thereto from time to time;


- D. The Subordinate Lender has agreed to subordinate and postpone the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security to and in favour of the Prior Lender, the Loan, the Prior Indebtedness and the Prior Security.

NOW THEREFORE for good and valuable consideration, including the sum of TEN DOLLARS (\$10.00) now paid by the Prior Lender to the Subordinate Lender, the receipt and sufficiency of which is hereby acknowledged by the Subordinate Lender, the parties agree as follows:

1. **Covenants, Representations and Warranties of the Subordinate Lender.** The Subordinate Lender consents to the Prior Indebtedness and the Prior Security, and covenants, represents and warrants to the Prior Lender that:

- a) as of the date hereof, the Subordinate Loan and the Subordinate Security are in good standing, in full force and effect, unamended, and the Borrower is not in default thereunder;
- b) it holds no security of any kind against the Property other than the Subordinate Security;
- c) it has full power, lawful authority and legal right to enter into this Agreement on its own behalf and on behalf of all present and future beneficial owners of the Subordinate Loan, Subordinate Indebtedness and the Subordinate Security, and this Agreement constitutes a valid and binding obligation of the Subordinate Lender enforceable against it in accordance with its terms;
- d) upon request by the Prior Lender from time to time, the Subordinate Lender shall provide the Prior Lender with copies of the Subordinate Security and/or a statement in detail of the Subordinate Indebtedness then outstanding;
- e) the Subordinate Lender will not advance any further funds to the Borrower under the Subordinate Loan and will not amend the Subordinate Security in any manner which increases the obligations of the Borrower; and
- f) The Subordinate Lender shall notify the Prior Lender of any default under the Subordinate Security forthwith upon becoming aware of such default.

2. **Subordination and Postponement.** The Subordinate Lender hereby subordinates and postpones the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security to the Loan, the Prior Indebtedness and the Prior Security and agrees with the Prior Lender that the Prior Security shall be a first priority lien and charge against the Property for the full amount of the Prior Indebtedness in full priority to the Subordinate Security and the Subordinate Indebtedness. The subordination and postponement of the Subordinate Loan, Subordinate Indebtedness and the Subordinate Security to the Loan, the Prior Indebtedness and the Prior Security, shall include subordination of the Subordinate Security and the Subordinate Indebtedness to the

10 Feb 9 22


extent required to make the Prior Security and the Prior Indebtedness a first priority lien and charge against the Property.

No discharge, release or waiver by the Prior Lender of any of the Prior Security against or in respect of the Property or any person(s), corporation(s) or entity(ies), or any amendment, renewal, extension, replacement, discharge, modification, supplement or restatement of any portion of the Prior Indebtedness and/or the Prior Security shall require notice to or the consent of the Subordinate Lender or otherwise affect the subordination and postponement of the Subordinate Security, the Subordinate Loan and the Subordinate Indebtedness hereby granted by the Subordinate Lender.

The Subordinate Lender hereby acknowledges and agrees that this Agreement shall not defer or otherwise affect the present or future rights and remedies of the Prior Lender with respect to the present or future indebtedness and other liabilities of the Borrower to the Prior Lender, or with respect to any securities which the Prior Lender now holds or may hereafter receive from the Borrower as collateral for the Prior Indebtedness.

The Subordinate Lender agrees to execute and deliver at its cost, upon request by the Prior Lender, such further instruments and agreements and assurances as may reasonably be required by the Prior Lender in the circumstances in order to confirm and give effect to the provisions of this Agreement, and further, to register, record, amend, file or re-file notice of this Agreement and/or the subordination and postponement of the Subordinate Security in any office of public record as the Prior Lender may in its discretion consider necessary or desirable from time to time.

3. Subsequent Charges. The Subordinate Lender shall not register a subsequent mortgage or charge on title to the Property without the prior written consent of the Prior Lender, which may be withheld in the Prior Lender's sole and absolute discretion. Should the Prior Lender consent to such subsequent mortgage or charge, the Borrower, Prior Lender and Subordinate Lender shall enter into a Subordination and Standstill Agreement in respect of such subsequent mortgage or charge on substantially the same terms as set out herein prior to the registration of such subsequent mortgage or charge on title to the Property.

4. Payments.

- (a) Until such time as the Loan and the Prior Indebtedness are repaid in full, the Subordinate Lender agrees that: (i) no rents, revenue, income, cash flow and other proceeds arising from or relating to the Property (the "Rents") shall be applied to any payment on account of the Subordinate Loan or the Subordinate Indebtedness; and, (ii) it shall not accept any payment on account of the Subordinate Loan and/or the Subordinate Indebtedness which the Subordinate Lender knows or reasonably ought to know are payments made from the Rents, and if any such payments are received, the Subordinate Lender shall immediately pay such amount to the Prior Lender. The Prior Lender and the Subordinate Lender shall provide reasonable co-operation to each other following the giving of such notice of default to ensure that the provisions of this paragraph are complied with.
- (b) It is agreed that until an event of default occurs under the Loan or the Prior Security, payments may be made by the Borrower to the Subordinate Lender on account of principal, interest and other fees owing pursuant to the Subordinate Loan at any time without the written consent of the Prior Lender and any such payments shall not constitute an event of default under the Prior Security, provided that such payments are not made from Rents. However, if an event of default occurs under the Loan or the Prior Security, no payments shall be made by the Borrower to the Subordinate Lender until such event of default is cured to the satisfaction of the Prior Lender.
- (c) Any payments of the amounts secured by the Subordinate Security received by the Subordinate Lender in contravention of the terms of this Agreement shall be held in trust for the Prior Lender and the Subordinate Lender will immediately turn over any such payments to the Prior Lender, without further notice or demand to be applied to the Loan secured by the Prior Security.

5. Standstill.

The Subordinate Lender hereby agrees with the Prior Lender that until such time as all Prior Indebtedness has been repaid in full, it shall not take any steps

1 Feb 9/22


whatsoever to enforce the Subordinate Security unless the Prior Lender has commenced to enforce the Prior Security or has provided the Subordinate Lender with its written consent to the enforcement of the Subordinate Security, which consent may be withheld in the Prior Lender's sole and absolute discretion.

6. **Assignment by Subordinate Lender.** The Subordinate Lender agrees that it shall not sell, transfer, assign, alienate or otherwise dispose of any interest in the Subordinate Loan, the Subordinate Indebtedness or the Subordinate Security to any person(s), corporation(s) or entity(ies) (hereinafter, an "Assignee") except in accordance with terms and conditions which are expressly subject to all of the terms of this Agreement.

7. **Entire Agreement.** This Agreement and all schedules thereto contains the whole of the agreement between the parties hereto and there are no collateral or precedent conditions, warranties, agreements, representations, promises, understandings or inducements, whether oral or written, that are not specifically set forth herein, and no modification, amendment or variation hereof shall be effective or binding on the parties hereto unless agreed to in writing by all of them.

8. **No Waiver.** The waiver by any party of the breach of any term, covenant or condition herein contained shall not constitute a waiver of such term, covenant or condition, except in respect of the particular breach giving rise to such waiver. No term, covenant or condition of this Agreement is deemed to have been waived by any party hereto unless such waiver is in given in writing by that party.

9. **Severability.** All of the sections, paragraphs, sentences, clauses and parts of this Agreement are distinct and severable, and if any of the same shall be held illegal or void, the validity or legality of the remainder of this Agreement shall not be affected.

10. **Survival of Covenants and Warranties.** The covenants, warranties and representations of the Subordinate Lender contained in this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect for the benefit of the Prior Lender until the Loan has been repaid in full.

11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties hereto irrevocably attorn to the jurisdiction of the courts of this Province sitting at Toronto, Ontario.

12. **Successors.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns including any successors by amalgamation and any appointed receivers or trustees in bankruptcy.

13. **Counterparts.** This Agreement may be executed electronically and in counterparts and all counterparts so executed will constitute one Agreement binding on the parties effective upon execution by all of the parties.

14. **Time Is of the Essence.** Time is of the essence of this Agreement and every part hereof.

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

[Signature Page Follows]

BORROWER:

VILLAGE DEVELOPMENTS INC.

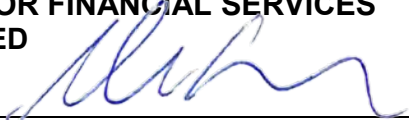
By: 
Name: Paul Debattista
Title: President

I have authority to bind the corporation.

[signature lines continue on next page]

PRIOR LENDER:

**VECTOR FINANCIAL SERVICES
LIMITED**

By: 
Name: Mitchell Oelbaum
Title: President
I have authority to bind the corporation.

OLYMPIA TRUST COMPANY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

I/We have authority to bind the corporation.


[signature lines continue on next page]


PRIOR LENDER:

**VECTOR FINANCIAL SERVICES
LIMITED**

By: _____
Name: Mitchell Oelbaum
Title: President
I have authority to bind the corporation.

OLYMPIA TRUST COMPANY

By:  _____
Name: Samantha Johnson
Title: Team Lead

By:  _____
Name: Cora Dumais
Title: Team Lead

I/We have authority to bind the corporation.

[signature lines continue on next page]

SUBORDINATE LENDER:

AVONDALE CAPITAL INC

By: 

Name:

Title:

Mark Vasylyshyn
President

I have authority to bind the corporation.

APPENDIX "1"

TO SUBORDINATION AND STANDSTILL AGREEMENT"

<i>Registered Owner</i>	<i>Municipal Address</i>	<i>PIN No(s).</i>	<i>Legal Description</i>
Village Developments Inc.	485 Ontario Street South, Milton, ON	24943-0016 (LT)	PT LTS 7 & 8, PL 375, AS IN 807053; MILTON
Village Developments Inc.	501 Ontario Street South, Milton, ON	24943-0017 (LT)	PT LTS 8 & 9, PL 375, AS IN 771273; MILTON
Village Developments Inc.	511 Ontario Street South, Milton, ON	24943-0018 (LT)	LT 10, PL 375, EXCEPT PL851; TOWN OF MILTON

Properties

PIN

24943 - 0016 LT

Description

PT LTS 7 & 8, PL 375 , AS IN 807053 ; MILTON

Address

485 ONTARIO ST S
MILTON

PIN

24943 - 0017 LT

Description

PT LTS 8 & 9, PL 375 , AS IN 771273; MILTON

Address

501 ONTARIO ST S
MILTON

PIN

24943 - 0018 LT

Description

LT 10, PL 375, EXCEPT PL851.; TOWN OF MILTON

Address

511 ONTARIO ST S
MILTON

Source Instruments

Registration No.	Date	Type of Instrument
HR1666486	2019 11 19	Charge/Mortgage

Party From(s)

Name	AVONDALE CAPITAL INC.
Address for Service	159 Melrose Avenue King City, ON L7B 1J6

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Party To(s)	Capacity	Share
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Name	VECTOR FINANCIAL SERVICES LIMITED
Address for Service	245 Eglinton Avenue East, Suite 400 Toronto, ON M4P 3B7

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number HR1865625 registered on 2022/02/04
This document relates to registration number(s)HR1666486, HR1705797 and HR1705799

Signed By

Jonathan David Freeman	40 King Street West, Suite 2100 Toronto M5H 3C2	acting for Party From(s)	Signed	2022 02 11
------------------------	---	-----------------------------	--------	------------

Tel

416-869-5300

Fax

416-360-8877

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

Submitted By

CASELS BROCK & BLACKWELL LLP	40 King Street West, Suite 2100 Toronto M5H 3C2	2022 02 14
------------------------------	---	------------

Tel

416-869-5300

Fax

416-360-8877

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Party To Client File Number :	49004-108
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Properties		
PIN	24943 - 0016	LT
Description	PT LTS 7 & 8, PL 375 , AS IN 807053 ; MILTON	
Address	485 ONTARIO ST S MILTON	
PIN	24943 - 0017	LT
Description	PT LTS 8 & 9, PL 375 , AS IN 771273; MILTON	
Address	501 ONTARIO ST S MILTON	

Source Instruments		
Registration No.	Date	Type of Instrument
HR1666486	2019 11 19	Charge/Mortgage

Party From(s)	
Name	AVONDALE CAPITAL INC.
Address for Service	159 Melrose Avenue King City, ON L7B 1J6
A person or persons with authority to bind the corporation has/have consented to the registration of this document.	
This document is not authorized under Power of Attorney by this party.	

Party To(s)	Capacity	Share
Name	VECTOR FINANCIAL SERVICES LIMITED	95.27%
Address for Service	245 Eglinton Avenue East, Suite 400 Toronto, ON M4P 3B7	
Name	OLYMPIA TRUST COMPANY	4.73%
Address for Service	P.O. Box 2581 STN Central Calgary, AB T2P 1C8	

Statements
The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number HR1865625 registered on 2022/02/04
This document relates to registration number(s)HR1666486, HR1705797 and HR1705799

Signed By				
Jonathan David Freeman	40 King Street West, Suite 2100 Toronto M5H 3C2	acting for Party From(s)	Signed	2022 02 11
Tel	416-869-5300			
Fax	416-360-8877			
I have the authority to sign and register the document on behalf of the Party From(s).				

Submitted By		
CASELS BROCK & BLACKWELL LLP	40 King Street West, Suite 2100 Toronto M5H 3C2	2022 02 11
Tel	416-869-5300	
Fax	416-360-8877	

Fees/Taxes/Payment	
Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number	
Party To Client File Number :	49004-108 (LOAN NO. 22-02)

SUBORDINATION AND STANDSTILL AGREEMENT

THIS AGREEMENT effective as of the 4th day of February, 2022.

A M O N G:

VILLAGE DEVELOPMENTS INC.

(hereinafter called the "**Borrower**")

- and -

VECTOR FINANCIAL SERVICES LIMITED and OLYMPIA TRUST COMPANY

(hereinafter collectively, called the "**Prior Lender**")

- and -

SOCIÉTÉ EN COMMANDITE MVMT CAPITAL

(hereinafter called the "**Subordinate Lender**")

W H E R E A S:

- A. The Borrower is the registered owner of certain lands and premises described in Appendix 1 attached hereto (the "**Lands**") together with all personal property (the "**Personal Property**") located on or arising out of, from or in connection with ownership, use or disposition of the Lands (the said Lands and Personal Property being hereinafter collectively referred to as the "**Property**");
- B. The Prior Lender agreed to make or extend a loan (the "**Loan**") to the Borrower in the maximum principal amount of **TEN MILLION DOLLARS (\$10,000,000.00)** which loan or credit facility was secured by, *inter alia*, the following security:
- i. a first Charge/Mortgage in the principal amount of \$10,000,000.00 registered in the Land Registry Office for the Land Titles Division of Halton (#20) ("**Land Titles Office**") as Instrument No. HR1865625 on February 4, 2022 (the "**First Charge**");
 - ii. a first ranking general assignment of rents registered in the Land Titles Offices as Instrument No. HR1865626 on February 4, 2022 (the "**First General Assignment of Rents**"); and
 - iii. PPSA File No. 780342894 bearing registration no. 20220211 1030 9234 1376 and PPSA File No. 780342921 bearing registration no. 20220211 1032 9234 1377 (collectively, the "**Prior Lender PPSAs**").

All existing and future indebtedness and all other obligations and liabilities owing by the Borrower to the Prior Lender from time to time pursuant to the Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Prior Lender thereunder, including \$200,000.00 of the Deferred Lender Fee (as defined in the Prior Lender's commitment letter relating to the Loan), being hereinafter referred to as the "**Prior Indebtedness**", and the First Charge, the First General Assignment of Rents, the Prior Lender PPSAs, and all other additional or collateral security now or hereafter securing the Prior Indebtedness being hereinafter referred to as the "**Prior Security**";

And for greater particularity, reference in this Agreement to the Loan, the Prior Indebtedness and the Prior Security includes all renewals, extensions, amendments, modifications and restatements thereof or thereto from time to time;

- C. The Subordinate Lender has made a loan or credit facility (the "**Subordinate Loan**") available to the Borrower in the original maximum principal amount of

TWO MILLION DOLLARS (\$2,000,000.00) which loan or credit facility is secured by, *inter alia*, the following security:

- i. a third ranking Charge/Mortgage of Land in the original principal amount of \$2,000,000.00 registered in the Land Titles Office as Instrument No. HR1705795 on June 8, 2020 (the "**Subordinate Charge**"), as amended.

Pursuant to an Agreement Amending Charge registered in the Land Titles Office as Instrument No. HR1867356 on February 11, 2022 (the "**Subordinate Charge Amendment**"), the Subordinate Lender agreed to reduce the principal amount of the Subordinate Charge to \$750,000.00.

All existing and future indebtedness and all other obligations and liabilities owing by the Borrower to the Subordinate Lender from time to time pursuant to the Subordinate Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Subordinate Lender thereunder being hereinafter referred to as the "**Subordinate Indebtedness**", and the Subordinate Charge, the Subordinate Charge Amendment, and any PPSA registrations in favour of the Subordinate Lender, and all other additional or collateral security now or hereafter securing the Subordinate Indebtedness being hereinafter referred to as the "**Subordinate Security**";

And for greater particularity, reference in this Agreement to the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security includes all renewals, extensions, amendments, modifications and restatements thereof or thereto from time to time;

- D. The Subordinate Lender has agreed to subordinate and postpone the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security to and in favour of the Prior Lender, the Loan, the Prior Indebtedness and the Prior Security.

NOW THEREFORE for good and valuable consideration, including the sum of TEN DOLLARS (\$10.00) now paid by the Prior Lender to the Subordinate Lender, the receipt and sufficiency of which is hereby acknowledged by the Subordinate Lender, the parties agree as follows:

1. **Covenants, Representations and Warranties of the Subordinate Lender.** The Subordinate Lender consents to the Prior Indebtedness and the Prior Security, and covenants, represents and warrants to the Prior Lender that:

- a) as of the date hereof, the Subordinate Loan and the Subordinate Security are in good standing, in full force and effect, unamended, and the Borrower is not in default thereunder;
- b) it holds no security of any kind against the Property other than the Subordinate Security;
- c) it has full power, lawful authority and legal right to enter into this Agreement on its own behalf and on behalf of all present and future beneficial owners of the Subordinate Loan, Subordinate Indebtedness and the Subordinate Security, and this Agreement constitutes a valid and binding obligation of the Subordinate Lender enforceable against it in accordance with its terms;
- d) upon request by the Prior Lender from time to time, the Subordinate Lender shall provide the Prior Lender with copies of the Subordinate Security and/or a statement in detail of the Subordinate Indebtedness then outstanding;
- e) the Subordinate Lender will not advance any further funds to the Borrower under the Subordinate Loan and will not amend the Subordinate Security in any manner which increases the obligations of the Borrower; and
- f) The Subordinate Lender shall notify the Prior Lender of any default under the Subordinate Security forthwith upon becoming aware of such default.

2. **Subordination and Postponement.** The Subordinate Lender hereby subordinates and postpones the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security to the Loan, the Prior Indebtedness and the Prior Security and agrees with the Prior Lender that the Prior Security shall be a first priority lien and charge against the Property for the full amount of the Prior Indebtedness in full priority to the

Subordinate Security and the Subordinate Indebtedness. The subordination and postponement of the Subordinate Loan, Subordinate Indebtedness and the Subordinate Security to the Loan, the Prior Indebtedness and the Prior Security, shall include subordination of the Subordinate Security and the Subordinate Indebtedness to the extent required to make the Prior Security and the Prior Indebtedness a first priority lien and charge against the Property.

No discharge, release or waiver by the Prior Lender of any of the Prior Security against or in respect of the Property or any person(s), corporation(s) or entity(ies), or any amendment, renewal, extension, replacement, discharge, modification, supplement or restatement of any portion of the Prior Indebtedness and/or the Prior Security shall require notice to or the consent of the Subordinate Lender or otherwise affect the subordination and postponement of the Subordinate Security, the Subordinate Loan and the Subordinate Indebtedness hereby granted by the Subordinate Lender.

The Subordinate Lender hereby acknowledges and agrees that this Agreement shall not defer or otherwise affect the present or future rights and remedies of the Prior Lender with respect to the present or future indebtedness and other liabilities of the Borrower to the Prior Lender, or with respect to any securities which the Prior Lender now holds or may hereafter receive from the Borrower as collateral for the Prior Indebtedness.

The Subordinate Lender agrees to execute and deliver at Borrower's cost, upon request by the Prior Lender, such further instruments and agreements and assurances as may reasonably be required by the Prior Lender in the circumstances in order to confirm and give effect to the provisions of this Agreement, and further, to register, record, amend, file or re-file notice of this Agreement and/or the subordination and postponement of the Subordinate Security in any office of public record as the Prior Lender may in its discretion consider necessary or desirable from time to time.

