

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

THE SUPERINTENDENT OF FINANCIAL SERVICES

Applicant

- and -

BUILDING & DEVELOPMENT MORTGAGES CANADA INC.

Respondent

**APPLICATION UNDER SECTION 37 OF THE
MORTGAGE BROKERAGES, LENDERS AND ADMINISTRATORS ACT, 2006, S.O. 2006,
c. 29 and SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 c. C.43**

**MOTION RECORD OF FAAN MORTGAGE ADMINISTRATORS INC., IN
ITS CAPACITY AS COURT-APPOINTED TRUSTEE**

(NOVEMBER 2022 COMPREHENSIVE UPDATE)

November 4, 2022

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APPENDIX 6:
CHARGE FOR BROOKDALE ORIGINAL LOAN (WITH SCHEDULES)

Properties

PIN 10189 – 0860 LT *Interest/Estate* Fee Simple
Description FIRSTLY; PT LT 43A PL 2247 TWP OF YORK AS IN TB953411:SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640.;SECONDLY; PT LT 43A PL 2247 TWP OF YORK AS IN NY806826: SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640.; THIRDLY; PT LT 42A, 43A PL 2247 TWP OF YORK AS IN NY791515; SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640.; FORTHLY; PT LT 42A, 43A PL 2247 TWP OF YORK AS IN TR39454; SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640.; FIFTHLY; PT LT 42A, 43A PL 2247 TWP OF YORK PT 2 & 3 64R14089: SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640.; SIXTHLY; PT LT 42A, 43A PL 2247 TWP OF YORK PT 1 64R14089:SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640.; SEVENTHLY; LT 33 PL 2371 TWP OF YORK; PT LT 34 PL 2371 TWP OF YORK AS IN TB940448; EIGHTLY; PT LT 34 PL 2371 TWP OF YORK AS IN TB940447; CITY OF TORONTO
Address TORONTO

PIN 10189 – 0245 LT *Interest/Estate* Fee Simple
Description LT 32 PL 2371 TWP OF YORK; TORONTO (N YORK) , CITY OF TORONTO
Address 1690 AVENUE ROAD
TORONTO

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 FORTRESS BROOKDALE INC.
Address for Service 25 Brodie Drive
Unit 1
Richmond Hill, Ontario
L4B 3K7

I, Vince Petrozza, Vice-President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s)**Capacity****Share**

Name CENTRO MORTGAGE INC.
Address for Service in Trust
25 Brodie Drive
Unit 1A
Richmond Hill, Ontario
L4B 3K7

Statements

Schedule: See Schedules

Provisions

Principal \$10,300,000.00 *Currency* CDN
Calculation Period to accrue from the date of advance until maturity
Balance Due Date 2017/05/27
Interest Rate 9.00% per annum
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date 2017 05 27
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor

Signed By

Lynn Pender

77 King Street West Suite 3000 PO acting for Chargor Signed 2015 07 23
Box 95 TD Centre (s)
Toronto
M5K 1G8

Tel 416-864-9700

Fax 416-941-8852

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

Submitted By

FOGLER, RUBINOFF LLP

77 King Street West Suite 3000 PO 2015 07 23
Box 95 TD Centre
Toronto
M5K 1G8

Tel 416-864-9700

Fax 416-941-8852

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

SCHEDULE 1 TO THE ATTACHED CHARGE/MORTGAGE OF LAND
GIVEN TO CENTRO MORTGAGE INC., IN TRUST
BY FORTRESS BROOKDALE INC.

1. **Definitions.** In this Charge, unless there is something in the subject matter or context to indicate otherwise, the following terms shall have the meanings set out below:

- (a) **"Act"** means the *Land Registration Reform Act* (Ontario) and any amendments thereto in effect at the time of execution and delivery of the Charge;
- (b) **"Change of Control"** means, with respect to the Chargor, a change in the Person or group of Persons, or any combination thereof, that owns or controls directly or indirectly securities of the Chargor, such that another Person or group of Persons, or any combination thereof, other than corporations that are affiliates (as defined in the *Canada Business Corporations Act*) of such corporations, owns or controls directly or indirectly securities of the Chargor other than by way of security only;
- (c) **"Charge"** means the Form, this Schedule and all other schedules annexed, as any of the foregoing may be amended from time to time and the expressions **"hereof"**, **"herein"**, **"hereto"**, **"hereunder"** and similar expressions refer to the Charge and not to any particular paragraph or other portion thereof;
- (d) **"Charged Premises"** means the lands and premises described in the Electronic Form as the "Properties" and includes, without limitation, all buildings and fixed improvements thereon and all fixtures and appurtenances thereof;
- (e) **"Electronic Form"** means the attached electronic form of Charge/Mortgage pursuant to the Act;
- (f) **"Environmental Claim"** means all claims, suits, actions, causes of action, losses, costs, expenses, fines, penalties, payments, liabilities, obligations and/or damages (including, without limitation, all solicitors' fees on a solicitor and own client basis) relating to, directly or indirectly arising out of, attributable to, resulting from or in any way connected with:
 - (i) the existence of any Hazardous Substance in, on, under or near the Charged Premises; and
 - (ii) the Release in, on, under, over, upon or from the Charged Premises of any Hazardous Substance,
 including, without limitation, all costs and expenses of any remediation or restoration of all or any part of the Charged Premises and/or any property adjoining or in the vicinity of the Charged Premises required or mandated by the Environmental Law;
- (g) **"Environmental Law"** means any law, by-law, order, ordinance, ruling, regulation, certificate, approval, consent or directive of any applicable federal, provincial or municipal government, governmental department, agency or regulatory authority or any court of competent jurisdiction, relating to Environmental Matters and/or regulating the import, storage, distribution, labelling, sale, use, handling, transport or disposal of a Hazardous Substance, including, but not limited to, the *Environmental Protection Act* (Ontario), as amended from time to time;
- (h) **"Environmental Matters"** means:
 - (i) all environmental matters relating to the Charged Premises including, without limitation:

- (A) the existence of any Hazardous Substance which might impair the quality of the environment, or adversely affect human health or damage any plant or animal in, on, under or near the Charged Premises; and the Release in, on, under, over, upon or from the Charged Premises of any Hazardous Substance; and
- (B) compliance with the Environmental Law;
- (i) **"Hazardous Substance"** means any substance or condition that is prohibited, controlled or otherwise regulated or otherwise hazardous in fact, including, without limitation, any contaminant, pollutant, noxious substance, toxic substance, dangerous substance, hazardous substance, material or wastes, hazardous waste, flammable or explosive material, radio-active material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls, polychlorinated biphenyl waste, polychlorinated biphenyl related waste, petroleum and associated products, underground storage tanks or surface impoundments and any other substance or material now or hereafter declared, defined or deemed to be regulated or controlled in or pursuant to the Environmental Law;
- (j) **"Interest"** means interest and other moneys payable under this Charge at the Interest Rate;
- (k) **"Loan Agreement"** means the loan agreement dated as of May 27, 2015, entered into between the Chargee and the Chargor, as same may be amended and/or restated from time to time;
- (l) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision of any country, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;
- (m) **"Principal Sum"** means the lesser of the sum referred to in the Electronic Form and the sum advanced by the Chargee to the Chargor and outstanding from time to time under this Charge;
- (n) **"Release"** means any release, spill, emission, leakage, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration; and
- (o) **"Security Documents"** means all instruments or agreements given as collateral security for the obligations secured by this Charge.

2. **Charge**

The Chargor, the owner of the Charged Premises, in consideration of \$10.00 of lawful money of Canada paid to it, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), charges the Charged Premises with payment to the Chargee of the Principal Sum, with Interest and with the power of sale expressed in this Charge. The Chargor further charges the Charged Premises to secure due payment and performance of all obligations, liabilities and all other amounts payable or arising under this Charge and the Loan Agreement.

3. **Default**

(1) The occurrence of any one or more of the following events shall constitute a default under this Charge:

- (a) the Chargor failing to pay to the Chargee principal or interest when due, or failing to pay any other indebtedness secured by this Charge within five (5) days after written notice that same is due;