3. **Subsequent Charges.** The Subordinate Lender shall not register a subsequent mortgage or charge on title to the Property without the prior written consent of the Prior Lender, which may be withheld in the Prior Lender's sole and absolute discretion. Should the Prior Lender consent to such subsequent mortgage or charge, the Borrower, Prior Lender and Subordinate Lender shall enter into a Subordination and Standstill Agreement in respect of such subsequent mortgage or charge on substantially the same terms as set out herein prior to the registration of such subsequent mortgage or charge on title to the Property.

4. **Payments.**

- (a) Until such time as the Loan and the Prior Indebtedness are repaid in full, the Subordinate Lender agrees that: (i) no rents, revenue, income, cash flow and other proceeds arising from or relating to the Property (the "**Rents**") shall be applied to any payment on account of the Subordinate Loan or the Subordinate Indebtedness; and, (ii) it shall not accept any payment on account of the Subordinate Loan and/or the Subordinate Indebtedness which the Subordinate Lender knows or reasonably ought to know are payments made from the Rents, and if any such payments are received, the Subordinate Lender shall immediately pay such amount to the Prior Lender. The Prior Lender and the Subordinate Lender shall provide reasonable co-operation to each other following the giving of such notice of default to ensure that the provisions of this paragraph are complied with.
- (b) It is agreed that until an event of default occurs under the Loan or the Prior Security, payments may be made by the Borrower to the Subordinate Lender on account of principal, interest and other fees owing pursuant to the Subordinate Loan at any time without the written consent of the Prior Lender and any such payments shall not constitute an event of default under the Prior Security, provided that such payments are not made from Rents. However, if an event of default occurs under the Loan or the Prior Security, no payments shall be made by the Borrower to the Subordinate Lender until such event of default is cured to the satisfaction of the Prior Lender.
- (c) Any payments of the amounts secured by the Subordinate Security received by the Subordinate Lender in contravention of the terms of this Agreement shall be held in trust for the Prior Lender and the Subordinate Lender will immediately turn over any such payments to the Prior Lender, without further notice or demand to be applied to the Loan secured by the Prior Security.

5. **Standstill.**

The Subordinate Lender hereby agrees with the Prior Lender that until such time as all Prior Indebtedness has been repaid in full, it shall not take any steps whatsoever to enforce the Subordinate Security unless the Prior Lender has commenced to enforce the Prior Security or has provided the Subordinate Lender with its written consent to the enforcement of the Subordinate Security, which consent may be withheld in the Prior Lender's sole and absolute discretion.

6. **Assignment by Subordinate Lender.** The Subordinate Lender agrees that it shall not sell, transfer, assign, alienate or otherwise dispose of any interest in the Subordinate Loan, the Subordinate Indebtedness or the Subordinate Security to any person(s), corporation(s) or entity(ies) (hereinafter, an "**Assignee**") except in accordance with terms and conditions which are expressly subject to all of the terms of this Agreement.

7. **Entire Agreement.** This Agreement and all schedules thereto contains the whole of the agreement between the parties hereto and there are no collateral or precedent conditions, warranties, agreements, representations, promises, understandings or inducements, whether oral or written, that are not specifically set forth herein, and no modification, amendment or variation hereof shall be effective or binding on the parties hereto unless agreed to in writing by all of them.

8. **No Waiver.** The waiver by any party of the breach of any term, covenant or condition herein contained shall not constitute a waiver of such term, covenant or condition, except in respect of the particular breach giving rise to such waiver. No term, covenant or condition of this Agreement is deemed to have been waived by any party hereto unless such waiver is in given in writing by that party.

9. **Severability.** All of the sections, paragraphs, sentences, clauses and parts of this Agreement are distinct and severable, and if any of the same shall be held illegal or void, the validity or legality of the remainder of this Agreement shall not be affected.

10. **Survival of Covenants and Warranties.** The covenants, warranties and representations of the Subordinate Lender contained in this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect for the benefit of the Prior Lender until the Loan has been repaid in full.

11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties hereto irrevocably attorn to the jurisdiction of the courts of this Province sitting at Toronto, Ontario.

12. **Successors.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns including any successors by amalgamation and any appointed receivers or trustees in bankruptcy.

13. **Counterparts.** This Agreement may be executed electronically and in counterparts and all counterparts so executed will constitute one Agreement binding on the parties effective upon execution by all of the parties.

14. **Time Is of the Essence.** Time is of the essence of this Agreement and every part hereof.

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

[Signature Page Follows]

BORROWER:

VILLAGE DEVELOPMENTS INC.

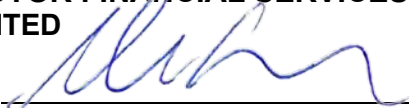
By: 
Name: Paul Debattista
Title: President

I have authority to bind the corporation.

[signature lines continue on next page]

PRIOR LENDER:

**VECTOR FINANCIAL SERVICES
LIMITED**

By: 
Name: Mitchell Oelbaum
Title: President
I have authority to bind the corporation.

OLYMPIA TRUST COMPANY

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have authority to bind the corporation.


[signature lines continue on next page]

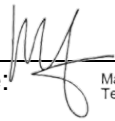
PRIOR LENDER:

**VECTOR FINANCIAL SERVICES
LIMITED**

By: _____
Name: Mitchell Oelbaum
Title: President
I have authority to bind the corporation.

OLYMPIA TRUST COMPANY

By:  _____
Name: Cora Dumais
Title: Team Lead

By:  _____
Name: Maria Factura
Title: Team Lead

I/We have authority to bind the corporation.

[signature lines continue on next page]

SUBORDINATE LENDER:

**SOCIÉTÉ EN COMMANDITE MVMT
CAPITAL**

By: 

Name: **Elizabeth Fortin, A.S.O.**

Title:

I have authority to bind the corporation.

APPENDIX "1"

TO SUBORDINATION AND STANDSTILL AGREEMENT"

<i>Registered Owner</i>	<i>Municipal Address</i>	<i>PIN No(s).</i>	<i>Legal Description</i>
Village Developments Inc.	485 Ontario Street South, Milton, ON	24943-0016 (LT)	PT LTS 7 & 8, PL 375, AS IN 807053; MILTON
Village Developments Inc.	501 Ontario Street South, Milton, ON	24943-0017 (LT)	PT LTS 8 & 9, PL 375, AS IN 771273; MILTON
Village Developments Inc.	511 Ontario Street South, Milton, ON	24943-0018 (LT)	LT 10, PL 375, EXCEPT PL851; TOWN OF MILTON

Properties		
PIN	24943 - 0016	LT
Description	PT LTS 7 & 8, PL 375 , AS IN 807053 ; MILTON	
Address	485 ONTARIO ST S MILTON	
PIN	24943 - 0017	LT
Description	PT LTS 8 & 9, PL 375 , AS IN 771273; MILTON	
Address	501 ONTARIO ST S MILTON	
PIN	24943 - 0018	LT
Description	LT 10, PL 375, EXCEPT PL851.; TOWN OF MILTON	
Address	511 ONTARIO ST S MILTON	

Source Instruments		
Registration No.	Date	Type of Instrument
HR1705795	2020 06 08	Charge/Mortgage

Party From(s)	
Name	SOCIÉTÉ EN COMMANDITE MVMT CAPITAL
Address for Service	200 Rue Hyppolite-Denaut La Prairie, Quebec J5R 6P2
A person or persons with authority to bind the corporation has/have consented to the registration of this document.	
This document is not authorized under Power of Attorney by this party.	

Party To(s)		Capacity	Share
Name	VECTOR FINANCIAL SERVICES LIMITED		95.27%
Address for Service	245 Eglinton Avenue East, Suite 400 Toronto, ON M4P 3B7		
Name	OLYMPIA TRUST COMPANY		4.73%
Address for Service	P.O. Box 2581 STN Central Calgary, AB T2P 1C8		

Statements
The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number HR1865625 registered on 2022/02/04
This document relates to registration number(s)HR1705795, HR1867356, HR1865625 and HR1865626

Signed By				
Jonathan David Freeman	40 King Street West, Suite 2100 Toronto M5H 3C2	acting for Party From(s)	Signed	2022 02 11
Tel	416-869-5300			
Fax	416-360-8877			
I have the authority to sign and register the document on behalf of the Party From(s).				

Submitted By		
CASELS BROCK & BLACKWELL LLP	40 King Street West, Suite 2100 Toronto M5H 3C2	2022 02 11
Tel	416-869-5300	
Fax	416-360-8877	

Fees/Taxes/Payment	
Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Party To Client File Number :

49004-108 (LOAN NO. 22-02)

SUBORDINATION AND STANDSTILL AGREEMENT

THIS AGREEMENT effective as of the 11th day of February, 2022.

A M O N G:

VILLAGE DEVELOPMENTS INC.

(hereinafter called the "**Borrower**")

- and –

VECTOR FINANCIAL SERVICES LIMITED and OLYMPIA TRUST COMPANY

(hereinafter collectively, called the "**Prior Lender**")

- and -

JASON WAXMAN

- and -

2343640 ONTARIO INC.

- and -

ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION

- and -

DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION

- and -

MORRIS ZOLADEK

- and -

MARTIN NASH

- and -

GEORGINE NASH

- and -

CHRISTOPHER GRATTON

- and -

1860346 ONTARIO INC.

(hereinafter collectively, called the "**Subordinate Lender**")

W H E R E A S:

- A. The Borrower is the registered owner of certain lands and premises described in Appendix 1 attached hereto (the "**Lands**") together with all personal property (the "**Personal Property**") located on or arising out of, from or in connection with ownership, use or disposition of the Lands (the said Lands and Personal Property being hereinafter collectively referred to as the "**Property**");
- B. The Prior Lender agreed to make or extend a loan (the "**Loan**") to the Borrower in the maximum principal amount of **TEN MILLION DOLLARS (\$10,000,000.00)** which loan or credit facility was secured by, *inter alia*, the following security:

- i. a first Charge/Mortgage in the principal amount of \$10,000,000.00 registered in the Land Registry Office for the Land Titles Division of Halton (#20) ("**Land Titles Office**") as Instrument No. HR1865625 on February 4, 2022 (the "**First Charge**");
- ii. a first ranking general assignment of rents registered in the Land Titles Offices as Instrument No. HR1865626 on February 4, 2022 (the "**First General Assignment of Rents**"); and
- iii. PPSA File No. 780342894 bearing registration no. 20220211 1030 9234 1376 and PPSA File No. 780342921 bearing registration no. 20220211 1032 9234 1377 (collectively, the "**Prior Lender PPSAs**").

All existing and future indebtedness and all other obligations and liabilities owing by the Borrower to the Prior Lender from time to time pursuant to the Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Prior Lender thereunder, including \$200,000.00 of the Deferred Lender Fee (as defined in the Prior Lender's commitment letter relating to the Loan), being hereinafter referred to as the "**Prior Indebtedness**", and the First Charge, the First General Assignment of Rents, the Prior Lender PPSAs, and all other additional or collateral security now or hereafter securing the Prior Indebtedness being hereinafter referred to as the "**Prior Security**";

And for greater particularity, reference in this Agreement to the Loan, the Prior Indebtedness and the Prior Security includes all renewals, extensions, amendments, modifications and restatements thereof or thereto from time to time;

- C. The Subordinate Lender has made or will make a loan or credit facility (the "**Subordinate Loan**") available to the Borrower in the maximum principal amount of **ONE MILLION SIX HUNDRED FOURTY THOUSAND DOLLARS (\$1,640,000.00)** which loan or credit facility is secured by, *inter alia*, the following security:
 - i. a second ranking Charge/Mortgage of Land in the original principal amount of \$1,640,000.00 registered in the Land Titles Office as Instrument No. HR1867179 on _____, February 11, 2022 (the "**Subordinate Charge**"); and
 - ii. a second ranking general assignment of rents registered in the Land Titles Offices as Instrument No. HR1867180 on February 11, 2022 (the "**Subordinate General Assignment of Rents**"); and
 - iii. PPSA File No. _____ bearing registration no. _____ (the "**Subordinate Lender PPSA**").

All existing and future indebtedness and all other obligations and liabilities owing by the Borrower to the Subordinate Lender from time to time pursuant to the Subordinate Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Subordinate Lender thereunder being hereinafter referred to as the "**Subordinate Indebtedness**", and the Subordinate Charge, Subordinate General Assignment of Rents, the Subordinate Lender PPSA registered in favour of the Subordinate Lender, and all other additional or collateral security now or hereafter securing the Subordinate Indebtedness being hereinafter referred to as the "**Subordinate Security**";

And for greater particularity, reference in this Agreement to the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security includes all renewals, extensions, amendments, modifications and restatements thereof or thereto from time to time;

- D. The Subordinate Lender has agreed to subordinate and postpone the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security to and in favour of the Prior Lender, the Loan, the Prior Indebtedness and the Prior Security.

NOW THEREFORE for good and valuable consideration, including the sum of TEN DOLLARS (\$10.00) now paid by the Prior Lender to the Subordinate Lender, the receipt and sufficiency of which is hereby acknowledged by the Subordinate Lender, the parties agree as follows:

1. **Covenants, Representations and Warranties of the Subordinate Lender.**

The Subordinate Lender consents to the Prior Indebtedness and the Prior Security, and covenants, represents and warrants to the Prior Lender that:

- a) as of the date hereof, the Subordinate Loan and the Subordinate Security are in good standing, in full force and effect, unamended, and the Borrower is not in default thereunder;
- b) it holds no security of any kind against the Property other than the Subordinate Security;
- c) it has full power, lawful authority and legal right to enter into this Agreement on its own behalf and on behalf of all present and future beneficial owners of the Subordinate Loan, Subordinate Indebtedness and the Subordinate Security, and this Agreement constitutes a valid and binding obligation of the Subordinate Lender enforceable against it in accordance with its terms;
- d) upon request by the Prior Lender from time to time, the Subordinate Lender shall provide the Prior Lender with copies of the Subordinate Security and/or a statement in detail of the Subordinate Indebtedness then outstanding;
- e) the Subordinate Lender will not advance any further funds to the Borrower under the Subordinate Loan and will not amend the Subordinate Security in any manner which increases the obligations of the Borrower; and
- f) The Subordinate Lender shall notify the Prior Lender of any default under the Subordinate Security forthwith upon becoming aware of such default.

2. **Subordination and Postponement.** The Subordinate Lender hereby subordinates and postpones the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security to the Loan, the Prior Indebtedness and the Prior Security and agrees with the Prior Lender that the Prior Security shall be a first priority lien and charge against the Property for the full amount of the Prior Indebtedness in full priority to the Subordinate Security and the Subordinate Indebtedness. The subordination and postponement of the Subordinate Loan, Subordinate Indebtedness and the Subordinate Security to the Loan, the Prior Indebtedness and the Prior Security, shall include subordination of the Subordinate Security and the Subordinate Indebtedness to the extent required to make the Prior Security and the Prior Indebtedness a first priority lien and charge against the Property.

No discharge, release or waiver by the Prior Lender of any of the Prior Security against or in respect of the Property or any person(s), corporation(s) or entity(ies), or any amendment, renewal, extension, replacement, discharge, modification, supplement or restatement of any portion of the Prior Indebtedness and/or the Prior Security shall require notice to or the consent of the Subordinate Lender or otherwise affect the subordination and postponement of the Subordinate Security, the Subordinate Loan and the Subordinate Indebtedness hereby granted by the Subordinate Lender.

The Subordinate Lender hereby acknowledges and agrees that this Agreement shall not defer or otherwise affect the present or future rights and remedies of the Prior Lender with respect to the present or future indebtedness and other liabilities of the Borrower to the Prior Lender, or with respect to any securities which the Prior Lender now holds or may hereafter receive from the Borrower as collateral for the Prior Indebtedness.

The Subordinate Lender agrees to execute and deliver at its cost, upon request by the Prior Lender, such further instruments and agreements and assurances as may reasonably be required by the Prior Lender in the circumstances in order to confirm and give effect to the provisions of this Agreement, and further, to register, record, amend, file or re-file notice of this Agreement and/or the subordination and postponement of the Subordinate Security in any office of public record as the Prior Lender may in its discretion consider necessary or desirable from time to time.

3. **Subsequent Charges.** The Subordinate Lender shall not register a subsequent mortgage or charge on title to the Property without the prior written consent of the Prior Lender, which may be withheld in the Prior Lender's sole and absolute discretion. Should the Prior Lender consent to such subsequent mortgage or charge, the Borrower, Prior Lender and Subordinate Lender shall enter into a Subordination and Standstill

Agreement in respect of such subsequent mortgage or charge on substantially the same terms as set out herein prior to the registration of such subsequent mortgage or charge on title to the Property.

4. **Payments.**

- (a) Until such time as the Loan and the Prior Indebtedness are repaid in full, the Subordinate Lender agrees that: (i) no rents, revenue, income, cash flow and other proceeds arising from or relating to the Property (the "**Rents**") shall be applied to any payment on account of the Subordinate Loan or the Subordinate Indebtedness; and, (ii) it shall not accept any payment on account of the Subordinate Loan and/or the Subordinate Indebtedness which the Subordinate Lender knows or reasonably ought to know are payments made from the Rents, and if any such payments are received, the Subordinate Lender shall immediately pay such amount to the Prior Lender. The Prior Lender and the Subordinate Lender shall provide reasonable co-operation to each other following the giving of such notice of default to ensure that the provisions of this paragraph are complied with.
- (b) It is agreed that until an event of default occurs under the Loan or the Prior Security, payments may be made by the Borrower to the Subordinate Lender on account of principal, interest and other fees owing pursuant to the Subordinate Loan at any time without the written consent of the Prior Lender and any such payments shall not constitute an event of default under the Prior Security, provided that such payments are not made from Rents. However, if an event of default occurs under the Loan or the Prior Security, no payments shall be made by the Borrower to the Subordinate Lender until such event of default is cured to the satisfaction of the Prior Lender.
- (c) Any payments of the amounts secured by the Subordinate Security received by the Subordinate Lender in contravention of the terms of this Agreement shall be held in trust for the Prior Lender and the Subordinate Lender will immediately turn over any such payments to the Prior Lender, without further notice or demand to be applied to the Loan secured by the Prior Security.

5. **Standstill.**

The Subordinate Lender hereby agrees with the Prior Lender that until such time as all Prior Indebtedness has been repaid in full, it shall not take any steps whatsoever to enforce the Subordinate Security unless the Prior Lender has commenced to enforce the Prior Security or has provided the Subordinate Lender with its written consent to the enforcement of the Subordinate Security, which consent may be withheld in the Prior Lender's sole and absolute discretion.

6. **Assignment by Subordinate Lender.** The Subordinate Lender agrees that it shall not sell, transfer, assign, alienate or otherwise dispose of any interest in the Subordinate Loan, the Subordinate Indebtedness or the Subordinate Security to any person(s), corporation(s) or entity(ies) (hereinafter, an "**Assignee**") except in accordance with terms and conditions which are expressly subject to all of the terms of this Agreement.

7. **Entire Agreement.** This Agreement and all schedules thereto contains the whole of the agreement between the parties hereto and there are no collateral or precedent conditions, warranties, agreements, representations, promises, understandings or inducements, whether oral or written, that are not specifically set forth herein, and no modification, amendment or variation hereof shall be effective or binding on the parties hereto unless agreed to in writing by all of them.

8. **No Waiver.** The waiver by any party of the breach of any term, covenant or condition herein contained shall not constitute a waiver of such term, covenant or condition, except in respect of the particular breach giving rise to such waiver. No term, covenant or condition of this Agreement is deemed to have been waived by any party hereto unless such waiver is in given in writing by that party.

9. **Severability.** All of the sections, paragraphs, sentences, clauses and parts of this Agreement are distinct and severable, and if any of the same shall be held illegal or void, the validity or legality of the remainder of this Agreement shall not be affected.

10. **Survival of Covenants and Warranties.** The covenants, warranties and representations of the Subordinate Lender contained in this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect for the benefit of the Prior Lender until the Loan has been repaid in full.

11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties hereto irrevocably attorn to the jurisdiction of the courts of this Province sitting at Toronto, Ontario.

12. **Successors.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns including any successors by amalgamation and any appointed receivers or trustees in bankruptcy.

13. **Counterparts.** This Agreement may be executed electronically and in counterparts and all counterparts so executed will constitute one Agreement binding on the parties effective upon execution by all of the parties.


14. **Time Is of the Essence.** Time is of the essence of this Agreement and every part hereof.

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

[Signature Page Follows]

BORROWER:

VILLAGE DEVELOPMENTS INC.

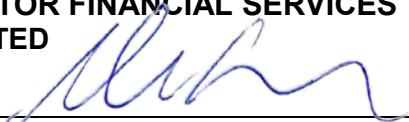
By: 
Name: Paul Debattista
Title: President

I have authority to bind the corporation.

[signature lines continue on next page]

PRIOR LENDER:

**VECTOR FINANCIAL SERVICES
LIMITED**

By: 
Name: Mitchell Oelbaum
Title: President
I have authority to bind the corporation.

OLYMPIA TRUST COMPANY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

I/We have authority to bind the corporation.

[signature lines continue on next page]

PRIOR LENDER:

**VECTOR FINANCIAL SERVICES
LIMITED**

By: _____
Name: Mitchell Oelbaum
Title: President
I have authority to bind the corporation.

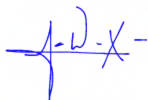
OLYMPIA TRUST COMPANY

By: _____
Name: Maria Factura
Title: Team Lead
By: _____
Name: Cora Dumais
Title: Team Lead

I/We have authority to bind the corporation.

[signature lines continue on next page]

SUBORDINATE LENDER:



JASON WAXMAN

MORRIS ZOLADEK

MARTIN NASH

GEORGINE NASH

CHRISTOPHER GRATTON

2343640 ONTARIO INC

Per:

Name:

Title:

I have the authority to bind the Corporation.

ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION

Per:

Name:

Title:

I have the authority to bind the Corporation.

SUBORDINATE LENDER:

JASON WAXMAN



MORRIS ZOLADEK

MARTIN NASH

GEORGINE NASH

CHRISTOPHER GRATTON

2343640 ONTARIO INC

Per:

Name:

Title:

I have the authority to bind the Corporation.

ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION

Per:

Name:


Title:

I have the authority to bind the Corporation.


SUBORDINATE LENDER:

JASON WAXMAN

MORRIS ZOLADEK



MARTIN NASH



GEORGINE NASH

CHRISTOPHER GRATTON

2343640 ONTARIO INC

Per: _____
Name: _____
Title: _____
I have the authority to bind the Corporation.

ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION

Per: _____
Name: _____
Title: _____
I have the authority to bind the Corporation.

SUBORDINATE LENDER:

JASON WAXMAN

MORRIS ZOLADEK

MARTIN NASH

GEORGINE NASH



CHRISTOPHER GRATTON

2343640 ONTARIO INC

Per:

Name:

Title:

I have the authority to bind the Corporation.

ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION

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Name:

Title:

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SUBORDINATE LENDER:

JASON WAXMAN

MORRIS ZOLADEK

MARTIN NASH

GEORGINE NASH

CHRISTOPHER GRATTON

2343640 ONTARIO INC

Per:  _____

Name:

Title:

I have the authority to bind the Corporation.

ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION

Per: _____

Name:

Title:

I have the authority to bind the Corporation.

SUBORDINATE LENDER:

JASON WAXMAN

MORRIS ZOLADEK

MARTIN NASH

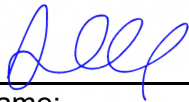
GEORGINE NASH

CHRISTOPHER GRATTON

2343640 ONTARIO INC

Per: _____
Name: _____
Title: _____
I have the authority to bind the Corporation.

ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION

Per:  _____
Name: _____
Title: _____
I have the authority to bind the Corporation.

DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION

Per:



Name:

Title:

I have the authority to bind the Corporation.

1860346 ONTARIO INC.

Per:

Name:

Title:

I have the authority to bind the Corporation.

DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION

Per:

Name:

Title:

I have the authority to bind the Corporation.

1860346 ONTARIO INC.

Per:



Name:

Title:

I have the authority to bind the Corporation.

APPENDIX "1"

TO SUBORDINATION AND STANDSTILL AGREEMENT"

<i>Registered Owner</i>	<i>Municipal Address</i>	<i>PIN No(s).</i>	<i>Legal Description</i>
Village Developments Inc.	485 Ontario Street South, Milton, ON	24943-0016 (LT)	PT LTS 7 & 8, PL 375, AS IN 807053; MILTON
Village Developments Inc.	501 Ontario Street South, Milton, ON	24943-0017 (LT)	PT LTS 8 & 9, PL 375, AS IN 771273; MILTON
Village Developments Inc.	511 Ontario Street South, Milton, ON	24943-0018 (LT)	LT 10, PL 375, EXCEPT PL851; TOWN OF MILTON

SUBORDINATION AND STANDSTILL AGREEMENT

THIS AGREEMENT effective as of the 27th day of September, 2022.

AMONG:

VILLAGE DEVELOPMENTS INC.

(hereinafter called the "**Borrower**")

- and -

VECTOR FINANCIAL SERVICES LIMITED and OLYMPIA TRUST COMPANY

(hereinafter collectively, called the "**Prior Lender**")

- and -

1846836 ONTARIO INC.

(hereinafter called the "**Subordinate Lender**")

WHEREAS:

- A. The Borrower is the registered owner of certain lands and premises described in Appendix 1 attached hereto (the "**Lands**") together with all personal property (the "**Personal Property**") located on or arising out of, from or in connection with ownership, use or disposition of the Lands (the said Lands and Personal Property being hereinafter collectively referred to as the "**Property**");
- B. The Prior Lender agreed to make or extend a loan (the "**Loan**") to the Borrower in the maximum principal amount of **TEN MILLION DOLLARS (\$10,000,000.00)** which loan or credit facility was secured by, *inter alia*, the following security:
 - i. a first Charge/Mortgage in the principal amount of \$10,000,000.00 registered in the Land Registry Office for the Land Titles Division of Halton (#20) ("**Land Titles Office**") as Instrument No. HR1865625 on February 4, 2022 (the "**First Charge**");
 - ii. a first ranking general assignment of rents registered in the Land Titles Offices as Instrument No. HR1865626 on February 4, 2022 (the "**First General Assignment of Rents**"); and
 - iii. PPSA File No. 780342894 bearing registration no. 20220211 1030 9234 1376 and PPSA File No. 780342921 bearing registration no. 20220211 1032 9234 1377 (collectively, the "**Prior Lender PPSAs**").

All existing and future indebtedness and all other obligations and liabilities owing by the Borrower to the Prior Lender from time to time pursuant to the Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Prior Lender thereunder, including \$200,000.00 of the Deferred Lender Fee (as defined in the Prior Lender's commitment letter relating to the Loan), being

hereinafter referred to as the "**Prior Indebtedness**", and the First Charge, the First General Assignment of Rents, the Prior Lender PPSAs, and all other additional or collateral security now or hereafter securing the Prior Indebtedness being hereinafter referred to as the "**Prior Security**";

And for greater particularity, reference in this Agreement to the Loan, the Prior Indebtedness and the Prior Security includes all renewals, extensions, amendments, modifications and restatements thereof or thereto from time to time;

- C. The Subordinate Lender has made a loan or credit facility (the "**Subordinate Loan**") available to the Borrower in the maximum principal amount of **ONE MILLION DOLLARS (\$1,000,000.00)** which loan or credit facility is secured by, *inter alia*, the following security:

- i. a fifth ranking Charge/Mortgage of Land in the original principal amount of \$1,000,000.00 registered in the Land Titles Office as Instrument No. HR1924375 on September 27th, 2022 (the "**Subordinate Charge**"), as amended.

All existing and future indebtedness and all other obligations and liabilities owing by the Borrower to the Subordinate Lender from time to time pursuant to the Subordinate Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Subordinate Lender thereunder being hereinafter referred to as the "**Subordinate Indebtedness**", and the Subordinate Charge in favour of the Subordinate Lender, and all other additional or collateral security now or hereafter securing the Subordinate Indebtedness being hereinafter referred to as the "**Subordinate Security**";

And for greater particularity, reference in this Agreement to the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security includes all renewals, extensions, amendments, modifications and restatements thereof or thereto from time to time;

- D. The Subordinate Lender has agreed to subordinate and postpone the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security to and in favour of the Prior Lender, the Loan, the Prior Indebtedness and the Prior Security.

NOW THEREFORE for good and valuable consideration, including the sum of TEN DOLLARS (\$10.00) now paid by the Prior Lender to the Subordinate Lender, the receipt and sufficiency of which is hereby acknowledged by the Subordinate Lender, the parties agree as follows:

1. **Covenants, Acknowledgements, Representations and Warranties of the Subordinate Lender.** The Subordinate Lender consents to the Prior Indebtedness and the Prior Security, and covenants, represents and warrants to the Prior Lender that:

- a) as of the date hereof, the Subordinate Loan and the Subordinate Security are in good standing, in full force and effect, unamended, and the Borrower is not in default thereunder;
- b) it holds no security of any kind against the Property other than the Subordinate Security;
- c) it has full power, lawful authority and legal right to enter into this Agreement on its own behalf and on behalf of all present and future beneficial owners of the Subordinate Loan, Subordinate Indebtedness and the Subordinate Security, and this Agreement constitutes a valid and binding obligation of the Subordinate Lender enforceable against it in accordance with its terms;

- d) upon request by the Prior Lender from time to time, the Subordinate Lender shall provide the Prior Lender with copies of the Subordinate Security and/or a statement in detail of the Subordinate Indebtedness then outstanding;
- e) the Subordinate Lender will not advance any further funds to the Borrower under the Subordinate Loan and will not amend the Subordinate Security in any manner which increases the obligations of the Borrower; and
- f) The Subordinate Lender shall notify the Prior Lender of any default under the Subordinate Security forthwith upon becoming aware of such default.
- g) The Subordinate Lender acknowledges that the Deferred Lender Fee will be repaid as follows:
 - i. On the initial funding of the Subordinate Loan, a payment of \$60,514.00 shall be made by the Subordinate Lender to Vector Financial Services Limited, which is comprised of a pay down of \$50,000.00 of the Deferred Lender Fee and \$10,514.00 which shall be applied to the interest shortfall for the October 10th interest payment owed to the Prior Lender; and
 - ii. On the second draw under the Subordinate Loan, a payment of \$50,000.00 shall be made by the Subordinate Lender to Vector Financial Services Limited, which will be applied to the further pay down of the Deferred Lender Fee; and
 - iii. The remaining \$100,000.00 of the Deferred Lender Fee owing by the Borrower to the Prior Lender shall be added to the Prior Lender's discharge statement at maturity of the Loan.
- h) The Borrower hereby irrevocably directs the Subordinate Lender to make the payments identified in Subsections 1(g)(i) and (ii) herein to Vector Financial Services Limited in accordance with the terms thereof and the Subordinate Lender covenants to make such payments as herein directed.

2. **Subordination and Postponement.** The Subordinate Lender hereby subordinates and postpones the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security to the Loan, the Prior Indebtedness and the Prior Security and agrees with the Prior Lender that the Prior Security shall be a first priority lien and charge against the Property for the full amount of the Prior Indebtedness in full priority to the Subordinate Security and the Subordinate Indebtedness. The subordination and postponement of the Subordinate Loan, Subordinate Indebtedness and the Subordinate Security to the Loan, the Prior Indebtedness and the Prior Security, shall include subordination of the Subordinate Security and the Subordinate Indebtedness to the extent required to make the Prior Security and the Prior Indebtedness a first priority lien and charge against the Property.

No discharge, release or waiver by the Prior Lender of any of the Prior Security against or in respect of the Property or any person(s), corporation(s) or entity(ies), or any amendment, renewal, extension, replacement, discharge, modification, supplement or restatement of any portion of the Prior Indebtedness and/or the Prior Security shall require notice to or the consent of the Subordinate Lender or otherwise affect the subordination and postponement of the Subordinate Security, the Subordinate Loan and the Subordinate Indebtedness hereby granted by the Subordinate Lender.

The Subordinate Lender hereby acknowledges and agrees that this Agreement shall not defer or otherwise affect the present or future rights and remedies of the Prior Lender with respect to the present or future indebtedness and other liabilities of the Borrower to the Prior Lender, or with respect to any securities which the Prior Lender now holds or may hereafter receive from the Borrower as collateral for the Prior Indebtedness.

The Subordinate Lender agrees to execute and deliver at its cost, upon request by the Prior Lender, such further instruments and agreements and assurances as may reasonably be

required by the Prior Lender in the circumstances in order to confirm and give effect to the provisions of this Agreement, and further, to register, record, amend, file or re-file notice of this Agreement and/or the subordination and postponement of the Subordinate Security in any office of public record as the Prior Lender may in its discretion consider necessary or desirable from time to time.

3. **Subsequent Charges.** The Subordinate Lender shall not register a subsequent mortgage or charge on title to the Property without the prior written consent of the Prior Lender, which may be withheld in the Prior Lender's sole and absolute discretion. Should the Prior Lender consent to such subsequent mortgage or charge, the Borrower, Prior Lender and Subordinate Lender shall enter into a Subordination and Standstill Agreement in respect of such subsequent mortgage or charge on substantially the same terms as set out herein prior to the registration of such subsequent mortgage or charge on title to the Property.

4. **Payments.**

- (a) Until such time as the Loan and the Prior Indebtedness are repaid in full, the Subordinate Lender agrees that: (i) no rents, revenue, income, cash flow and other proceeds arising from or relating to the Property (the "**Rents**") shall be applied to any payment on account of the Subordinate Loan or the Subordinate Indebtedness; and, (ii) it shall not accept any payment on account of the Subordinate Loan and/or the Subordinate Indebtedness which the Subordinate Lender knows or reasonably ought to know are payments made from the Rents, and if any such payments are received, the Subordinate Lender shall immediately pay such amount to the Prior Lender. The Prior Lender and the Subordinate Lender shall provide reasonable co-operation to each other following the giving of such notice of default to ensure that the provisions of this paragraph are complied with.
- (b) It is agreed that until an event of default occurs under the Loan or the Prior Security, payments may be made by the Borrower to the Subordinate Lender on account of principal, interest and other fees owing pursuant to the Subordinate Loan at any time without the written consent of the Prior Lender and any such payments shall not constitute an event of default under the Prior Security, provided that such payments are not made from Rents. However, if an event of default occurs under the Loan or the Prior Security, no payments shall be made by the Borrower to the Subordinate Lender until such event of default is cured to the satisfaction of the Prior Lender.
- (c) Any payments of the amounts secured by the Subordinate Security received by the Subordinate Lender in contravention of the terms of this Agreement shall be held in trust for the Prior Lender and the Subordinate Lender will immediately turn over any such payments to the Prior Lender, without further notice or demand to be applied to the Loan secured by the Prior Security.

5. **Standstill.**

The Subordinate Lender hereby agrees with the Prior Lender that until such time as all Prior Indebtedness has been repaid in full, it shall not take any steps whatsoever to enforce the Subordinate Security unless the Prior Lender has commenced to enforce the Prior Security or has provided the Subordinate Lender with its written consent to the enforcement of the Subordinate Security, which consent may be withheld in the Prior Lender's sole and absolute discretion.

6. **Assignment by Subordinate Lender.** The Subordinate Lender agrees that it shall not sell, transfer, assign, alienate or otherwise dispose of any interest in the Subordinate Loan, the Subordinate Indebtedness or the Subordinate Security to any person(s), corporation(s) or entity(ies) (hereinafter, an "**Assignee**") except in accordance with terms and conditions which are expressly subject to all of the terms of this Agreement.

7. **Entire Agreement.** This Agreement and all schedules thereto contains the whole of the agreement between the parties hereto and there are no collateral or precedent conditions, warranties, agreements, representations, promises, understandings or inducements, whether oral or written, that are not specifically set forth herein, and no modification, amendment or variation hereof shall be effective or binding on the parties hereto unless agreed to in writing by all of them.

8. **No Waiver.** The waiver by any party of the breach of any term, covenant or condition herein contained shall not constitute a waiver of such term, covenant or condition, except in respect of the particular breach giving rise to such waiver. No term, covenant or condition of this Agreement is deemed to have been waived by any party hereto unless such waiver is in given in writing by that party.

9. **Severability.** All of the sections, paragraphs, sentences, clauses and parts of this Agreement are distinct and severable, and if any of the same shall be held illegal or void, the validity or legality of the remainder of this Agreement shall not be affected.

10. **Survival of Covenants and Warranties.** The covenants, warranties and representations of the Subordinate Lender contained in this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect for the benefit of the Prior Lender until the Loan has been repaid in full.

11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties hereto irrevocably attorn to the jurisdiction of the courts of this Province sitting at Toronto, Ontario.

12. **Successors.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns including any successors by amalgamation and any appointed receivers or trustees in bankruptcy.

13. **Counterparts.** This Agreement may be executed electronically and in counterparts and all counterparts so executed will constitute one Agreement binding on the parties effective upon execution by all of the parties.


14. **Time Is of the Essence.** Time is of the essence of this Agreement and every part hereof.

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

[Signature Page Follows]

BORROWER:

VILLAGE DEVELOPMENTS INC.

By: 
Name: Paul Debattista
Title: President

I have authority to bind the corporation.

[signature lines continue on next page]

PRIOR LENDER:

**VECTOR FINANCIAL SERVICES
LIMITED**

By: _____

Name: Mitchell Oelbaum
Title: President

I have authority to bind the corporation.

OLYMPIA TRUST COMPANY

By: _____

Name: Cora Dumais
Title: Team Lead

By: _____

Name: _____
Title: _____
Maria Factura
Team Lead

I/We have authority to bind the corporation.

[signature lines continue on next page]

SUBORDINATE LENDER:

1846836 ONTARIO INC.

By: 

Name: Bryan Ble

Title: Authorized Signatory

I have authority to bind the corporation.

APPENDIX "1"

TO SUBORDINATION AND STANDSTILL AGREEMENT"

<i>Registered Owner</i>	<i>Municipal Address</i>	<i>PIN No(s).</i>	<i>Legal Description</i>
Village Developments Inc.	485 Ontario Street South, Milton, ON	24943-0016 (LT)	PT LTS 7 & 8, PL 375, AS IN 807053; MILTON
Village Developments Inc.	501 Ontario Street South, Milton, ON	24943-0017 (LT)	PT LTS 8 & 9, PL 375, AS IN 771273; MILTON
Village Developments Inc.	511 Ontario Street South, Milton, ON	24943-0018 (LT)	LT 10, PL 375, EXCEPT PL851; TOWN OF MILTON

TAB G

THIS IS EXHIBIT "G"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to be "Kyn.", is written above a horizontal line.

A commissioner for taking affidavits



PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM (ONTARIO) ENQUIRY RESULTS

Prepared for : Gowling WLG (Canada) LLP - Toronto
Docket : T1032079
Search ID : 911963
Date Processed : 3/15/2023 2:42:28 PM
Report Type : PPSA Electronic Response
Search Conducted on : Village Developments Inc.
Search Type : Business Debtor

DISCLAIMER :

This report has been generated using data provided by the Personal Property Registration Branch, Ministry of Government Services, Government of Ontario. No liability is undertaken regarding its correctness, completeness, or the interpretation and use that are made of it.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

RESPONSE CONTAINS: APPROXIMATELY 13 FAMILIES and 32 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 13 ENQUIRY PAGE : 1 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 733766868 EXPIRY DATE : 07NOV 2026 STATUS :
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20171107 1707 1462 1066 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB : IND NAME:
03 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E0N1
05 IND DOB : 15OCT1990 IND NAME: DANIEL J DEBATTISTA
06 BUS NAME:
OCN :
07 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E0N1

08 SECURED PARTY/LIEN CLAIMANT :
SOMERVILLE NATIONAL LEASING & RENTALS LTD.
09 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X 224111 X
YEAR MAKE MODEL V.I.N.
11 2018 MERCEDES-BENZ AMG GT C COUPE WDDYJ8AA7JA015361

12 GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.

17 ADDRESS : 75 ARROW ROAD

CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 13 ENQUIRY PAGE : 2 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 733766868 EXPIRY DATE : 07NOV 2026 STATUS :
01 CAUTION FILING : PAGE : 02 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20171107 1707 1462 1066 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB : 14AUG1964 IND NAME: PAUL J DEBATTISTA
03 BUS NAME:
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E0N1
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 13 ENQUIRY PAGE : 3 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

FILE NUMBER 733766868

PAGE TOT REGISTRATION NUM REG TYPE

01 CAUTION : 01 OF 001 MV SCHED: 20191028 1406 1462 1897

21 REFERENCE FILE NUMBER : 733766868

22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 2 CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: VILLAGE DEVELOPMENTS INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :	PROV :	POSTAL CODE :	
CONS.	MV	DATE OF	NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER	INCL	AMOUNT	MATURITY OR MAT DATE

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16 NAME : SOMERVILLE NATIONAL LEASING & RENTALS LTD.