- (b) the Chargor defaulting in the due and prompt performance or observance of any of their covenants or obligations hereunder or under the Loan Agreement or any of the Security Documents if such default continues for fifteen (15) days after notice of such default is given by Chargee, or the occurrence of an event which entitles, or with the giving of notice or lapse of time or otherwise would entitle, the Chargee to accelerate an indebtedness, liability or obligation secured by any of the Security Documents pursuant to the provisions thereof or the provisions of the Loan Agreement;
- (c) the Chargor defaulting in the due and prompt performance in respect of any other indebtedness which has resulted in the acceleration of such indebtedness;
- (d) if any proceedings are commenced or if an order shall be made by a court of competent jurisdiction or resolution of the directors or shareholders of the Chargor shall be passed for the dissolution, winding-up, or liquidation of the Chargor or if any application is made with respect to the Chargor under the *Companies' Creditors Arrangement Act* (Canada);
- (e) if the Chargor shall in any court file, or consent to the filing of, a petition in bankruptcy or insolvency or for any reorganization, readjustment, arrangement, composition, or similar relief under any Canadian or other applicable law or for the appointment of a receiver or trustee of all or a substantial portion of the Charged Premises or make a general assignment for the benefit of creditors, or a proposal under the *Bankruptcy and Insolvency Act* (Canada), or shall be declared by a court of competent jurisdiction bankrupt or if a trustee, custodian or a sequestrator or a receiver or receiver and manager or any other officer with similar powers shall be appointed of the Chargor or of the Charged Premises or any substantial part of the Charged Premises;
- (f) if an encumbrancer shall take possession of the Charged Premises or any substantial part of the Charged Premises, or if a distress or execution or any similar process be levied or enforced thereagainst and remain unsatisfied for such period as would permit such property to be sold thereunder;
- (g) if any representation or warranty made by the Chargor herein or in any of the Security Documents or the Loan Agreement, or in any notice, certificate, instrument or statement contemplated hereby or thereby is untrue or incorrect in any material respect as of the date on which such representation or warranty is made or any such representation or warranty becomes untrue or incorrect in any material respect at any time thereafter with reference to the facts subsisting at that time;
- (h) if any mortgage, charge, hypothec, pledge, lien or other security interest or encumbrance of whatsoever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise) on the whole or any substantial part of the undertaking or assets of the Chargor becomes enforceable and the Person or Persons entitled to the benefit thereof takes steps to enforce such charge;
- (i) if any encumbrance or notice of an encumbrance is registered against the Charged Premises without the Chargee's prior written consent;
- (j) if the Chargor or those claiming under the Chargor shall commit any act of waste upon the Charged Premises;
- (k) if the Chargor breaches the provisions of Section 3 of this Schedule;
- (l) if any building now or hereafter in course of erection on the Charged Premises remains unfinished and without any work being done on it for a

period of ten (10) consecutive days subject to strikes or any other unavoidable delays;

- (m) if there is registered any construction lien against the Charged Premises or if there is issued any statement of claim derived therefrom, unless such lien is discharged and/or vacated within fifteen (15) days of the Chargee requiring the same to be done by the Chargor (which the Chargor agrees to do);
- (n) if the Charged Premises or a substantial part of the Charged Premises shall be expropriated by any governmental authority, body or corporation having the powers of expropriation; or
- (o) if the Chargor fails to comply with any of its obligations under the *Excise Tax Act* (Canada) to remit goods and services tax to the governmental authority entitled thereto or if any action is taken by any governmental authority against the Chargor or any other Person owing money to the Chargor with respect to goods and services tax, interest or penalties which such governmental authority claims is owing from the Chargor.

(2) Upon the occurrence of any one or more events of default under this Charge, the Principal Sum outstanding together with any and all accrued and unpaid interest and other moneys secured by this Charge shall at the option of the Chargee immediately become due and payable, and all the powers in and by this Charge or by law conferred in case of default, shall become exercisable and the powers of sale contained in this Charge may be exercised as provided in this Charge.

4. **Change in Ownership**

(1) If, without the prior written consent of the Chargee, or as contemplated by the Loan Agreement:

- (a) there is a change of ownership, control, pledge and/or sale, transfer or conveyance of the Charged Premises or any part thereof;
- (b) there is a Change of Control of the Chargor or any pledge of any interest in the Chargor; or any change in the Person(s) comprising or the partners, stockholders, members or beneficiaries of the Chargor from those represented to Chargee on the date of this Charge;
- (c) there is a merger, reorganization, dissolution or any other change in the ownership structure of the Chargor or any trustee, general partner or beneficiary of the Chargor; or
- (d) the Chargor enters into any agreement to effect any of the foregoing, whether by registered or unregistered instrument, and whether for valuable or nominal consideration,

then the Principal Sum and interest thereon and all other moneys secured by this Charge shall, at the option of the Chargee, immediately become due and payable.

(2) The Chargor shall provide such documentation as the Chargee may reasonably require in order to facilitate the giving of the consent referred to in Section 3(1) by the Chargee.

(3) The giving of a consent to any transaction referred to in Section 3(1) shall not be deemed to be a waiver of the Chargee's right to require consent to any future or successive transaction.