17 ADDRESS : 75 ARROW ROAD

CITY : TORONTO PROV : ON POSTAL CODE : M9M2L4

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 13 ENQUIRY PAGE : 4 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

FILE NUMBER 733766868

PAGE TOT REGISTRATION NUM REG TYPE

01 CAUTION : 01 OF 001 MV SCHED: 20210308 1402 1462 7153

21 REFERENCE FILE NUMBER : 733766868

22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 4 CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: VILLAGE DEVELOPMENTS INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :	PROV :	POSTAL CODE :	
CONS.	MV	DATE OF	NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER	INCL	AMOUNT	MATURITY OR MAT DATE

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16 NAME : PPSA CANADA INC. - (7926)

17 ADDRESS : 110 SHEPPARD AVE EAST, SUITE 303

CITY : TORONTO PROV : ON POSTAL CODE : M2N6Y8

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 13 ENQUIRY PAGE : 5 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 752968998 EXPIRY DATE : 03JUL 2024 STATUS :
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20190703 1705 1462 9867 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9T2Y1
05 IND DOB : 15OCT1990 IND NAME: DANIEL J DEBATTISTA
06 BUS NAME:
OCN :
07 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E2Y1

08 SECURED PARTY/LIEN CLAIMANT :
SOMERVILLE NATIONAL LEASING & RENTALS LTD.
09 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X 124650 X
YEAR MAKE MODEL V.I.N.
11 2019 MERCEDES-BENZ GLC63 WDC0G8KB4KF525906
12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.

17 ADDRESS : 75 ARROW ROAD

CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 13 ENQUIRY PAGE : 6 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 752968998 EXPIRY DATE : 03JUL 2024 STATUS :
01 CAUTION FILING : PAGE : 02 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20190703 1705 1462 9867 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : 02JUL1966 IND NAME: ROSE M DEBATTISTA
03 BUS NAME:
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E2Y1
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 13 ENQUIRY PAGE : 7 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

FILE NUMBER 752968998

PAGE TOT REGISTRATION NUM REG TYPE

01 CAUTION : 01 OF 003 MV SCHED: 20190715 1705 1462 4006

21 REFERENCE FILE NUMBER : 752968998

22 AMEND PAGE: NO PAGE: CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: VILLAGE DEVELOPMENTS INC.

25 OTHER CHANGE:

26 REASON: POSTAL CODE AMENDMENT

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE: VILLAGE DEVELOPMENTS INC.

OCN:

04/07 ADDRESS: 7686 APPLEBY LINE

CITY: MILTON PROV: ON POSTAL CODE: L9E0N1

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :	PROV :	POSTAL CODE :	
CONS.	MV	DATE OF	NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER	INCL	AMOUNT	MATURITY OR MAT DATE

10

11

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16 NAME : SOMERVILLE NATIONAL LEASING & RENTALS LTD.

17 ADDRESS : 75 ARROW ROAD

CITY : TORONTO PROV : ON POSTAL CODE : M9M2L4

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 13 ENQUIRY PAGE : 8 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

FILE NUMBER 752968998

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 02 OF 003 MV SCHED: 20190715 1705 1462 4006

21 REFERENCE FILE NUMBER : 752968998

22 AMEND PAGE: NO PAGE: CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE: 15OCT1990 DANIEL J DEBATTISTA

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS: 7686 APPLEBY LINE

CITY: MILTON PROV: ON POSTAL CODE: L9E0N1

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :	PROV :	POSTAL CODE :	
CONS.	MV	DATE OF	NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER	INCL	AMOUNT	MATURITY OR MAT DATE

10

11

12

13

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15

16 NAME : SOMERVILLE NATIONAL LEASING & RENTALS LTD.

17 ADDRESS : 75 ARROW ROAD

CITY : TORONTO PROV : ON POSTAL CODE : M9M2L4

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 13 ENQUIRY PAGE : 9 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

FILE NUMBER 752968998

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 03 OF 003 MV SCHED: 20190715 1705 1462 4006

21 REFERENCE FILE NUMBER : 752968998

22 AMEND PAGE: NO PAGE: CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE: 02JUL1966 ROSE M DEBATTISTA

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS: 7686 APPLEBY LINE

CITY: MILTON PROV: ON POSTAL CODE: L9E0N1

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :	PROV :	POSTAL CODE :	
CONS.	MV	DATE OF	NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER	INCL	AMOUNT	MATURITY OR MAT DATE

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16 NAME : SOMERVILLE NATIONAL LEASING & RENTALS LTD.

17 ADDRESS : 75 ARROW ROAD

CITY : TORONTO PROV : ON POSTAL CODE : M9M2L4

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 13 ENQUIRY PAGE : 10 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 760790412 EXPIRY DATE : 10MAR 2025 STATUS :
01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED :
REG NUM : 20200310 1401 1793 8123 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E0N1
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
BAMBURGH HOLDINGS LTD.
09 ADDRESS : C/O 1670 BAYVIEW AVENUE, SUITE 400
CITY : TORONTO PROV: ON POSTAL CODE: M4G3C2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X X X
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13 GENERAL SECURITY AGREEMENT IN CONNECTION WITH 17 BRONTE STREET
14 SOUTH, MILTON, ONTARIO
15
16 AGENT: GARFINKLE, BIDERMAN LLP (KAG FILE # 2677-578)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 13 ENQUIRY PAGE : 11 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 760790412 EXPIRY DATE : 10MAR 2025 STATUS :
01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :
REG NUM : 20200310 1401 1793 8123 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
YERUSHA INVESTMENTS INC.
09 ADDRESS : C/O 1670 BAYVIEW AVENUE, SUITE 400
CITY : TORONTO PROV: ON POSTAL CODE: M4G3C2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 13 ENQUIRY PAGE : 12 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 760790412 EXPIRY DATE : 10MAR 2025 STATUS :
01 CAUTION FILING : PAGE : 003 OF 3 MV SCHEDULE ATTACHED :
REG NUM : 20200310 1401 1793 8123 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
1008118 ONTARIO LIMITED
09 ADDRESS : C/O 1670 BAYVIEW AVENUE, SUITE 400
CITY : TORONTO PROV: ON POSTAL CODE: M4G3C2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
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16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 13 ENQUIRY PAGE : 13 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 762745968 EXPIRY DATE : 16JUN 2025 STATUS :
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20200616 1405 1462 7210 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E0N1
05 IND DOB : IND NAME:
06 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
07 ADDRESS : 17 BRONTE STREET SOUTH
CITY : MILTON PROV: ON POSTAL CODE: L9T1Z2

08 SECURED PARTY/LIEN CLAIMANT :
SOMERVILLE NATIONAL LEASING & RENTALS LTD.
09 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X 192172 X
YEAR MAKE MODEL V.I.N.
11 2020 MERCEDES-BENZ G63 AMG SUV W1NYC7HJXLX347369
12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.

17 ADDRESS : 75 ARROW ROAD

CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 13 ENQUIRY PAGE : 14 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 762745968 EXPIRY DATE : 16JUN 2025 STATUS :
01 CAUTION FILING : PAGE : 02 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20200616 1405 1462 7210 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : 15OCT1990 IND NAME: DANIEL J DEBATTISTA
03 BUS NAME:
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E0N1
05 IND DOB : 02JUL1966 IND NAME: ROSE MARIE DEBATTISTA
06 BUS NAME:
OCN :
07 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E0N1

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
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16 AGENT: SOMERVILLE NATIONAL LEASING & RENTALS LTD.
17 ADDRESS : 75 ARROW ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M9M2L4

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 13 ENQUIRY PAGE : 15 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 765404811 EXPIRY DATE : 03SEP 2025 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20200903 0916 1793 7209 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E0N1
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
C & K MORTGAGE SERVICES INC.
09 ADDRESS : 1670 BAYVIEW AVENUE, SUITE 400
CITY : TORONTO PROV: ON POSTAL CODE: M4G3C2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X X X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS AND
14 LEASES AND ASSIGNMENT OF CONSTRUCTION CONTRACTS IN CONNECTION WITH
15 32 AND 42 BRONTE STREET SOUTH, MILTON, ONTARIO
16 AGENT: GARFINKLE, BIDERMAN LLP (KAG FILE NO. 2677-596)
17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801
CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 6 OF 13 ENQUIRY PAGE : 16 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 777096819 EXPIRY DATE : 06OCT 2026 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20211006 1241 1793 3379 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E0N1
05 IND DOB : 14AUG1964 IND NAME: PAUL J DEBATTISTA
06 BUS NAME:
OCN :
07 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E0N1

08 SECURED PARTY/LIEN CLAIMANT :
C & K MORTGAGE SERVICES INC.
09 ADDRESS : 1670 BAYVIEW AVENUE, SUITE 400
CITY : TORONTO PROV: ON POSTAL CODE: M4G3C2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X X X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 GUARANTEE AND POSTPONEMENT OF CLAIM IN CONNECTION WITH THE GUARANTEE
14 OF INDEBTEDNESS OF 2865595 ONTARIO INC. TO THE SECURED PARTIES
15

16 AGENT: GARFINKLE, BIDERMAN LLP (KAG FILE NO. 2677-632)

17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801

CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 6 OF 13 ENQUIRY PAGE : 17 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 777096819 EXPIRY DATE : 06OCT 2026 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20211006 1241 1793 3379 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
CANADIAN WESTERN TRUST COMPANY
09 ADDRESS : 750 CAMBIE STREET, SUITE 300
CITY : VANCOUVER PROV: BC POSTAL CODE: V6B0A2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
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16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 7 OF 13 ENQUIRY PAGE : 18 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 777098979 EXPIRY DATE : 06OCT 2026 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20211006 1308 1793 3385 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E0N1
05 IND DOB : 14AUG1964 IND NAME: PAUL J DEBATTISTA
06 BUS NAME:
OCN :
07 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E0N1

08 SECURED PARTY/LIEN CLAIMANT :
C & K MORTGAGE SERVICES INC.
09 ADDRESS : 1670 BAYVIEW AVENUE, SUITE 400
CITY : TORONTO PROV: ON POSTAL CODE: M4G3C2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X X X
YEAR MAKE MODEL V.I.N.

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12

GENERAL COLLATERAL DESCRIPTION

13 GUARANTEE AND POSTPONEMENT OF CLAIM IN CONNECTION WITH THE GUARANTEE
14 OF INDEBTEDNESS OF 2865594 ONTARIO INC. TO THE SECURED PARTIES
15

16 AGENT: GARFINKLE, BIDERMAN LLP (KAG FILE NO. 26770-633)

17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801

CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 7 OF 13 ENQUIRY PAGE : 19 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 777098979 EXPIRY DATE : 06OCT 2026 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20211006 1308 1793 3385 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
CANADIAN WESTERN TRUST COMPANY
09 ADDRESS : 750 CAMBIE STREET, SUITE 300
CITY : VANCOUVER PROV: BC POSTAL CODE: V6B0A2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 8 OF 13 ENQUIRY PAGE : 20 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 777755691 EXPIRY DATE : 29OCT 2026 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20211029 0950 1590 1826 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 2865594 ONTARIO INC.
OCN :
04 ADDRESS : 7686 APPLLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E 0N1
05 IND DOB : IND NAME:
06 BUS NAME: 2865595 ONTARIO INC.
OCN :
07 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9H 0N1

08 SECURED PARTY/LIEN CLAIMANT :
2487586 ONTARIO INC.
09 ADDRESS : 200-3410 SOUTH SERVICE ROAD
CITY : BURLINGTON PROV: ON POSTAL CODE: L7N 3T2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

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12
GENERAL COLLATERAL DESCRIPTION
13 GENERAL SECURITY AGREEMENT PERTAINING TO 248-250 MARTIN STREET,
14 MILTON AND 446 PINE STREET AND 72 ONTARIO STREET, MILTON
15
16 AGENT: VITULLI PROFESSIONAL CORPORATION O/A VITULLI LAW GROUP
17 ADDRESS : 69 HUGHSON STREET NORTH
CITY : HAMILTON PROV: ON POSTAL CODE: L8R 1G5

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 8 OF 13 ENQUIRY PAGE : 21 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 777755691 EXPIRY DATE : 29OCT 2026 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20211029 0950 1590 1826 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E 0N1
05 IND DOB : IND NAME: PAUL DEBATTISTA
06 BUS NAME:
OCN :
07 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E 0N1

08 SECURED PARTY/LIEN CLAIMANT :
PINE-ONTARIO DEVELOPMENT INC.
09 ADDRESS : G5-3410 SOUTH SERVICE ROAD
CITY : BURLINGTON PROV: ON POSTAL CODE: L7N 3T2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 9 OF 13 ENQUIRY PAGE : 22 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 780342894 EXPIRY DATE : 11FEB 2026 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20220211 1030 9234 1376 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E 0N1
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
VECTOR FINANCIAL SERVICES LIMITED
09 ADDRESS : 245 EGLINTON AVENUE EAST, SUITE 400
CITY : TORONTO PROV: ON POSTAL CODE: M4P 3B7
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.
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GENERAL COLLATERAL DESCRIPTION

13 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY
14 LOCATED AT, ON, OR ABOUT THE LANDS AND PREMISES MUNICIPALLY KNOWN AS
15 485-511 ONTARIO STREET SOUTH, MILTON, ONTARIO, OR USED OR ACQUIRED IN
16 AGENT: CASSELS BROCK & BLACKWELL LLP (JFREEMAN #49004-108)
17 ADDRESS : SUITE 2100, 40 KING STREET WEST
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3C2

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 9 OF 13 ENQUIRY PAGE : 23 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 780342894 EXPIRY DATE : 11FEB 2026 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20220211 1030 9234 1376 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
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GENERAL COLLATERAL DESCRIPTION

13 CONNECTION WITH OR PRIMARILY RELATED TO THE BUSINESS OF THE DEBTOR
14 CONDUCTED ON OR WITH RESPECT TO SUCH LANDS AND PREMISES.

15

16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 9 OF 13 ENQUIRY PAGE : 24 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

FILE NUMBER 780342894

PAGE TOT REGISTRATION NUM REG TYPE

01 CAUTION : 001 OF 1 MV SCHED: 20230315 1236 1590 4873

21 REFERENCE FILE NUMBER : 780342894

22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: VILLAGE DEVELOPMENTS INC.

25 OTHER CHANGE:

26 REASON: TO ADD A NEW SECURED PARTY

27 /DESCR:

28 :

02/05 IND/TRANSFeree:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

OLYMPIA TRUST COMPANY

09 ADDRESS : P.O. BOX 2581, STN CENTRAL

CITY : CALGARY PROV : AB POSTAL CODE : T2P 1C8

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : GOWLING WLG (CANADA) LLP (K. YURKOVICH)

17 ADDRESS : SUITE 1600, 100 KING STREET WEST

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1G5

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 13 ENQUIRY PAGE : 25 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 780349698 EXPIRY DATE : 11FEB 2027 STATUS :
01 CAUTION FILING : PAGE : 001 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20220211 1257 1901 1060 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB : IND NAME:
03 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E 0N1
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

JASON WAXMAN

09 ADDRESS : 18 TURNER AVE

CITY : HAMILTON PROV: ON POSTAL CODE: L8P 3K5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X 1700000
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 SECURITY GRANTED PURSUANT TO A GENERAL SECURITY AGREEMENT MADE ON OR

14 ABOUT THE 26TH DAY OF JANUARY, 2022, BETWEEN VILLAGE DEVELOPMENTS

15 INC. AS DEBTOR, AND JASON WAXMAN, OR AS ASSIGNED AND SUCCESSORS

16 AGENT: ESC CORPORATE SERVICES LTD.

17 ADDRESS : 445 KING STREET WEST, SUITE 400

CITY : TORONTO PROV: ON POSTAL CODE: M5V 1K4

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 13 ENQUIRY PAGE : 26 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 780349698 EXPIRY DATE : 11FEB 2027 STATUS :
01 CAUTION FILING : PAGE : 002 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20220211 1257 1901 1060 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 THEREOF, AS SECURED PARTY, AS AMENDED FROM TIME TO TIME AND
14 INCLUDING ANY ANNEX, SUPPLEMENT OR SCHEDULE THERETO. GENERAL
15 SECURITY AGREEMENT OVER ALL PRESENT AND AFTER-ACQUIRED
16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 13 ENQUIRY PAGE : 27 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 780349698 EXPIRY DATE : 11FEB 2027 STATUS :
01 CAUTION FILING : PAGE : 003 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20220211 1257 1901 1060 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 PERSONAL/MOVABLE PROPERTY OF THE DEBTOR INCLUDING, WITHOUT
14 LIMITATION, ALL INVENTORY, WAREHOUSE RECEIPTS, CDN ACCOUNTS
15 RECEIVABLE, MACHINERY AND EQUIPMENT. GENERAL ASSIGNMENT OF
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 13 ENQUIRY PAGE : 28 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 780349698 EXPIRY DATE : 11FEB 2027 STATUS :
01 CAUTION FILING : PAGE : 004 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20220211 1257 1901 1060 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 RENTS AND LEASES AND ASSIGNMENT OF CONSTRUCTION & SERVICING CONTRACTS
14 IN CONNECTION WITH THE PROPERTY 485, 501, & 511 ONTARIO STREET S,
15 MILTON, ONTARIO.

16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 11 OF 13 ENQUIRY PAGE : 29 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 783700848 EXPIRY DATE : 06JUN 2027 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20220606 1556 1590 5846 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 2725431 ONTARIO LIMITED
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E 0N1
05 IND DOB : IND NAME:
06 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
07 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E 0N1

08 SECURED PARTY/LIEN CLAIMANT :
VAULT CAPITAL INC.
09 ADDRESS : 41 SCARSDALE ROAD, UNIT 5
CITY : NORTH YORK PROV: ON POSTAL CODE: M3B 2R2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
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16 AGENT: CHAITONS LLP (JW/GAR 69940)
17 ADDRESS : 5000 YONGE STREET, 10TH FLOOR
CITY : TORONTO PROV: ON POSTAL CODE: M2N 7E9

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 12 OF 13 ENQUIRY PAGE : 30 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 783700875 EXPIRY DATE : 06JUN 2027 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20220606 1556 1590 5847 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 2725431 ONTARIO LIMITED
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E 0N1
05 IND DOB : IND NAME:
06 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN :
07 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E 0N1

08 SECURED PARTY/LIEN CLAIMANT :
VAULT CAPITAL INC.
09 ADDRESS : 41 SCARSDALE ROAD, UNIT 5
CITY : NORTH YORK PROV: ON POSTAL CODE: M3B 2R2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: CHAITONS LLP (JW/GSA 69940)

17 ADDRESS : 5000 YONGE STREET, 10TH FLOOR

CITY : TORONTO PROV: ON POSTAL CODE: M2N 7E9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 12 OF 13 ENQUIRY PAGE : 31 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 783700875 EXPIRY DATE : 06JUN 2027 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20220606 1556 1590 5847 REG TYP: REG PERIOD:
02 IND DOB : 14AUG1964 IND NAME: PAUL DEBATTISTA
03 BUS NAME:
OCN :
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E 0N1
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
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14
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16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Village Developments Inc.

FILE CURRENCY: March 14, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 13 OF 13 ENQUIRY PAGE : 32 OF 32

SEARCH : BD : VILLAGE DEVELOPMENTS INC.

00 FILE NUMBER : 787110228 EXPIRY DATE : 28SEP 2027 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20220928 1302 1590 1982 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: VILLAGE DEVELOPMENTS INC.
OCN : 2590883
04 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E 0N1
05 IND DOB : 14AUG1964 IND NAME: PAUL DEBATTISTA
06 BUS NAME:
OCN :
07 ADDRESS : 7686 APPLEBY LINE
CITY : MILTON PROV: ON POSTAL CODE: L9E 0N1

08 SECURED PARTY/LIEN CLAIMANT :
1846836 ONTARIO INC.
09 ADDRESS : 64 BELVIDERE AVENUE
CITY : TORONTO PROV: ON POSTAL CODE: M6C 1P6
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X 1000000 X
YEAR MAKE MODEL V.I.N.

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12

GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENTS AND GUARANTEE BY DEBTORS IN FAVOUR OF
14 SECURED PARTY RELATED TO 485,501,511 ONTARIO STREET, MILTON, ONTARIO
15

16 AGENT: DAVID J. M. RENDEIRO

17 ADDRESS : 200-1170 DUNDAS STREET WEST

CITY : TORONTO PROV: ON POSTAL CODE: M6J 1X4

LAST SCREEN

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

TAB H

THIS IS EXHIBIT "H"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to be "Kyn.", is written above a horizontal line.

A commissioner for taking affidavits



February 13, 2023

by e-mail

jfreeman@cassels.com

tel 416-860-2927

file # 49004-108

Dino Mazzorato
79 Martin Street
Milton, Ontario L9T 2R3
E-mail: dgmazzorato@bellnet.ca

Dear Mr. Mazzorato:

Re: Vector Financial Services Limited and Olympia Trust Company (collectively, the “**Lender**”) first mortgage loan (“**Loan**”) to Village Development Inc. (the “**Borrower**”) on the security of property municipally known as 485-511 Ontario Street South, Milton, Ontario (collectively, the “**Property**”) and as guaranteed by Paul Debattista (the “**Guarantor**”)

Loan No. 22-02

As you know, we represent the Lender in connection with the above-noted matter.

The Lender has advised that the Borrower has not repaid the Loan on the Balance Due Date (as defined in the Charge) as required under Section 4 of the schedule to the mortgage/charge granted by the Borrower in favour of the Lender registered as Instrument No. HR1865625 (the “**Charge**”). For clarity, the Balance Due Date was February 10, 2023.

The purpose of this letter is to provide you with notice that the Borrower is in default of its obligations under Section 12(a) of the Charge.

The Lender has not and will not waive its rights arising from the aforesaid default or any default that may have occurred prior to or which may occur following the date of this letter and which are or are not currently known to the Lender.

The Lender requires the Borrower to cure the default and to provide evidence of same within the cure period set out in Section 12(a) of the Charge.

t: 416 869 5300
f: 416 360 8877
cassels.com

Cassels Brock & Blackwell LLP
Suite 2100, Scotia Plaza, 40 King Street West
Toronto, ON M5H 3C2 Canada

Should such default continue or further defaults occur, the Lender reserves its rights to make immediate demand for payment upon the Borrower and to enforce its security, including by way of receivership.

Not taking steps to immediately enforce the Lender's rights or remedies shall not constitute an agreement by the Lender to waive or forebear in enforcing such rights and remedies. The Lender expressly reserves its rights to exercise at any time any and all rights and remedies available to it by reason of any existing or subsequent breach, default or event of default under the Charge or other loan security in favour of the Lender.

We look forward to your immediate response to this letter.

Yours truly,

Cassels Brock & Blackwell LLP

A handwritten signature in blue ink, appearing to be 'JF', with a long horizontal line extending to the right.

Jonathan Freeman Professional Corporation
Partner

JF/

Cc: Mitchell Oelbaum, Vector Financial Services Limited
Noah Mintz, Vector Financial Services Limited
Katrina Dunnings, Vector Financial Services Limited
Paul De Battista, Village Developments Inc.

TAB I

THIS IS EXHIBIT "I"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to read "Ryan", with a period at the end.

A commissioner for taking affidavits

February 16, 2023

PRIVATE AND CONFIDENTIAL

BY EMAIL AND REGISTERED MAIL

VILLAGE DEVELOPMENTS INC.

7686 Appleby Line
Milton, Ontario L9E 0N1
Attention: Paul Debattista

DINO MAZZORATO

79 Martin Street
Milton, Ontario L9T 2R3
Tel: (905) 699-1676
Attention: Dino Mazzorato
Email: dgmazzorato@bellnet.ca

PAUL DEBATTISTA

7686 Appleby Line
Milton, Ontario L9E 0N1
Email: pauldebattista@outlook.com

Re: Vector Financial Services Limited credit facilities extended to Village Developments Inc. (the “Borrower”), guaranteed by Paul Debattista (the “Guarantor”)

We are enforcement counsel to Vector Financial Services Limited (“**Vector**”) as administrator (in such capacity, the “**Administrator**”) for and on behalf of the lenders in the syndicate for the Loan, Vector and Olympia Trust Company (the “**Lenders**”).

We are writing to you in connection with a Commitment Letter dated December 8, 2021, among the Borrower, as borrower, the Guarantor, as guarantor, and Vector, as administrator and lender, as such Commitment Letter was amended by a Commitment Letter Amendment dated as of January 14, 2022, a Commitment Letter Amendment dated February 1, 2022, a Commitment Letter Amendment dated February 10, 2022 and a Commitment Letter Amendment dated as of September 26, 2022 (collectively, as modified, amended, supplemented, revised, restated, and replaced from time to time, the “**Commitment Letter**”).

Capitalized terms used herein and not otherwise defined have the meanings given to them in the Commitment Letter.

The Borrower is in default under the Commitment Letter and the other Credit Documents (as defined below) for having failed to repay the Indebtedness when due on the balance due date of February 10, 2023.

According to Administrator’s records, the Borrower is indebted or otherwise liable to the Lenders for the amounts set out in Schedule A to this letter as of February 15, 2023 (the amount owing from time to time by the Borrower to the Lenders, the “**Indebtedness**”).

The Guarantor has guaranteed the repayment of the Indebtedness under a Covenant and Postponement of Claim dated January 21, 2022 (the “**Guarantee**”).

The Administrator hereby demands payment in full of the Indebtedness from the Borrower and the Guarantor. Interest on the Indebtedness has accrued and will continue to accrue to the date of payment at the rate set out in the Commitment Letter and the other Credit Documents, as applicable. The exact amount of the Indebtedness and interest which will have accrued to any date of payment shall be obtained by contacting the Administrator. You will also be required to pay the Administrator's legal and other expenses in connection with the Indebtedness.

This letter constitutes a demand for payment and acceleration of payment under the terms and conditions of the Commitment Letter and the terms and conditions of all security held by the Lenders directly or indirectly for any of the Indebtedness, including all loan agreements, promissory notes, the Guarantee and other agreements governing the Indebtedness (collectively, the "**Credit Documents**"), and is made without prejudice to (a) the Administrator's right to make such further and other demands as it shall see fit for any other indebtedness or under any other security, and (b) the Administrator's right to provide further and other notices of default.

Unless payment or arrangements satisfactory to the Administrator for payment of the Indebtedness are made by no later than **4:00 p.m. on February 27, 2023** (Toronto time), the Administrator may take any further steps that it deems necessary to recover payment of the Indebtedness. These steps may include (i) the enforcement of its security by way of the appointment of an interim receiver, court appointed receiver and manager, a private receiver and manager, or an agent under its security; and (ii) the enforcement of any real property security by way of rights of power of sale. The Administrator expressly reserves the right to take any steps it deems advisable to protect the Lenders' position prior to that date.

We also enclose a notice of intention to enforce security issued by the Administrator under Section 244 of the *Bankruptcy and Insolvency Act* (Canada) for the Borrower.

The Lenders expressly reserve their rights and remedies with respect to any defaults that shall now exist or hereafter arise under the Commitment Letter and the other Credit Documents.

Yours very truly,

GOWLING WLG (CANADA) LLP



per Thomas Gertner

SCHEDULE A**Amount of Indebtedness Owing as of February 15, 2023**

The following summarizes the amounts required to pay out the loan on the above-noted property:

Payout Date	February 15, 2023
Principal Balance	\$10,000,000.00
Interest Charges at 17.250% per annum to February 15, 2023	\$171,798.98
Loan Charges *For additional details see itemization attached	\$185,679.25
Less Credit for Trust Balance as of date of this statement	(\$228.98)
TOTAL AMOUNT PAYABLE	\$10,357,249.25

HST# 10550 1209RT0001
E. & O.E.

These figures are subject to change with any subsequent transactions and do not include any legal fees. We reserve the right to amend this Statement should any changes occur that would increase the total amount payable. **Please note that this Statement expires on February 22, 2023**, after which this Statement shall become null and void and additional charges may apply in accordance with the terms of your mortgage.

A per diem interest amount of **\$4,860.01** will be due for each additional day past **February 15, 2023**.

Payment must be made by wire transfer only to **VECTOR FINANCIAL SERVICES LIMITED** or their solicitors as directed.

**SCHEDULE OF LOAN CHARGES ACCOMPANYING
THE MORTGAGE PAYOUT STATEMENT**

Borrower : Village Developments Inc.
Property : 1st Mortgage Loan on 485-511 Ontario Street, Milton
Reference No. : BC22-02

Date	Description	Amount
02/15/2022	Deferred Commitment Fee	\$150,000.00
11/22/2022	Insurance Coverage Change	\$350.00
11/22/2022	Default Letter Fee	\$750.00
11/29/2022	Intech Risk Management Inc. Inv57807	\$536.75
12/12/2022	Default Letter Fee	\$750.00
12/12/2022	Insurance Coverage Change	\$350.00
12/12/2022	Protective Advance re Expired Insurance	\$5,438.16
12/19/2022	Intech Risk Management Inc. Inv57924	\$819.25
01/10/2023	Annual Review Fee	\$565.00
02/10/2023	Wire Fee	\$15.00
02/10/2023	Bank processing fee	\$500.00
02/10/2023	Discharge Fee	\$565.00
02/10/2023	Special Servicing Fee - Feb 2023	\$25,000.00
02/10/2023	CSP Property Search	\$40.09
Total Loan Charges		\$185,679.25

HST# 10550 1209RT0001
E. & O.E.

BANKRUPTCY AND INSOLVENCY ACT

FORM 86

Notice of Intention to Enforce Security
(Rule 124)

TO: VILLAGE DEVELOPMENTS INC., an insolvent person

Take notice that:

1. **VECTOR FINANCIAL SERVICES LIMITED**, as lender and administrator, a secured creditor, intends to enforce its security against the following property of the insolvent persons listed above:

All of the property, assets, and undertaking charged by the security described in paragraph 2 of this Notice.

2. The security that is to be enforced is in the form of:

See Schedule "A".

3. The total amount of indebtedness secured by the security as of February 15, 2023 is:

See Schedule "B".

4. The secured creditor will not have the right to enforce the security until after the expiration of the ten (10) day period after this notice is sent unless the insolvent person(s) each consent to an earlier enforcement.

DATED at Toronto this 16th day of February, 2023

VECTOR FINANCIAL SERVICES LIMITED
BY ITS COUNSEL
GOWLING WLG (CANADA) LLP

Per:



Thomas Gertner

SCHEDULE “A”

SECURITY DOCUMENTS

1. Charge / Mortgage against the lands municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario, in the principal amount of \$10,000,000.00 granted by Village Developments Inc. registered on February 4, 2022 under instrument number HR1865625;
2. General Assignment of Rents executed by Village Developments Inc. dated as of January 27, 2022;
3. General Security Agreement executed by Village Developments Inc. dated as of January 26, 2022;
4. Notice and Direction to Tenants executed by Village Developments Inc. dated as of January 26, 2022;
5. Assignment of Condominium Voting Rights executed by Village Developments Inc. dated on or around January 21, 2022;
6. Assignment of Insurance Proceeds executed by Village Developments Inc. dated as of January 26, 2022;
7. Assignment of Material Documents executed by Village Developments Inc. dated as of January 21, 2022;
8. Assignment of Deposits executed by Village Developments Inc. dated as of January 26, 2022;
9. Notice and Direction re Letters of Credit or Deposits executed by Village Developments Inc. dated as of January 21, 2022;
10. Assignment of Letters of Credit executed by Village Developments Inc. dated as of January 10, 2022;
11. Indemnity executed by Village Developments Inc. and Paul Debattista dated as of January 26, 2022;
12. Indemnity executed by Village Developments Inc. and Paul Debattista dated as of January 21, 2022;
and
13. All other security granted to Vector Financial Services Limited and not otherwise listed above.

SCHEDULE "B"

Amount of Indebtedness Owing as of February 15, 2023

The following summarizes the amounts required to pay out the loan on the above-noted property:

Payout Date	February 15, 2023
Principal Balance	\$10,000,000.00
Interest Charges at 17.250% per annum to February 15, 2023	\$171,798.98
Loan Charges *For additional details see itemization attached	\$185,679.25
Less Credit for Trust Balance as of date of this statement	(\$228.98)
<u>TOTAL AMOUNT PAYABLE</u>	<u>\$10,357,249.25</u>

HST# 10550 1209RT0001
E. & O.E.

These figures are subject to change with any subsequent transactions and do not include any legal fees. We reserve the right to amend this Statement should any changes occur that would increase the total amount payable. **Please note that this Statement expires on February 22, 2023**, after which this Statement shall become null and void and additional charges may apply in accordance with the terms of your mortgage.

A per diem interest amount of **\$4,860.01** will be due for each additional day past **February 15, 2023**.

Payment must be made by wire transfer only to **VECTOR FINANCIAL SERVICES LIMITED** or their solicitors as directed.

**SCHEDULE OF LOAN CHARGES ACCOMPANYING
THE MORTGAGE PAYOUT STATEMENT**

Borrower : Village Developments Inc.
Property : 1st Mortgage Loan on 485-511 Ontario Street, Milton
Reference No. : BC22-02

Date	Description	Amount
02/15/2022	Deferred Commitment Fee	\$150,000.00
11/22/2022	Insurance Coverage Change	\$350.00
11/22/2022	Default Letter Fee	\$750.00
11/29/2022	Intech Risk Management Inc. Inv57807	\$536.75
12/12/2022	Default Letter Fee	\$750.00
12/12/2022	Insurance Coverage Change	\$350.00
12/12/2022	Protective Advance re Expired Insurance	\$5,438.16
12/19/2022	Intech Risk Management Inc. Inv57924	\$819.25
01/10/2023	Annual Review Fee	\$565.00
02/10/2023	Wire Fee	\$15.00
02/10/2023	Bank processing fee	\$500.00
02/10/2023	Discharge Fee	\$565.00
02/10/2023	Special Servicing Fee - Feb 2023	\$25,000.00
02/10/2023	CSP Property Search	\$40.09
Total Loan Charges		\$185,679.25

HST# 10550 1209RT0001
E. & O.E.

TAB J

THIS IS EXHIBIT "J"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to read "Ryn", followed by a period.

A commissioner for taking affidavits

Yurkovich, Kate

Subject: FW: 485 501 511 Vector Mortgage

From: Freeman, Jonathan <jfreeman@cassels.com>

Sent: February 16, 2023 12:59 PM

To: Noah Mintz <noah@vectorfinancial.com>; Mitchell Oelbaum <mitchell@vectorfinancial.com>; Katrina Dunnings <Katrina@vectorfinancial.com>; Michael Staltari <michael@vectorfinancial.com>; Vector Legals <legals@vectorfinancial.com>; Gertner, Thomas <Thomas.Gertner@ca.gowlingwlg.com>

Subject: Fwd: 485 501 511 Vector Mortgage

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

See below.

Jonathan Freeman
Partner, Real Estate
Cassels Brock & Blackwell LLP
40 King Street West, Suite 2100
Toronto, Ontario M5H 3C2
Direct: 416.860.2927
Mobile: 647.291.6928
E-mail: jfreeman@cassels.com

Begin forwarded message:

From: Paul Debattista <pauldebattista@outlook.com>

Date: February 16, 2023 at 11:56:16 AM EST

To: "Dino G. Mazzorato" <dgmazzorato@bellnet.ca>, "Freeman, Jonathan" <jfreeman@cassels.com>, Michael Staltari <Michael@vectorfinancial.com>

Subject: 485 501 511 Vector Mortgage

CAUTION: External Email

Hi Dino, could you reach out to Vector's lawyer Jonathan Freeman, I can provide two months interest on the expired mortgage plus the balance of insurance premium amount that was shorted to Vector by the insurance company's refund. I will make this payment to Vector for next week February 22nd. This extension of time would allow me to arrange a new first mortgage, unless Vector would be willing to renew for 1 year until this site is registered for the new proposed development. Bousfields our planner is preparing a status letter for next week and I can provide this with the payment. Thank You

Sent from [Mail](#) for Windows

This message, including any attachments, is privileged and may contain confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited. Communication by email is not a secure medium and, as part of the transmission process, this message may be copied to servers operated by third parties while in transit. Unless you advise us to the contrary, by accepting communications that may contain your personal information from us via email, you are deemed to provide your

consent to our transmission of the contents of this message in this manner. If you are not the intended recipient or have received this message in error, please notify us immediately by reply email and permanently delete the original transmission from us, including any attachments, without making a copy.

TAB K

THIS IS EXHIBIT "K"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023



A commissioner for taking affidavits

Yurkovich, Kate

Subject: FW: Forbearance Terms 501 Ontario Street Milton

From: Paul Debattista <pauldebattista@outlook.com>
Sent: Wednesday, March 1, 2023 7:31 AM
To: Mitchell Oelbaum <mitchell@vectorfinancial.com>
Cc: Noah Mintz <noah@vectorfinancial.com>
Subject: RE: Forbearance Terms 501 Ontario Street Milton

Mitchell I agree to the terms set out in both emails and will forward them to Larry Zimmerman. Thank You

Sent from [Mail](#) for Windows

From: [Mitchell Oelbaum](#)
Sent: March 1, 2023 7:26 AM
To: [Paul Debattista](#)
Cc: [Noah Mintz](#)
Subject: RE: Forbearance Terms 501 Ontario Street Milton

Paul:

In addition to the below you must also get the subsequent mortgagees to agree to the 2nd extension by way of revised sub and standstill agreements.

Mitchell

Mitchell Oelbaum
President | Vector Financial
T: (416) 482 – 3861 M: (416) 806-8018

From: Noah Mintz <noah@vectorfinancial.com>
Sent: Tuesday, February 28, 2023 10:36 PM
To: Paul Debattista <pauldebattista@outlook.com>; Mitchell Oelbaum <mitchell@vectorfinancial.com>
Subject: RE: Forbearance Terms 501 Ontario Street Milton

Hi Paul-

We have discussed and we are okay with your proposal with some small amendments.

Firstly, for clarity, the initial \$337,500 is to cover the Feb 10, March 10 and April 10 payments under the initial interest rate. This would have required a payout by May 10th.

As a concession, we would agree to forbear for a further 3 months (to August 10) provided we received a further payment of \$481,500 by no later than May 3rd. This amount represents a further 3 months under the old interest rate (for May 10, June 10 and July 10), a catch up of the Overhold interest that was not paid for Feb, March and April, and a \$50,000 paydown of the remaining \$150,000 deferred fee from the outset of the loan.

If this works, please have your lawyer incorporate this into his sign back of the forbearance this week and hopefully we can finalize.

If you have any questions, please let me know.

Regards

Noah

From: Paul Debattista <pauldebattista@outlook.com>

Sent: Monday, February 27, 2023 10:56 AM

To: Noah Mintz <noah@vectorfinancial.com>; Mitchell Oelbaum <mitchell@vectorfinancial.com>

Subject: Forbearance Terms 501 Ontario Street Milton

Thank you for taking the time this morning to discuss a few changes that I would like to have made regarding the Forbearance Agreement. I would require the first three months as agreed March, April and May with a payment of \$337,500 payable for March 3rd, and a optional second extension that would include June, July and August and this three month extension would be paid on June 8th. In the mean time I will provide a status letter from Bousfields our planners indicating timelines to registration of Zoning Amendment and submission to SPA. Larry Zimmerman will be back tomorrow and we will go through the F.A.

I will start the discussions with the balance of mortgages once I have a clear direction from the Town of Milton and Bousfields letter stating timelines.

Thank You

TAB L

THIS IS EXHIBIT "L"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to read "Ryan", with a period at the end.

A commissioner for taking affidavits

February 22, 2023

FORBEARANCE AGREEMENT

RECITALS:

1. Vector Financial Services Limited (“**Vector**”) as administrator (in such capacity, the “**Administrator**”) for and on behalf of the lenders in a syndicate comprised of Vector and Olympia Trust Company (the “**Lenders**”) has made available certain credit facilities to Village Developments Inc. (“**VDI**”) pursuant to a commitment letter dated as December 8, 2021 as amended by a Commitment Letter Amendment dated as of January 14, 2022, a Commitment Letter Amendment dated as of February 1, 2022, a Commitment Letter Amendment dated as of February 10, 2022 and a Commitment Letter Amendment dated as of September 26, 2022 (collectively, as amended, restated, supplemented and / or modified from time to time, the “**Commitment Letter**”).
2. In connection with the Commitment Letter, VDI granted to the Lenders, inter alia, a first charge / mortgage (the “**Charge / Mortgage**”) in the principal amount of \$10,000,000.00 against the lands and premises municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario (the “**Mortgaged Lands**”).
3. As of the date hereof, VDI is indebted to the Lenders in the amount of \$10,391,309.44 as more particularly described in the payout statement attached as Schedule “**A**” (the “**Payout Statement**”) excluding legal fees and disbursements of the Administrator’s counsel which VDI remains liable for in full (the amount owing by VDI to the Lenders from time to time is hereafter referred to as the “**Indebtedness**”).
4. Under the terms of a guarantee (the “**Guarantee**”) granted by Paul Debattista (the “**Personal Guarantor**”) in favour of the Lenders dated as of January 21, 2022, the Personal Guarantor guaranteed payment to the Lenders of the Indebtedness in full. The Commitment Letter, the Charge / Mortgage, the Guarantee, and all other security, undertakings and other documents entered into, or delivered by VDI or the Personal Guarantor, in connection with or pursuant to the Commitment Letter are collectively referred to herein as the “**Credit Documents**”.
5. The maturity date under the Commitment Letter is February 10, 2023.
6. VDI is in default under the Commitment Letter for having failed to repay the Indebtedness in full when due on the maturity date (the “**Repayment Default**”).
7. On February 16, 2023, VDI and the Personal Guarantor received a demand letter (the “**Demand Letter**”) from the Administrator on behalf of the Lenders demanding payment in full of the Indebtedness which included a notice of intention to enforce security (the “**NITES**”) issued under Section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). The Lenders have not waived or otherwise retracted the Demand Letter or NITES.
8. VDI and the Personal Guarantor have requested that the Administrator on behalf of the Lenders forbear from enforcing the Lenders’ rights and remedies at this time against each of VDI and the Personal Guarantor in order to complete a Refinancing (as defined below).

9. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Commitment Letter.

NOW THEREFORE: In consideration of the Administrator on behalf of the Lenders forbearance as described in this Agreement and the other accommodations described in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are irrevocably acknowledged by the parties, the parties agree as follows:

Acknowledgements

10. Each of VDI and the Personal Guarantor acknowledge and agree as follows:

- (a) Each of the recitals in Sections 1-~~99~~ above is true and correct~~;~~.
- (b) VDI and the Personal Guarantor have received the Demand Letter and the NITES from the Administrator on behalf of the Lenders and each:
 - (i) waives the remainder of the notice period under the Demand Letter and NITES; and
 - (ii) consents to the immediate enforcement of all security held by the Lenders including without limitation by way of the appointment of a Receiver as described in Section ~~17(e)(i)~~18(c)(i) hereof, which consent is now granted but shall be effective automatically and immediately upon the expiration of the Forbearance Period.
- (c) no further demand letter or notices of intention to enforce security under Section 244 of the BIA shall be required to be issued by the Administrator or the Lenders;
- (d) All Credit Documents including the Charge / Mortgage are valid, binding and enforceable in accordance with their terms.
- (e) As of the date of this Agreement, neither VDI nor the Personal Guarantor have any defenses, counterclaims or rights of set-off or reduction to any claims which might be brought by the Lenders or the Administrator under the Commitment Letter or the other Credit Documents.

Forbearance Deadline

11. Upon satisfaction of the Conditions Precedent (as defined below), the Administrator on behalf of the Lenders will take no further steps to enforce the security held by the Lenders from VDI until the earlier of:

- (a) May 10, 2023; and
- (b) the occurrence or existence of any Terminating Event;

(the date of this Agreement until the earlier of ~~11~~11(a) and ~~11~~11(b) above, the “**Forbearance Period**”).

12. VDI and the Personal Guarantor shall have one opportunity to extend the Forbearance Period to August 10, 2023 upon payment to the Administrator of the sum \$481,500.00 no later than May 3, 2023, to be held by the Administrator as a reserve and to be applied by the Administrator as against the monthly interest payments due to the Lenders on May 10, 2023, June 10, 2023, July 10, 2023 and the remaining \$50,000.00 thereof to be applied as a payment against the deferred fee of \$150,000.00 from the outset of the Indebtedness.

Issuance of Notices of Sale and Statements of Claim

12.13. Notwithstanding anything herein (including without limitation Section ~~11~~ hereof), VDI and the Personal Guarantor acknowledge and agree that the Administrator on behalf of the Lenders shall be entitled to issue and serve at any time during the Forbearance Period:

- (a) notices of sale (“**Notices of Sale**”) to commence power of sale proceedings pursuant to the *Mortgages Act* (Ontario) in respect of the Mortgaged Lands; and / or
- (b) statements of claim against VDI and the Personal Guarantor (“**Statements of Claim**”);

provided however that until the expiration of the Forbearance Period, the Administrator shall not take any other actions or steps in connection with any Notice of Sales or Statements of Claims.

13.14. VDI and the Personal Guarantor acknowledge and agree that all statutory time periods in connection with any Notices of Sale and Statements of Claim shall run concurrently during the Forbearance Period, and that nothing herein is intended to suspend or delay the running of such time periods.

Refinancing

14.15. VDI will take such steps as are reasonably required to refinance the Indebtedness by May 10, 2023 (a “**Refinancing**”), provided that the net cash proceeds of any Refinancing on closing shall be sufficient to repay all of the Indebtedness in full. At the request of the Administrator, VDI shall provide the Administrator with any and all documentation obtained in connection with the Refinancing as it becomes available.

Additional Covenants

15.16. Each of VDI and the Personal Guarantor acknowledge and agree as follows:

- (a) all terms and conditions of the Commitment Letter and the other Credit Documents will remain in effect, un-amended, except as explicitly amended herein.
- (b) each of VDI and the Personal Guarantor will pay all realty taxes and all other debts which could rank in priority to any security held by the Lenders when due.
- (c) VDI shall not rent or lease all or any part of the Mortgaged Lands without the express written consent of the Administrator.

- (d) each of VDI and the Personal Guarantor shall not lend money, make equity investments or provide any other financial assistance to a third party by way of guarantee, suretyship, or otherwise without the prior written consent of the Administrator.
- (e) VDI shall not, directly or indirectly, amalgamate, merge, consolidate or combine with another corporation or entity.
- (f) VDI shall not pay to the Personal Guarantor, VDI's shareholders or any affiliate as defined in the *Business Corporations Act* (Ontario) ("**OBCA**") any amount, whether by way of salary, bonus or other direct or indirect compensation, dividend, repayment of loans or otherwise, without the Administrators' prior written consent, which may be withheld by the Administrator in its sole and unfettered discretion.
- (g) no existing loans owing by VDI to any other party will be repaid without the Administrator's prior written consent and VDI will not grant any loan to any officer or director of VDI or to any affiliate without the prior written consent of the Administrator.
- (h) VDI shall at all times maintain adequate insurance policies in respect of Mortgage Lands until the Indebtedness has been repaid in full, which insurance policies shall comply with the requirements set out in Schedule B to the Commitment Letter and otherwise be in form and substance satisfactory to the Administrator in its sole discretion.

Default/Terminating Events

~~16.~~17. Other than as may be consented to in writing by the Lender, the occurrence of any of the following events will constitute a "**Terminating Event**" under this Agreement and a default and breach under the Commitment Letter and the other Credit Documents:

- (a) any default or breach occurs under this Agreement, the Commitment Letter or any of the other Credit Documents (other than the Repayment Default);
- (b) VDI fails to make any payment when due to the Administrator or the Lenders including without limitation under this Agreement, the Commitment Letter or any of the other Credit Documents;
- (c) any creditor of VDI or the Personal Guarantor exercises, seeks to exercise, provides notice that it intends to exercise, or purports to exercise any rights or remedies against any of the property, assets or undertakings (including without limitation the Mortgaged Lands) of VDI or the Personal Guarantor, including without limitation by issuing a demand letter or notice of intention to enforce security under section 244 of the BIA, issuing notice of sales in accordance with the *Mortgages Act* (Ontario), seeking to foreclose on the Mortgaged Lands or taking any other step or remedy under the *Mortgages Act* (Ontario);
- (d) if any of VDI, the Personal Guarantor or any creditor brings any proceeding or takes any other action under the BIA, the *Companies' Creditors Arrangement Act* (Canada), the OBCA, or any similar legislation;

- (e) any representation and warranty made by either of VDI or the Personal Guarantor in connection with the execution and delivery of this Agreement, the Commitment Letter or in any of the other Credit Documents proves to have been incorrect in any material respect at the time it was made;
- (f) the sale, lease, transfer, relocation, abandonment or any other disposition of the assets of either of VDI or the Personal Guarantor without the prior written consent of the Administrator;
- (g) any representation or financial reporting information provided by VDI to the Administrator or the Lenders proves to have been false, misleading, inaccurate or incorrect in any material respect at the time that representation or financial reporting information was made or delivered;
- (h) there has been, in the sole opinion of the Administrator a material adverse change in the affairs of either of VDI or the Personal Guarantor or with respect to the security position of the Lenders, in each case after the date of this Agreement; and
- (i) any action which either of VDI or the Personal Guarantor may take only with the prior written consent of the Lenders or the Administrator is taken without that consent being obtained.

Termination of Forbearance Period

~~17.~~18. On the expiration of the Forbearance Period, the agreement of the Lenders to forbear will automatically and without further action terminate and be of no further force or effect, it being expressly agreed that the effect of that termination will be:

- (a) that all Indebtedness shall become immediately due and payable in full without requirement for any further demand for payment, notice or other action by the Lenders;
- (b) that the Administrator shall be entitled to utilize and apply, as determined by the Administrator in its sole discretion, all or any part of the 3 Month Interest Reserve (to the extent not already applied) (as defined below) towards payment of the Indebtedness, as the Administrator so determines in its sole discretion;
- (c) the Lenders shall be entitled to immediately exercise all or any part of their rights and remedies under this Agreement, the Commitment Letter, the other Credit Documents, and applicable law, in each case without any further notice, passage of time or forbearance of any kind, including without limitation:
 - (i) to appoint and/or seek the court appointment of a receiver or receiver and manager (“a **Receiver**”), over all or part of the assets, property and undertakings of VDI, including the Mortgaged Lands (collectively, the “**Collateral**”), with the power to sell all or any portion of the Collateral pursuant to the BIA, other available provincial laws or otherwise; and
 - (ii) to market and complete a sale transaction for the Mortgaged Lands, including without limitation by way of any Notice of Sales or Statements of Claim issued by the Administrator.

Conditions Precedent

~~18,19.~~ The forbearance and other accommodations granted by the Administrator on behalf of the Lenders under this Agreement are subject to the following terms and conditions having been complied with in a manner satisfactory to the Lender on or before 5:00 p.m. on ~~February 23~~March 7, 2023 (collectively, the “**Conditions Precedent**”):

- (a) No Terminating Events are existing and continuing;
- (b) receipt by the Administrator in immediately available funds of \$337,500 (the “**3 Month Interest Reserve**”) to be applied by the Administrator as against a portion **[Q: what do you mean by a portion?]** of the monthly interest payments due to the Lenders on February 10, 2023, March 10, 2023, April 10, 2023,
- (c) receipt by the Administrator in immediately available funds of **[\$●]** to be applied by the Administrator towards legal fees and disbursements accrued to date; and
- (d) receipt by the Administrator of a duly authorized, executed and delivered original of this Agreement executed by each of VDI and the Personal Guarantor.

(a) through (d) collectively, the “**Conditions Precedent**”).

The Conditions Precedent are for the sole benefit of the Administrator and may be waived or extended only by the Administrator in writing. If the Conditions Precedent are not complied with to the satisfaction of the Administrator by 5:00 p.m. on February 23, 2023 and the Lender will not waive or extend their satisfaction, then the offer of forbearance and the other accommodations offered by the Administrator under this Agreement will be terminated.

Forbearance Fee

~~19,20.~~ In consideration of the accommodation set out in this Agreement, VDI will pay to the Administrator on behalf of the Lenders, a monthly forbearance fee in the amount of \$10,000 per month (each a “Monthly Forbearance Fee”), which for any month shall be fully earned on the 1st date of such month. Each Monthly Forbearance Fee to the extent accrued shall be payable on the earlier of expiration of the Forbearance Period and the date of repayment of the balance of the Indebtedness owed to the Lenders (the “**Forbearance Fee**”). Each Monthly Forbearance Fee shall be required to be paid to the Administrator despite any failure by VDI or the Personal Guarantor to comply with any term of this Agreement.

General Fees and Charges

~~20,21.~~ For the avoidance of doubt, and greater certainty, VDI and the Personal Guarantor acknowledge and agree that as of the date hereof they are liable for those fees and charges set out in the schedule of loan charges to the Payout Statement (including the Special Servicing Fee set out therein), and that to the extent incurred, shall be liable for further fees and charges (including without limitation any additional Special Servicing Fees and Default Administration Fees) that may become due under the Commitment Letter (including without limitation under Schedule A to the Commitment Letter) or the other Credit Documents.

21.22. **[Q: We understand that the “3 Month Interest Reserve” amount covers interest for the three months, what insufficiency exists?]** VDI and the Personal Guarantor further acknowledge and agree that the 3 Month Interest Reserve is not sufficient to cover the full amount of the interest due in such months nor the Special Servicing Fees and Default Administration Fees that will accrue in the months of March, April and May 2023 (the “**March / April / May Balance**”). VDI and the Personal Guarantor further agree that the March / April / May Balance, has not been waived by the Lenders, and shall be due and payable on the earlier of expiration of the Forbearance Period and the date of repayment of the balance of the Indebtedness owed to the Lenders (to the extent accrued as of such date).

Release

22.23. In consideration of this Agreement and for other good and valuable consideration, each of VDI and the Personal Guarantor, on its own behalf and on behalf of its respective successors, heirs, assigns, and other legal representatives (collectively, the “**Releasors**”), absolutely, hereby (effective upon execution of this Agreement) unconditionally and irrevocably releases the Lenders, the Administrator, and their respective present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, legal counsel, consultants, employees, agents and other representatives, and their successors and assigns (all of which are referred to collectively as the “**Releasees**” and individually as a “**Releasee**”), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities known or unknown, both at law or in equity, that any of the Releasors may now have or may now or later claim against any of the Releasees by reason of any circumstance, action, cause or thing which exists, existed, arises or arose at any time on or prior to the date of this Agreement, including, without limitation, for or on account of, or in relation to, or in any way in connection with, any of this Agreement, the Commitment Letter, the Guarantee, or any of the other Credit Documents, the enforcement of the Lender’s rights under this Agreement, the Commitment Letter, the Guarantee, or any of the other Credit Documents, or any transactions under or related to any of the foregoing.

General

23.24. This Agreement is governed by and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province. Time is of the essence of this Agreement. No amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any Section of this Agreement is binding unless it is in writing and executed by the party to be bound. No waiver of, failure to exercise or delay in exercising, any Section of this Agreement constitutes a waiver of any other Section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

24.25. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no representations, warranties or other agreements between the parties, express or implied, in connection with the subject matter of this Agreement except as specifically set out in this Agreement. No party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement.

25.26. Any notice or communication to be delivered in connection with this Agreement shall be delivered in accordance with the Commitment Letter.

26.27. Each Section of this Agreement is distinct and severable. If any Section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any

jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect:

- (a) the legality, validity or enforceability of the remaining Sections of this Agreement, in whole or in part; or
- (b) the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.

~~27.~~28. VDI and the Personal Guarantor will execute and deliver any further agreements and documents and provide any further assurances, undertakings and information as may be reasonably required by the Administrator. VDI and the Personal Guarantor shall be responsible for payment of all costs and expenses incurred pursuant to this Section ~~27~~28.

~~28.~~29. The Administrator on behalf of the Lenders may assign this Agreement and the Credit Documents without notice to, or the consent of, VDI or the Personal Guarantor. Neither this Agreement, the Credit Documents nor any right or obligation under this Agreement or the Credit Documents may be assigned by VDI or the Personal Guarantor without the prior written consent of the Administrator. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and permitted assigns.

~~29.~~30. This Agreement may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

~~30.~~31. All terms and conditions of the Commitment Letter and any of the other Credit Documents will continue in full force and effect save and except as amended by this Agreement.

~~31.~~32. VDI and the Personal Guarantor each agree to fully indemnify the Administrator and the Lenders for all costs including, without limiting the generality of the foregoing, all actual present and future legal and agent fees and disbursements incurred by the Administrator and / or the Lenders in respect of or in any way related to VDI or the Personal Guarantor including, without limitation, the Administrator and the Lenders' legal fees in connection with the preparation and enforcement of this Agreement. VDI and the Personal Guarantor each specifically waive any and all rights they may have to assess any of the legal or agent fees previously paid or payable by the Administrator or the Lenders to its solicitors or payable to its solicitors or agents in connection with or in any way related to the Companies up to the date of this Agreement whether such right of assessment arises pursuant to the *Solicitors Act* (Ontario) or under any other law or statute.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Each of the parties have executed and delivered this Agreement as of the date first written above.

VECTOR FINANCIAL SERVICES LIMITED

Per _____
Name:
Title:

Per _____
Name:
Title:

I/We have authority to bind the Corporation.

VILLAGE DEVELOPMENTS INC.

Per _____
Name:
Title:

Per _____
Name:
Title:

I/We have authority to bind the Corporation.

Witness
Name

Paul Debattista

SCHEDULE "A"
PAYOUT STATEMENT



Brokerage Lic#: 10160
Administrator Lic#: 11205

MORTGAGE PAYOUT STATEMENT

February 22, 2023

Village Developments Inc.
7686 Appleby Line
Milton, ON L9E 0N1
Attention: Paul Debattista

RE : 1st Mortgage Loan on 485-511 Ontario Street, Milton
Reference No. : BC22-02

This statement shall be null and void and the Lender shall not be required to discharge the mortgage security if this statement is not acknowledged by the Borrower upon Payout.

The following summarizes the amounts required to pay out the loan on the above-noted property:

Payout Date	February 22, 2023
Principal Balance	\$10,000,000.00
Interest Charges at 17.250% per annum to February 22, 2023	\$205,819.08
Loan Charges *For additional details see itemization attached	\$185,719.34
Less Credit for Trust Balance as of date of this statement	(\$228.98)
TOTAL AMOUNT PAYABLE	\$10,391,309.44

HST# 10550 1209RT0001
E. & O.E.

These figures are subject to change with any subsequent transactions and do not include any legal fees. We reserve the right to amend this Statement should any changes occur that would increase the total amount payable. **Please note that this Statement expires on February 22, 2023**, after which this Statement shall become null and void and additional charges may apply in accordance with the terms of your mortgage.

A per diem interest amount of **\$4,860.01** will be due for each additional day past **February 22, 2023**.

Payment must be made by wire transfer only to **VECTOR FINANCIAL SERVICES LIMITED** or their solicitors as directed.

Yours truly,
VECTOR FINANCIAL
Per:

Mitchell Oelbaum

**SCHEDULE OF LOAN CHARGES ACCOMPANYING
THE MORTGAGE PAYOUT STATEMENT**

Borrower : Village Developments Inc.
Property : 1st Mortgage Loan on 485-511 Ontario Street, Milton
Reference No. : BC22-02

Date	Description	Amount
02/15/2022	Deferred Commitment Fee	\$150,000.00
11/22/2022	Insurance Coverage Change	\$350.00
11/22/2022	Default Letter Fee	\$750.00
11/29/2022	Intech Risk Management Inc. Inv57807	\$536.75
12/12/2022	Default Letter Fee	\$750.00
12/12/2022	Insurance Coverage Change	\$350.00
12/12/2022	Protective Advance re Expired Insurance	\$5,438.16
12/19/2022	Intech Risk Management Inc. Inv57924	\$819.25
01/10/2023	Annual Review Fee	\$565.00
02/10/2023	Wire Fee	\$15.00
02/10/2023	Bank processing fee	\$500.00
02/10/2023	Discharge Fee	\$565.00
02/10/2023	Special Servicing Fee - Feb 2023	\$25,000.00
02/10/2023	CSP Property Search	\$40.09
02/22/2023	CSP Property Search	\$40.09
Total Loan Charges		\$185,719.34

HST# 10550 1209RT0001
E. & O.E.

MORTGAGE PAYOUT STATEMENT

February 22, 2023

Village Developments Inc.
7686 Appleby Line
Milton, ON L9E 0N1
Attention: Paul Debattista

RE : 1st Mortgage Loan on 485-511 Ontario Street, Milton
Reference No. : BC22-02

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The following summarizes the amounts required to pay out the loan on the above-noted property:

Payout Date	February 22, 2023
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Loan Charges *For additional details see itemization attached	\$185,719.34
Less Credit for Trust Balance as of date of this statement	(\$228.98)
TOTAL AMOUNT PAYABLE	\$10,391,309.44

HST# 10550 1209RT0001
E. & O.E.

These figures are subject to change with any subsequent transactions and do not include any legal fees. We reserve the right to amend this Statement should any changes occur that would increase the total amount payable. **Please note that this Statement expires on February 22, 2023**, after which this Statement shall become null and void and additional charges may apply in accordance with the terms of your mortgage.

A per diem interest amount of **\$4,860.01** will be due for each additional day past **February 22, 2023**.

Payment must be made by wire transfer only to **VECTOR FINANCIAL SERVICES LIMITED** or their solicitors as directed.