(4) The Chargee may require, among other things, as a term for granting any consent referred to in Section 3(1) that:

- (a) the proposed new owner or assignee of the Charged Premises (the "**Transferee**") provide the Chargee with such relevant financial information as the Chargee may request in the circumstances including

such evidence as the Chargee may require to establish the financial responsibility of the Transferee and the Chargor shall provide the Chargee with a specific authorization in writing allowing the Chargee to have access to and collect personal information concerning the Transferee; and

- (b) the Transferee shall execute the Chargee's then standard form assumption agreement in favour of the Chargee agreeing to be bound by all of the obligations of the Chargor under this Charge and other Security Documents in support thereof.

it being specifically understood that the consent of the Chargee to any transaction referred to in Section 3(1) shall not release the Chargor, from any of the covenants contained in this Charge.

(5) If the Transferee proposes to acquire less than the entire interest of the Chargor in the Charged Premises, the Chargee may require as a term for granting consent in addition to the requirements set out above that the Chargor and the Transferee execute co-ownership documentation in form and content satisfactory to the Chargee.

(6) The Chargor shall pay to the Chargee all costs of the Chargee relating to the Chargee's review of the Change of Control or change of ownership contemplated by this Charge, including a reasonable administrative charge and the fees, expenses and disbursements of the Chargee's solicitors, and such amounts shall be payable and secured by this Charge whether or not the consent of the Chargee to such Change of Control or change of ownership is granted.

5. Condominium Provisions

Provided that if all or any part of the Charged Premises is or becomes a condominium unit pursuant to the provisions of the Condominium Act, 1998, as amended, the following covenants and provisions shall apply in addition to all other covenants and provisions set forth in this Charge:

(1) For the purposes of all parts of the Charged Premises comprising one or more such condominium units, all references in this Charge to the Charged Premises shall include the Chargor's appurtenant undivided interest in the common elements and other assets of the Condominium Corporation;

(2) The Chargor shall at all times comply with the Condominium Act, 1998, as amended and shall forward to the Chargee proof of such compliance as the Chargee may request from time to time including, without limitation, estoppel certificates issued by the Condominium Corporation; and if the Chargor fails to so comply in any respect, the Chargee may do so at its option and all costs and expenses incurred by the Chargee in connection therewith shall be secured by this Charge and payable by the Chargor to the Chargee forthwith upon demand, together with interest thereon as herein provided;

(3) The Chargor shall pay, when due, all monies payable by the Chargor or with respect to the Charged Premises in accordance with the provisions of the Condominium Act, 1998, as amended and the declaration, by-laws and rules of the Condominium Corporation, including all required contributions to common expenses and any special levies, charges and assessments, and shall provide proof of such payment to the Chargee upon request; and if the Chargor fails to make any such payment, the Chargee may do so at its option and all amounts so paid by the Chargee shall be secured by this Charge and shall be payable by the Chargor to the Chargee forthwith upon demand, together with interest thereon as herein provided;

(4) The Chargor hereby irrevocably appoints, authorizes and empowers the Chargee to exercise the rights of the Chargor to vote or to consent as an owner within the meaning of the Condominium Act, 1998, as amended with respect to all matters relating to the affairs of the Condominium Corporation, or to abstain from doing so, provided that:

- (a) the Chargee may at any time and from time to time give notice in writing to the Chargor and to the Condominium Corporation that the Chargee does not intend to exercise such right to vote or to consent, in which case the Chargor may exercise its right to vote or to consent for so long as such notice remains effective or until such notice is revoked by the Chargee;

and any such notice may be for an indeterminate period of time, a limited period of time or for a specific meeting or matter;

- (b) the Chargee shall not be under any obligation to vote or to consent or to protect the interests of the Chargor; and
- (c) the exercise by the Chargee of its right to vote or to consent or to abstain from doing so shall not constitute the Chargee as a mortgagee or chargee in possession and shall not give rise to any liability on the part of the Chargee;

(5) The Chargor shall forward to the Chargee by delivery or by prepaid registered mail copies of every notice, assessment, claim, demand, by-law, rule, request for consent and other communication relating to all or any part of the Charged Premises or the common elements or affairs of the Condominium Corporation on or before the date which is the earlier of:

- (a) fourteen (14) days after receipt of the same by the Chargor;
- (b) seven (7) days prior to the date set for any meeting of the Condominium Corporation or any committee thereof;
- (c) seven (7) days prior to the due date of any claim or demand for payment; and
- (d) within twenty-four (24) hours after becoming aware of any information concerning termination of any insurance policy, insurance trust agreement or management agreement relating to the Condominium Corporation or any of its assets;

(6) The Chargor hereby authorizes and directs the Condominium Corporation to permit the Chargee to inspect the records of the Condominium Corporation at any reasonable time;

(7) In addition to and notwithstanding any other provisions of this Charge, the outstanding principal amount and all accrued interest and other charges secured by this Charge shall, at the Chargee's option, become immediately due and payable without notice or demand if any of the following events or circumstances shall occur and be continuing:

- (a) the government of the Condominium Corporation or the government of the Charged Premises by the Condominium Corporation is terminated;
- (b) a vote of the Condominium Corporation authorizes the sale of all or substantially all of its property or assets or all or any part of its common elements or all or any part of the Charged Premises, or any part of the same is expropriated;
- (c) the Condominium Corporation fails to comply with any provision of the Condominium Act, 1998, as amended or its declaration or any of its by-laws and rules;
- (d) the Condominium Corporation fails to insure its assets, including the Charged Premises, in accordance with the Condominium Act, 1998, as amended and the declaration and by-laws of the Condominium Corporation, or any insurer thereof cancels or threatens cancellation of any existing obligation to insure the same.

6. **Receiver.**

(1) If and whenever the Chargee becomes entitled to enter into possession of the Charged Premises, the Chargee may, in the sole and absolute discretion of the Chargee, with or without entering into possession of the Charged Premises or any part of the Charged Premises, by instrument in writing appoint a Receiver (which term shall include a receiver and manager) of the Charged Premises or any part of the Charged Premises and of the rents and profits of the Charged Premises and with or without security and may from time to time remove any Receiver

with or without appointing another instead, and in making such appointment or appointments the Chargee shall be deemed to be acting for the Chargor.

(2) Upon the appointment of any such Receiver or Receivers from time to time, and subject to the provisions of the instrument appointing such Receiver, the following provisions shall apply:

- (a) every such Receiver may, in the discretion of the Chargee and by writing, be vested with all or any of the powers and discretions of the Chargee;
- (b) every such Receiver, so far as concerns the responsibility of such Receiver's acts or omissions, shall be deemed the agent or attorney of the Chargor and not the agent of the Chargee (unless specifically appointed by the Chargee as the agent of the Chargee);
- (c) the appointment of every Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such Receiver shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the Charged Premises or any part of the Charged Premises;
- (d) every Receiver shall be the irrevocable agent or attorney of the Chargor (unless the Chargee specifically appoints such Receiver as the agent for the Chargee) for the collection of all rents falling due in respect of the Charged Premises or any part of the Charged Premises whether in respect of any leases created in priority to this Charge or subsequent to this Charge;
- (e) every such Receiver shall from time to time have the power to lease any portion of the Charged Premises which may become vacant for such term and subject to such provisions as the Receiver may deem advisable or expedient and in so doing every such Receiver shall act as the attorney or agent for the Chargor (unless specifically appointed by the Chargee as the agent of the Chargee) and such Receiver shall have authority to execute under seal any leases of any such premises in the name of and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever any such Receiver may do in the premises;
- (f) every such Receiver shall have full power to manage, operate, amend, repair, alter or extend the Charged Premises or any part of the Charged Premises in the name of the Chargor for the purpose of securing the payment of rental from the Charged Premises or any part of the Charged Premises;
- (g) the Chargee may from time to time by writing fix the reasonable remuneration of every such Receiver who shall be entitled to deduct the same out of the receipts from the Charged Premises or the proceeds of the Charged Premises;
- (h) no such Receiver shall be liable to the Chargor to account for moneys or damages other than moneys received by him in respect of the Charged Premises or any part of the Charged Premises and every such Receiver shall apply such cash so received to pay in the following order:
 - (i) his commission or remuneration as Receiver;
 - (ii) all expenses properly made or incurred by the Receiver in connection with the management, operation, amendment, repair, alteration or extension of the Charged Premises or any part of the Charged Premises;

- (iii) money which may from time to time be or become charged on the Charged Premises in priority to this Charge, and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect of the Charged Premises or any part of the Charged Premises;
- (iv) in keeping in good standing all charges on the Charged Premises prior to this Charge;
- (v) the Chargee in payment of all Interest due or falling due under this Charge and the balance to be applied upon the Principal Sum and all other moneys due and payable and secured by this Charge; and
- (vi) thereafter any surplus remaining in the hands of every such Receiver to the Chargor or its assigns.