Yours truly,
VECTOR FINANCIAL
Per:


Mitchell Oelbaum



Brokerage Lic#: 10160
Administrator Lic#: 11205

**SCHEDULE OF LOAN CHARGES ACCOMPANYING
THE MORTGAGE PAYOUT STATEMENT**

Borrower : Village Developments Inc.
Property : 1st Mortgage Loan on 485-511 Ontario Street, Milton
Reference No. : BC22-02

Date	Description	Amount
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11/22/2022	Default Letter Fee	\$750.00
11/29/2022	Intech Risk Management Inc. Inv57807	\$536.75
12/12/2022	Default Letter Fee	\$750.00
12/12/2022	Insurance Coverage Change	\$350.00
12/12/2022	Protective Advance re Expired Insurance	\$5,438.16
12/19/2022	Intech Risk Management Inc. Inv57924	\$819.25
01/10/2023	Annual Review Fee	\$565.00
02/10/2023	Wire Fee	\$15.00
02/10/2023	Bank processing fee	\$500.00
02/10/2023	Discharge Fee	\$565.00
02/10/2023	Special Servicing Fee - Feb 2023	\$25,000.00
02/10/2023	CSP Property Search	\$40.09
02/22/2023	CSP Property Search	\$40.09
Total Loan Charges		\$185,719.34

HST# 10550 1209RT0001
E. & O.E.

TAB M

THIS IS EXHIBIT "M"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to be 'Kyn' followed by a period.

A commissioner for taking affidavits

February 22, 2023

FORBEARANCE AGREEMENT

RECITALS:

1. Vector Financial Services Limited (“**Vector**”) as administrator (in such capacity, the “**Administrator**”) for and on behalf of the lenders in a syndicate comprised of Vector and Olympia Trust Company (the “**Lenders**”) has made available certain credit facilities to Village Developments Inc. (“**VDI**”) pursuant to a commitment letter dated as December 8, 2021 as amended by a Commitment Letter Amendment dated as of January 14, 2022, a Commitment Letter Amendment dated as of February 1, 2022, a Commitment Letter Amendment dated as of February 10, 2022 and a Commitment Letter Amendment dated as of September 26, 2022 (collectively, as amended, restated, supplemented and / or modified from time to time, the “**Commitment Letter**”).
2. In connection with the Commitment Letter, VDI granted to the Lenders, inter alia, a first charge / mortgage (the “**Charge / Mortgage**”) in the principal amount of \$10,000,000.00 against the lands and premises municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario (the “**Mortgaged Lands**”).
3. As of the date hereof, VDI is indebted to the Lenders in the amount of \$10,391,309.44 as more particularly described in the payout statement attached as Schedule “**A**” (the “**Payout Statement**”) excluding legal fees and disbursements of the Administrator’s counsel which VDI remains liable for in full (the amount owing by VDI to the Lenders from time to time is hereafter referred to as the “**Indebtedness**”).
4. Under the terms of a guarantee (the “**Guarantee**”) granted by Paul Debattista (the “**Personal Guarantor**”) in favour of the Lenders dated as of January 21, 2022, the Personal Guarantor guaranteed payment to the Lenders of the Indebtedness in full. The Commitment Letter, the Charge / Mortgage, the Guarantee, and all other security, undertakings and other documents entered into, or delivered by VDI or the Personal Guarantor, in connection with or pursuant to the Commitment Letter are collectively referred to herein as the “**Credit Documents**”.
5. The maturity date under the Commitment Letter is February 10, 2023.
6. VDI is in default under the Commitment Letter for having failed to repay the Indebtedness in full when due on the maturity date (the “**Repayment Default**”).
7. On February 16, 2023, VDI and the Personal Guarantor received a demand letter (the “**Demand Letter**”) from the Administrator on behalf of the Lenders demanding payment in full of the Indebtedness which included a notice of intention to enforce security (the “**NITES**”) issued under Section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). The Lenders have not waived or otherwise retracted the Demand Letter or NITES.
8. VDI and the Personal Guarantor have requested that the Administrator on behalf of the Lenders forbear from enforcing the Lenders’ rights and remedies at this time against each of VDI and the Personal Guarantor in order to complete a Refinancing (as defined below).

9. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Commitment Letter.

NOW THEREFORE: In consideration of the Administrator on behalf of the Lenders forbearance as described in this Agreement and the other accommodations described in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are irrevocably acknowledged by the parties, the parties agree as follows:

Acknowledgements

10. Each of VDI and the Personal Guarantor acknowledge and agree as follows:
- (a) Each of the recitals in Sections 1-9 above is true and correct:
 - (b) VDI and the Personal Guarantor have received the Demand Letter and the NITES from the Administrator on behalf of the Lenders and each:
 - (i) waives the remainder of the notice period under the Demand Letter and NITES; and
 - (ii) consents to the immediate enforcement of all security held by the Lenders including without limitation by way of the appointment of a Receiver as described in Section 18(c)(i) hereof, which consent is now granted but shall be effective automatically and immediately upon the expiration of the Forbearance Period.
 - (c) no further demand letter or notices of intention to enforce security under Section 244 of the BIA shall be required to be issued by the Administrator or the Lenders;
 - (d) All Credit Documents including the Charge / Mortgage are valid, binding and enforceable in accordance with their terms.
 - (e) As of the date of this Agreement, neither VDI nor the Personal Guarantor have any defenses, counterclaims or rights of set-off or reduction to any claims which might be brought by the Lenders or the Administrator under the Commitment Letter or the other Credit Documents.

Forbearance Deadline

11. Upon satisfaction of the Conditions Precedent (as defined below), the Administrator on behalf of the Lenders will take no further steps to enforce the security held by the Lenders from VDI until the earlier of:
- (a) May 10, 2023; and
 - (b) the occurrence or existence of any Terminating Event;

(the date of this Agreement until the earlier of 11(a) and 11(b) above, the **“Forbearance Period”**).

12. The references to May 10, 2023 in Section 11(a) and 15 hereof, shall be deemed to be replaced with August 10, 2023, provided (a) no Terminating Event has occurred; and (b) the Administrator has received payment from VDI in the amount of \$481,500.00 in immediately available funds by no later than May 3, 2023 to be applied by the Administrator to the Indebtedness in its sole and unfettered discretion (the “**Extension Reserve**”).

Issuance of Notices of Sale and Statements of Claim

13. Notwithstanding anything herein (including without limitation Section 11 hereof), VDI and the Personal Guarantor acknowledge and agree that the Administrator on behalf of the Lenders shall be entitled to issue and serve at any time during the Forbearance Period:
- (a) notices of sale (“**Notices of Sale**”) to commence power of sale proceedings pursuant to the *Mortgages Act* (Ontario) in respect of the Mortgaged Lands; and / or
 - (b) statements of claim against VDI and the Personal Guarantor (“**Statements of Claim**”);
- provided however that until the expiration of the Forbearance Period, the Administrator shall not take any other actions or steps in connection with any Notice of Sales or Statements of Claims.
14. VDI and the Personal Guarantor acknowledge and agree that all statutory time periods in connection with any Notices of Sale and Statements of Claim shall run concurrently during the Forbearance Period, and that nothing herein is intended to suspend or delay the running of such time periods.

Refinancing

15. VDI will take such steps as are reasonably required to refinance the Indebtedness by May 10, 2023 (a “**Refinancing**”), provided that the net cash proceeds of any Refinancing on closing shall be sufficient to repay all of the Indebtedness in full. At the request of the Administrator, VDI shall provide the Administrator with any and all documentation obtained in connection with the Refinancing as it becomes available.

Additional Covenants

16. Each of VDI and the Personal Guarantor acknowledge and agree as follows:
- (a) all terms and conditions of the Commitment Letter and the other Credit Documents will remain in effect, un-amended, except as explicitly amended herein.
 - (b) each of VDI and the Personal Guarantor will pay all realty taxes and all other debts which could rank in priority to any security held by the Lenders when due.
 - (c) During the Forbearance Period interest shall continue to accrue at the Step Up Rate, provided however that the requirement to make monthly interest payments shall be suspended and deferred until the expiry of the Forbearance Period (provided the Lender chooses not to apply the Initial Reserve or the Extension Reserve to such interest payments in its sole and unfettered discretion);
 - (d) VDI shall not rent or lease all or any part of the Mortgaged Lands without the express written consent of the Administrator.

- (e) each of VDI and the Personal Guarantor shall not lend money, make equity investments or provide any other financial assistance to a third party by way of guarantee, suretyship, or otherwise without the prior written consent of the Administrator.
- (f) VDI shall not, directly or indirectly, amalgamate, merge, consolidate or combine with another corporation or entity.
- (g) VDI shall not pay to the Personal Guarantor, VDI's shareholders or any affiliate as defined in the *Business Corporations Act* (Ontario) ("**OBCA**") any amount, whether by way of salary, bonus or other direct or indirect compensation, dividend, repayment of loans or otherwise, without the Administrators' prior written consent, which may be withheld by the Administrator in its sole and unfettered discretion.
- (h) no existing loans owing by VDI to any other party will be repaid without the Administrator's prior written consent and VDI will not grant any loan to any officer or director of VDI or to any affiliate without the prior written consent of the Administrator.
- (i) VDI shall at all times maintain adequate insurance policies in respect of Mortgage Lands until the Indebtedness has been repaid in full, which insurance policies shall comply with the requirements set out in Schedule B to the Commitment Letter and otherwise be in form and substance satisfactory to the Administrator in its sole discretion.

Default/Terminating Events

17. Other than as may be consented to in writing by the Lender, the occurrence of any of the following events will constitute a "**Terminating Event**" under this Agreement and a default and breach under the Commitment Letter and the other Credit Documents:
- (a) any default or breach occurs under this Agreement, the Commitment Letter or any of the other Credit Documents (other than the Repayment Default);
 - (b) VDI fails to make any payment when due to the Administrator or the Lenders including without limitation under this Agreement, the Commitment Letter or any of the other Credit Documents;
 - (c) any creditor of VDI or the Personal Guarantor exercises, seeks to exercise, provides notice that it intends to exercise, or purports to exercise any rights or remedies against any of the property, assets or undertakings (including without limitation the Mortgaged Lands) of VDI or the Personal Guarantor, including without limitation by issuing a demand letter or notice of intention to enforce security under section 244 of the BIA, issuing notice of sales in accordance with the *Mortgages Act* (Ontario), seeking to foreclose on the Mortgaged Lands or taking any other step or remedy under the *Mortgages Act* (Ontario);
 - (d) if any of VDI, the Personal Guarantor or any creditor brings any proceeding or takes any other action under the BIA, the *Companies' Creditors Arrangement Act* (Canada), the OBCA, or any similar legislation;

- (e) any representation and warranty made by either of VDI or the Personal Guarantor in connection with the execution and delivery of this Agreement, the Commitment Letter or in any of the other Credit Documents proves to have been incorrect in any material respect at the time it was made;
- (f) the sale, lease, transfer, relocation, abandonment or any other disposition of the assets of either of VDI or the Personal Guarantor without the prior written consent of the Administrator;
- (g) any representation or financial reporting information provided by VDI to the Administrator or the Lenders proves to have been false, misleading, inaccurate or incorrect in any material respect at the time that representation or financial reporting information was made or delivered;
- (h) there has been, in the sole opinion of the Administrator a material adverse change in the affairs of either of VDI or the Personal Guarantor or with respect to the security position of the Lenders, in each case after the date of this Agreement; and
- (i) any action which either of VDI or the Personal Guarantor may take only with the prior written consent of the Lenders or the Administrator is taken without that consent being obtained.

Termination of Forbearance Period

18. On the expiration of the Forbearance Period, the agreement of the Lenders to forbear will automatically and without further action terminate and be of no further force or effect, it being expressly agreed that the effect of that termination will be:
- (a) that all Indebtedness shall become immediately due and payable in full without requirement for any further demand for payment, notice or other action by the Lenders;
 - (b) that the Administrator shall be entitled to utilize and apply, as determined by the Administrator in its sole discretion, all or any part of the 3 Month Interest Reserve (to the extent not already applied) (as defined below) towards payment of the Indebtedness, as the Administrator so determines in its sole discretion;
 - (c) the Lenders shall be entitled to immediately exercise all or any part of their rights and remedies under this Agreement, the Commitment Letter, the other Credit Documents, and applicable law, in each case without any further notice, passage of time or forbearance of any kind, including without limitation:
 - (i) to appoint and/or seek the court appointment of a receiver or receiver and manager (“a **Receiver**”), over all or part of the assets, property and undertakings of VDI, including the Mortgaged Lands (collectively, the “**Collateral**”), with the power to sell all or any portion of the Collateral pursuant to the BIA, other available provincial laws or otherwise; and
 - (ii) to market and complete a sale transaction for the Mortgaged Lands, including without limitation by way of any Notice of Sales or Statements of Claim issued by the Administrator.

Conditions Precedent

19. The forbearance and other accommodations granted by the Administrator on behalf of the Lenders under this Agreement are subject to the following terms and conditions having been complied with in a manner satisfactory to the Lender on or before 5:00 p.m. on March 7, 2023 (collectively, the “**Conditions Precedent**”):

- (a) No Terminating Events are existing and continuing;
- (b) receipt by the Administrator in immediately available funds of \$337,500 (the “**Initial Reserve**”) to be applied by the Administrator to the Indebtedness in its sole and unfettered discretion;
- (c) receipt by the Administrator in immediately available funds of \$9,700 to be applied by the Administrator towards legal fees and disbursements accrued to date; and
- (d) receipt by the Administrator of a duly authorized, executed and delivered original of this Agreement executed by each of VDI and the Personal Guarantor.

(a) through (d) collectively, the “**Conditions Precedent**”).

The Conditions Precedent are for the sole benefit of the Administrator and may be waived or extended only by the Administrator in writing. If the Conditions Precedent are not complied with to the satisfaction of the Administrator by 5:00 p.m. on February 23, 2023 and the Lender will not waive or extend their satisfaction, then the offer of forbearance and the other accommodations offered by the Administrator under this Agreement will be terminated.

Forbearance Fee

20. In consideration of the accommodation set out in this Agreement, VDI will pay to the Administrator on behalf of the Lenders, a monthly forbearance fee in the amount of \$10,000 per month (each a “Monthly Forbearance Fee”), which for any month shall be fully earned on the 1st date of such month. Each Monthly Forbearance Fee to the extent accrued shall be payable on the earlier of expiration of the Forbearance Period and the date of repayment of the balance of the Indebtedness owed to the Lenders (the “**Forbearance Fee**”). Each Monthly Forbearance Fee shall be required to be paid to the Administrator despite any failure by VDI or the Personal Guarantor to comply with any term of this Agreement.

General Fees and Charges / Reserves

21. For the avoidance of doubt, and greater certainty, VDI and the Personal Guarantor acknowledge and agree that as of the date hereof they are liable for those fees and charges set out in the schedule of loan charges to the Payout Statement (including the Special Servicing Fee set out therein), and that to the extent incurred, shall be liable for further fees and charges (including without limitation any additional Special Servicing Fees and Default Administration Fees) that may become due under the Commitment Letter (including without limitation under Schedule A to the Commitment Letter) or the other Credit Documents.

22. Upon receipt by the Administrator, the Administrator shall be entitled to determine, in its sole and unfettered discretion, how the Initial Reserve and Extension Reserve are to be applied as

between accrued interest, accrued fees (including legal fees and disbursements) and accrued charges due and owing under the Commitment Letter and the other Credit Documents.

Release

23. In consideration of this Agreement and for other good and valuable consideration, each of VDI and the Personal Guarantor, on its own behalf and on behalf of its respective successors, heirs, assigns, and other legal representatives (collectively, the “**Releasors**”), absolutely, hereby (effective upon execution of this Agreement) unconditionally and irrevocably releases the Lenders, the Administrator, and their respective present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, legal counsel, consultants, employees, agents and other representatives, and their successors and assigns (all of which are referred to collectively as the “**Releasees**” and individually as a “**Releasee**”), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities known or unknown, both at law or in equity, that any of the Releasors may now have or may now or later claim against any of the Releasees by reason of any circumstance, action, cause or thing which exists, existed, arises or arose at any time on or prior to the date of this Agreement, including, without limitation, for or on account of, or in relation to, or in any way in connection with, any of this Agreement, the Commitment Letter, the Guarantee, or any of the other Credit Documents, the enforcement of the Lender’s rights under this Agreement, the Commitment Letter, the Guarantee, or any of the other Credit Documents, or any transactions under or related to any of the foregoing.

General

24. This Agreement is governed by and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province. Time is of the essence of this Agreement. No amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any Section of this Agreement is binding unless it is in writing and executed by the party to be bound. No waiver of, failure to exercise or delay in exercising, any Section of this Agreement constitutes a waiver of any other Section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.
25. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no representations, warranties or other agreements between the parties, express or implied, in connection with the subject matter of this Agreement except as specifically set out in this Agreement. No party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement.
26. Any notice or communication to be delivered in connection with this Agreement shall be delivered in accordance with the Commitment Letter.

27. Each Section of this Agreement is distinct and severable. If any Section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect:
 - (a) the legality, validity or enforceability of the remaining Sections of this Agreement, in whole or in part; or
 - (b) the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.
28. VDI and the Personal Guarantor will execute and deliver any further agreements and documents and provide any further assurances, undertakings and information as may be reasonably required by the Administrator. VDI and the Personal Guarantor shall be responsible for payment of all costs and expenses incurred pursuant to this Section 28.
29. The Administrator on behalf of the Lenders may assign this Agreement and the Credit Documents without notice to, or the consent of, VDI or the Personal Guarantor. Neither this Agreement, the Credit Documents nor any right or obligation under this Agreement or the Credit Documents may be assigned by VDI or the Personal Guarantor without the prior written consent of the Administrator. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and permitted assigns.
30. This Agreement may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.
31. All terms and conditions of the Commitment Letter and any of the other Credit Documents will continue in full force and effect save and except as amended by this Agreement.
32. VDI and the Personal Guarantor each agree to fully indemnify the Administrator and the Lenders for all costs including, without limiting the generality of the foregoing, all actual present and future legal and agent fees and disbursements incurred by the Administrator and / or the Lenders in respect of or in any way related to VDI or the Personal Guarantor including, without limitation, the Administrator and the Lenders' legal fees in connection with the preparation and enforcement of this Agreement. VDI and the Personal Guarantor each specifically waive any and all rights they may have to assess any of the legal or agent fees previously paid or payable by the Administrator or the Lenders to its solicitors or payable to its solicitors or agents in connection with or in any way related to the Companies up to the date of this Agreement whether such right of assessment arises pursuant to the *Solicitors Act* (Ontario) or under any other law or statute.


[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Each of the parties have executed and delivered this Agreement as of the date first written above.

VECTOR FINANCIAL SERVICES LIMITED

Per 

Name: Noah Mintz
Title: Managing Director

Per 

Name:
Title: Mitchell Oelbaum
President

I/We have authority to bind the Corporation.

VILLAGE DEVELOPMENTS INC.

DocuSigned by:
Paul Debattista
Per _____
Name: Paul Debattista
Title:

Per _____
Name:
Title:

I/We have authority to bind the Corporation.

DocuSigned by:
Lawrence Zimmerman
E9091326EC064DB
Witness _____
Name Lawrence Zimmerman

DocuSigned by:
Paul Debattista
DEC23CCE47264A4

Paul Debattista

SCHEDULE "A"

PAYOUT STATEMENT



Brokerage Lic#: 10160
Administrator Lic#: 11205

MORTGAGE PAYOUT STATEMENT

February 22, 2023

Village Developments Inc.
7686 Appleby Line
Milton, ON L9E 0N1
Attention: Paul Debattista

RE : 1st Mortgage Loan on 485-511 Ontario Street, Milton
Reference No. : BC22-02

This statement shall be null and void and the Lender shall not be required to discharge the mortgage security if this statement is not acknowledged by the Borrower upon Payout.

The following summarizes the amounts required to pay out the loan on the above-noted property:

Payout Date	February 22, 2023
Principal Balance	\$10,000,000.00
Interest Charges at 17.250% per annum to February 22, 2023	\$205,819.08
Loan Charges *For additional details see itemization attached	\$185,719.34
Less Credit for Trust Balance as of date of this statement	(\$228.98)
TOTAL AMOUNT PAYABLE	\$10,391,309.44

HST# 10550 1209RT0001
E. & O.E.

These figures are subject to change with any subsequent transactions and do not include any legal fees. We reserve the right to amend this Statement should any changes occur that would increase the total amount payable. **Please note that this Statement expires on February 22, 2023**, after which this Statement shall become null and void and additional charges may apply in accordance with the terms of your mortgage.

A per diem interest amount of **\$4,860.01** will be due for each additional day past **February 22, 2023**.

Payment must be made by wire transfer only to **VECTOR FINANCIAL SERVICES LIMITED** or their solicitors as directed.

Yours truly,
VECTOR FINANCIAL
Per:

Mitchell Oelbaum



Brokerage Lic#: 10160
Administrator Lic#: 11205

SCHEDULE OF LOAN CHARGES ACCOMPANYING
THE MORTGAGE PAYOUT STATEMENT

Borrower : Village Developments Inc.
Property : 1st Mortgage Loan on 485-511 Ontario Street, Milton
Reference No. : BC22-02

Date	Description	Amount
02/15/2022	Deferred Commitment Fee	\$150,000.00
11/22/2022	Insurance Coverage Change	\$350.00
11/22/2022	Default Letter Fee	\$750.00
11/29/2022	Intech Risk Management Inc. Inv57807	\$536.75
12/12/2022	Default Letter Fee	\$750.00
12/12/2022	Insurance Coverage Change	\$350.00
12/12/2022	Protective Advance re Expired Insurance	\$5,438.16
12/19/2022	Intech Risk Management Inc. Inv57924	\$819.25
01/10/2023	Annual Review Fee	\$565.00
02/10/2023	Wire Fee	\$15.00
02/10/2023	Bank processing fee	\$500.00
02/10/2023	Discharge Fee	\$565.00
02/10/2023	Special Servicing Fee - Feb 2023	\$25,000.00
02/10/2023	CSP Property Search	\$40.09
02/22/2023	CSP Property Search	\$40.09
Total Loan Charges		\$185,719.34

HST# 10550 1209RT0001
E. & O.E.

TAB N

THIS IS EXHIBIT "N"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to be 'Kyn' followed by a flourish.

A commissioner for taking affidavits

Yurkovich, Kate

From: Gertner, Thomas
Sent: March 8, 2023 10:24 AM
To: 'Larry Zimmerman'
Cc: 'Paul Debattista'; 'Noah Mintz'
Subject: RE: Vector Financial Services Limited credit facilities extended to Village Developments Inc.

Funds were supposed to be delivered to my trust account yesterday. Please advise as to status immediately.

Thomas Gertner
Partner
T +1 416 369 4618
thomas.gertner@gowlingwlg.com



From: Larry Zimmerman <larry@zimlaw.ca>
Sent: March 7, 2023 5:04 PM
To: Gertner, Thomas <Thomas.Gertner@ca.gowlingwlg.com>
Cc: 'Paul Debattista' <pauldebattista@outlook.com>; 'Noah Mintz' <noah@vectorfinancial.com>
Subject: RE: Vector Financial Services Limited credit facilities extended to Village Developments Inc.

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Thomas,

Please see Forbearance Agreement with your changes executed by my client, for execution by yours. I understand I am to be in funds tomorrow.

Larry

Lawrence Zimmerman LLB.

ZIMMERMAN ASSOCIATES
Barristers and Solicitors
3338 Dufferin Street
Toronto, Ontario M6A 3A4

larry@zimlaw.ca

Direct: 416-489-9222
Fax: 416-489-6222

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AVIS: Message confidentiel dont le contenu peut être privilégié. Utilisation/divulcation interdites sans permission. Si reçu par erreur, prière téléphoner 416-489-6230 pour des instructions.

From: Gertner, Thomas <Thomas.Gertner@gowlingwlg.com>
Sent: Tuesday, March 7, 2023 8:03 AM
To: Larry Zimmerman <larry@zimlaw.ca>
Cc: 'Paul Debattista' <pauldebattista@outlook.com>; 'Noah Mintz' <noah@vectorfinancial.com>
Subject: RE: Vector Financial Services Limited credit facilities extended to Village Developments Inc.

Note that for funding today, funds should be sent to Gowlings (Wire instructions enclosed).

Thomas Gertner
Partner
T +1 416 369 4618
thomas.gertner@gowlingwlg.com



From: Gertner, Thomas
Sent: March 7, 2023 7:47 AM
To: Larry Zimmerman <larry@zimlaw.ca>
Cc: Paul Debattista <pauldebattista@outlook.com>; Noah Mintz <noah@vectorfinancial.com>
Subject: RE: Vector Financial Services Limited credit facilities extended to Village Developments Inc.

Please see attached revised version which is being reviewed by Vector concurrently. Note Vector has advised that the commercial deal is that the Reserves can be applied by Vector in its discretion as amongst, interest, fees and charges.

Per your question and in any event, further note that even if these amounts were just applied to interest, they would not cover the interest amounts due in each month as interest is accruing at the Step Up Rate.

Vector expects signature pages and funds today.

Regards;

Thomas Gertner
Partner
T +1 416 369 4618
thomas.gertner@gowlingwlg.com



From: Larry Zimmerman <larry@zimlaw.ca>
Sent: March 6, 2023 6:08 PM
To: Gertner, Thomas <Thomas.Gertner@ca.gowlingwlg.com>
Cc: Paul Debattista <pauldebattista@outlook.com>
Subject: Vector Financial Services Limited credit facilities extended to Village Developments Inc.

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Thomas,

I have made some changes, which I understand have been agreed in the February 28 email. You will note that I also have some questions. Revisions attached, clean and redlined.

Larry

Lawrence Zimmerman LLB.

ZIMMERMAN ASSOCIATES

Barristers and Solicitors

3338 Dufferin Street

Toronto, Ontario M6A 3A4

larry@zimlaw.ca

Direct: 416-489-9222

Fax: 416-489-6222

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From: Gertner, Thomas <Thomas.Gertner@gowlingwlg.com>

Sent: Friday, March 3, 2023 11:51 AM

To: Larry Zimmerman <larry@zimlaw.ca>

Cc: Paul Debattista <pauldebattista@outlook.com>

Subject: RE: REMINDER: Vector Financial Services Limited credit facilities extended to Village Developments Inc.

I sent this twice yesterday. I am attaching it again.

Thomas Gertner

Partner

T +1 416 369 4618

thomas.gertner@gowlingwlg.com



From: Larry Zimmerman <larry@zimlaw.ca>

Sent: March 3, 2023 11:50 AM

To: Gertner, Thomas <Thomas.Gertner@ca.gowlingwlg.com>

Cc: Paul Debattista <pauldebattista@outlook.com>

Subject: REMINDER: Vector Financial Services Limited credit facilities extended to Village Developments Inc.

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Thomas,

Please send or re-send the latest version of the Forbearance Agreement.

Thanks.

Larry

Lawrence Zimmerman LLB.

ZIMMERMAN ASSOCIATES

Barristers and Solicitors

3338 Dufferin Street

Toronto, Ontario M6A 3A4

larry@zimlaw.ca

Direct: 416-489-9222

Fax: 416-489-6222

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From: Gertner, Thomas <Thomas.Gertner@gowlingwlg.com>

Sent: Tuesday, February 28, 2023 9:10 AM

To: Larry Zimmerman <larry@zimlaw.ca>

Subject: Automatic reply: Vector Financial Services Limited credit facilities extended to Village Developments Inc.

I will be out of the office until January 9, 2023, and may be delayed in responding to your message.

The information in this email is intended only for the named recipient and may be privileged or confidential. If you are not the intended recipient please notify us immediately and do not copy, distribute or take action based on this email. If this email is marked 'personal' Gowling WLG is not liable in any way for its content. E-mails are susceptible to alteration. Gowling WLG shall not be liable for the message if altered, changed or falsified.

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TAB O

THIS IS EXHIBIT "O"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to be "Kyn", with a period at the end.

A commissioner for taking affidavits

Yurkovich, Kate

Subject: FW: Payment

Begin forwarded message:

From: Paul Debattista <pauldebattista@outlook.com>
Date: March 8, 2023 at 6:18:20 PM EST
To: Noah Mintz <noah@vectorfinancial.com>
Subject: Payment

Noah I've been trying to reach out to you about the signed agreement and the payment that's due. I will require until March 14th to pay the required amount on the agreement and the balance of the insurance refund. If I have to give you more for the delay can you tell me the amount. Thank You
My cell number is 647 880 7528

Sent from [Mail](#) for Windows

TAB P

THIS IS EXHIBIT "P"
TO THE AFFIDAVIT OF NOAH MINTZ
SWORN REMOTELY BEFORE ME ON
MARCH 17, 2023

A handwritten signature in blue ink, appearing to read "Ryan", with a period at the end.

A commissioner for taking affidavits

Yurkovich, Kate

From: Paul Debattista <pauldebattista@outlook.com>
Sent: March 8, 2023 7:23 PM
To: Gertner, Thomas
Cc: Larry Zimmerman; Noah Mintz; Mitchell Oelbaum; Yurkovich, Kate
Subject: Re: Vector Financial Services Limited credit facilities extended to Village Developments Inc.

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Larry I didn't mean to offend anyone, I thought I still had a open relationship with Vector. I will communicate to you we will pay you to pay vector on Friday.

Again I apologize for asking Vector directly. Thanks

Sent from my iPhone

On Mar 8, 2023, at 7:04 PM, Gertner, Thomas <Thomas.Gertner@gowlingwlg.com> wrote:

Larry;

Your client has failed to satisfy the conditions precedent set out in the Forbearance Agreement. These conditions precedent have not been waived by Vector.

My instructions are to proceed with a receivership application.

We will be scheduling a date with the Ontario Superior Court of Justice (Commercial List) and will serve our materials shortly.

Your client should not contact anyone from Vector on this matter going forward. All communications are to go through Gowlings.

Thomas Gertner

Partner

T +1 416 369 4618

thomas.gertner@gowlingwlg.com



Gowling WLG (Canada) LLP
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto ON M5X 1G5
Canada



gowlingwlg.com

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VECTOR FINANCIAL SERVICES LIMITED

- and -

VILLAGE DEVELOPMENTS INC.

Applicant

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended

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

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF NOAH MINTZ

(Sworn March 17, 2023)

GOWLING WLG (CANADA) LLP

Barristers & Solicitors

1 First Canadian Place,

100 King Street West, Suite 1600

Toronto ON M5X 1G5

Tel: 416-862-7525

Fax: 416-862-7661

Thomas Gertner (LSO# 67756S)

Tel: 416-369-4618

Email: thomas.gertner@gowlingwlg.com

Katherine Yurkovich (LSO# 80396R)

Tel: 416-862-4342

Email: kate.yurkovich@gowlingwlg.com

Lawyers for the Applicant

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	WEDNESDAY, THE 29TH
)	
JUSTICE CONWAY)	DAY OF MARCH, 2023

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

VILLAGE DEVELOPMENTS INC.

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing RSM Canada Limited ("**RSM**") as receiver (in such capacity the "**Receiver**") without security, of the lands and premises municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario owned by Village Developments Inc. (the "**Debtor**") and legally described in Schedule "**A**" hereto, including all proceeds and leases thereof (collectively, the "**Property**") was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the affidavit of Noah Mintz sworn March 17, 2023 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, and those other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of Katherine Yurkovich sworn March [●], 2023, and on reading the consent of RSM to act as the Receiver,

APPOINTMENT

1. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM is hereby appointed Receiver, without security, of the Property.

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to engage consultants, appraisers, agents, real estate brokers, 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;
- (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor, with respect to the Property and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (e) to settle, extend or compromise any indebtedness owing to the Debtor with respect to the Property;
- (f) 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 Debtor, for any purpose pursuant to this Order;

- (g) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (h) 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;
- (i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of this Court, and notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (j) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (k) 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;
- (l) to register a copy of this Order and any other Orders in respect of the Property against title to the Property;
- (m) to apply for any permits, licences, approvals or permissions in respect of the Property 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 Debtor;
- (n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for the Property; and

- (o) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. **THIS COURT ORDERS** that (i) the Debtor, (ii) 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 (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any 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.

4. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, premises leases, leases, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 4 or in paragraph 5 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.

5. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further,

for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE PROPERTY

7. **THIS COURT ORDERS** that no Proceeding against or in respect of 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 Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

9. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor in connection with or relating to the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

10. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor in connection with or relating to the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor in connection with or related to the Property are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver.

RECEIVER TO HOLD FUNDS

11. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable relating to the Property 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

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

PIPEDA

13. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver,

or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

ACCESS RIGHTS / NO POSSESSION BY THE RECEIVER

14. **THIS COURT ORDERS** that the Receiver shall not go into possession of the Property.

15. **THIS COURT ORDERS** that the Receiver is authorized to have access to the Property and any buildings, dwellings, or rental units on the Property, and to provide access to the Property to the Receiver's agents, or any prospective purchaser of the Property and / or their agents or any other party. For greater certainty, neither the Receiver nor any other party shall be deemed to be in possession of the Property as a result of: (i) it taking any steps to secure or maintain the Property including any buildings, dwellings or rental units situated thereon; (ii) it entering any buildings, dwellings or rental units on the Property or (iii) it exercising those access rights provided for in this paragraph 15.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or

wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

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

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

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (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 funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and

encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://rsmcanada.com/485-501-511-ontario-street-south>

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

27. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

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

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

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

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

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

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

34. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court.

SCHEDULE "A"

LEGAL DESCRIPTION OF REAL PROPERTY

- **PIN 24943-0016 (LT):** PT LTS 7 & 8, PL 375 , AS IN 807053 ; MILTON
- **PIN 24943-0017 (LT):** PT LTS 8 & 9, PL 375 , AS IN 771273; MILTON
- **PIN 24943-0018 (LT):** LT 10, PL 375, EXCEPT PL851.; TOWN OF MILTON

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$_____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "**Receiver**") of the lands and premises municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario including all proceeds and leases thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ____ day of _____, 20__ (the "**Order**") made in an application having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] 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.

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 202_.

RSM CANADA LIMITED, solely in its capacity
as Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

Court File No. CV-23-00696349-00CL

VECTOR FINANCIAL SERVICES LIMITED

- and -

VILLAGE DEVELOPMENTS INC.

Applicant

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended

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

PROCEEDING COMMENCED AT TORONTO

RECEIVERSHIP ORDER

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Lawyers for the Applicant

TAB 4

Court File No. ~~—~~ CV-23-00696349-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) ~~WEEKDAY~~WEDNESDAY, THE #29TH
)
JUSTICE ~~—~~CONWAY) DAY OF ~~MONTH~~MARCH, ~~20YR~~2023

~~PLAINTIFF~~[†]

~~Plaintiff~~

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

~~DEFENDANT~~

~~Defendant~~

VILLAGE DEVELOPMENTS INC.

Respondent

ORDER
(appointing Receiver)

[†]~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

THIS ~~MOTION~~APPLICATION made by the ~~Plaintiff~~²Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~RSM Canada Limited ("RSM") as receiver ~~[and manager]~~—(in such ~~capacities,~~capacity the "Receiver") without security, of ~~all of the assets, undertakings and properties of [DEBTOR'S NAME]~~lands and premises municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario owned by Village Developments Inc. (the "Debtor") ~~acquired for, or used in relation to a business carried on by~~and legally described in Schedule "A" hereto, including all proceeds and leases thereof (collectively, the ~~Debtor,~~"Property") was heard this day ~~at 330 University Avenue,~~by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~Noah Mintz sworn ~~[DATE]~~March 17, 2023 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant, and those other parties listed on the counsel slip, no one else appearing for ~~[NAME]~~any other party although duly served as appears from the affidavit of service of ~~[NAME]~~Katherine Yurkovich sworn March ~~[DATE]~~2023, and on reading the consent of ~~[RECEIVER'S NAME]~~RSM to act as the Receiver,

SERVICE

~~1. — THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.~~

APPOINTMENT

1. ~~2.~~ **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~RSM is hereby appointed Receiver, without security, of ~~all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").~~

² ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

³ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- ~~(c) — to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;~~
- (c) ~~(d)~~ to engage consultants, appraisers, agents, real estate brokers, 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 Debtor or any part or parts thereof;~~
- (d) ~~(f)~~ to receive and collect all monies and accounts now owed or hereafter owing to the Debtor, with respect to the Property and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

- (e) ~~(g)~~ to settle, extend or compromise any indebtedness owing to the Debtor with respect to the Property;
- (f) ~~(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 Debtor, for any purpose pursuant to this Order;
- (g) ~~(i)~~ to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the ~~Debtor, the~~ Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (h) ~~(j)~~ to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (i) ~~(k)~~ to sell, convey, transfer, lease or assign the Property or any part or parts thereof ~~out of the ordinary course of business,~~

~~(i) without the approval of this Court in respect of any transaction not exceeding \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____;~~ and (ii) with the approval of this Court ~~in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;~~ and ~~in each such case~~ notice under subsection 63(4) of the Ontario *Personal Property Security Act*,~~†~~ or section 31 of the Ontario *Mortgages Act*, as the case

⁴ ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

may be,⁵ shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~

- (j) ~~(f)~~ to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (k) ~~(m)~~ to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (l) ~~(n)~~ to register a copy of this Order and any other Orders in respect of the Property against title to ~~any of~~ the Property;
- (m) ~~(o)~~ to apply for any permits, licences, approvals or permissions in respect of the Property 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 Debtor;
- (n) ~~(p)~~ to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for ~~any property owned or leased by the Debtor;~~
- ~~(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have~~ the Property; and
- (o) ~~(r)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. ~~4.~~ **THIS COURT ORDERS** that (i) the Debtor, (ii) 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 (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any 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.

4. ~~5.~~ **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, premises leases, leases, orders, corporate and accounting records, and any other papers, records and information of any kind related to the ~~business or affairs of the Debtor~~ Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph ~~5~~ 4 or in paragraph ~~6~~ 5 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.

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

discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

~~7. — THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST ~~THE DEBTOR OR~~ THE PROPERTY

7. ~~9.~~ **THIS COURT ORDERS** that no Proceeding against or in respect of ~~the Debtor 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 Debtor or~~ the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

9. ~~11.~~ **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor in connection with or relating to the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

10. ~~12.~~ **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor in connection with or relating to the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor in connection with or related to the Property are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, ~~and that the Receiver shall be entitled to the continued use of the Debtor's 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 Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.~~

RECEIVER TO HOLD FUNDS

11. ~~13.~~ **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable relating to the Property 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

12. ~~14.~~ **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor ~~until such time as the Receiver, on the Debtor's behalf, may terminate the employment of~~

~~such employees~~. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

13. ~~15.~~ **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

ACCESS RIGHTS / NO POSSESSION BY THE RECEIVER

14. **THIS COURT ORDERS** that the Receiver shall not go into possession of the Property.

15. **THIS COURT ORDERS** that the Receiver is authorized to have access to the Property and any buildings, dwellings, or rental units on the Property, and to provide access to the Property to the Receiver's agents, or any prospective purchaser of the Property and / or their agents or any other party. For greater certainty, neither the Receiver nor any other party shall be deemed to be in possession of the Property as a result of: (i) it taking any steps to secure or maintain the Property including any buildings, dwellings or rental units situated thereon; (ii) it entering any buildings, dwellings or rental units on the Property or (iii) it exercising those access rights provided for in this paragraph 15.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant,

or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

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

~~⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~_____~~250,000 (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 funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in

accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: ~~“@”~~ <http://rsmcanada.com/485-501-511-ontario-street-south>

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor¹'s creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

27. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

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

29. ~~28.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. ~~29.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to

this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

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

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

34. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court.

SCHEDULE "A"

LEGAL DESCRIPTION OF REAL PROPERTY

- PIN 24943-0016 (LT): PT LTS 7 & 8, PL 375 , AS IN 807053 ; MILTON
=
- PIN 24943-0017 (LT): PT LTS 8 & 9, PL 375 , AS IN 771273; MILTON
=
- PIN 24943-0018 (LT): LT 10, PL 375, EXCEPT PL851.; TOWN OF MILTON
=

SCHEDULE "AB"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ RSM Canada Limited, the receiver (the "Receiver") of the ~~assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor,~~ lands and premises municipally known as 485, 501 and 511 Ontario Street South, Milton, Ontario including all proceeds and leases thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 20__ (the "Order") made in an ~~action~~ application having Court file number ____-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] 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.

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, ~~20~~202.

~~[RECEIVER'S NAME]~~RSM CANADA
LIMITED, solely in its capacity
as Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

VECTOR FINANCIAL SERVICES LIMITED

- and -

Court File No. CV-23-00

VILLAGE DEVELOPM

Applicant

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended

ONTARIO
SUPERIOR COURT OF
(COMMERCIAL

PROCEEDING COMMENCE

RECEIVERSHIP C

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Document comparison by Workshare Compare on March 16, 2023 7:15:15 PM

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Total changes	296

Court File No. CV-23-00696349-00CL

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

VILLAGE DEVELOPMENTS INC.

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended

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

PROCEEDING COMMENCED AT TORONTO

**APPLICATION RECORD
(Returnable March 29, 2023)**

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