7. **Environmental Matters.**

(1) The Chargor covenants, represents and warrants that, except as disclosed by the Chargor in writing to the Chargee and accepted in writing by the Chargee:

- (a) the Chargor's use and occupation of, and activities and operations on, the Charged Premises comply and shall comply in all respects with the Environmental Law;
- (b) neither the Chargor, nor any party for whom the Chargor is responsible at law, has Released, caused or permitted a Release or shall Release, cause or permit a Release of any Hazardous Substance into the natural environment, including, without limitation, the air, soil, subsoil or surface or groundwater in, on, over, under or at the Charged Premises;
- (c) no Hazardous Substance is or will be stored or located in, on, under or at the Charged Premises;
- (d) no active or inactive underground storage tanks are or will be located under the Charged Premises and neither the Charged Premises nor any adjacent lands have ever been used as or for a waste disposal site or coal gassification site;
- (e) the Chargor is not required to obtain, nor has obtained, nor is subject to any certificate, approval, direction, or order of any governmental authority or court of competent jurisdiction under the Environmental Law in respect of the Charged Premises or the operation of the Chargor's business thereon; and
- (f) there are no pending or threatened claims, actions, suits, prosecutions, hearings or other proceedings of any kind in any court or tribunal and the Chargor has received no notice of any such proceedings relating to an Environmental Claim or the discharge, deposit, escape or Release of any Hazardous Substance or any actual or alleged violation of the Environmental Law affecting the Charged Premises, and there is no basis for any of the foregoing being initiated.

(2) The Chargor shall use its best efforts to ensure (i) that any tenant, subtenant or other occupant of the Charged Premises shall in the future be in compliance with all requirements of Environmental Law, (ii) that no tenant, subtenant or other occupant of the Charged Premises places, suffers or permits to remain any toxic waste or other Hazardous Substance, or any contaminants, oil or pesticides at, on, under, within or about the Charged Premises.

(3) The Chargor shall permit the Chargee reasonable access to the Charged Premises at any time, and the Chargee's agents and employees from time to time, in order to conduct, at the Chargor's expense, such tests, inspections and environmental audits of the Charged Premises

as may be required by the Chargee at any time during the currency of this Charge, including, without limitation, the right to take soil samples from the Charged Premises, and the right to review and photocopy any and all records relating to the Charged Premises or the business now or hereinbefore conducted at the Charged Premises and the conducting by the Chargee of such tests, inspections and environmental audits shall not constitute the Chargee a mortgagee/chargee in possession or in control of management of the Charged Premises.

(4) The Chargor agrees to indemnify and save harmless the Chargee, its officers, directors, employees and agents, from and against (i) any Environmental Claim, and (ii) all losses, damages, costs, expenses, liabilities, claims and demands, including without limitation, legal fees incurred and the cost, liability or damage arising out of the settlement of any action entered into by the Chargee, either with or without the consent of the Chargor, that may be incurred by the Chargee as a result of:

- (a) any of the representations and warranties set out in Section 6(1) being untrue on the date of this Charge or becoming untrue at any date hereafter throughout the currency of this Charge;
- (b) the presence on, under or about or migration from the Charged Premises of any Hazardous Substance caused by or attributable, either directly or indirectly, to any act or omission of the Chargor or any other Person; and
- (c) any remediation or restoration of the Charged Premises and/or any lands adjoining or in the vicinity of the Charged Premises required or mandated by the Environmental Law attributable, either directly or indirectly, to any act or omission of the Chargor or any other Person.

(5) Notwithstanding anything to the contrary contained herein or in the Loan Agreement, the representations, warranties, covenants and indemnities contained in this Section 6 shall survive:

- (a) any power of sale, action of foreclosure or judicial sale, or any other extinguishing of the obligations of the Chargor pursuant to this Charge; and
- (b) the exercise of any remedies available to the Chargee pursuant to this Charge.

8. **Acknowledgment.** The Chargor acknowledges having received a true copy of this Charge.

9. **Land Registration Reform Act.**

(1) It is hereby understood and agreed that wherever the words "**Chargor**", "**Chargee**" and "**Charge**" appear throughout this document, same shall correspondingly be deemed and construed to mean "**Chargor**", "**Chargee**", and "**Charge**" respectively, as such latter terms are defined in the Act, and wherever the words "**Charged Premises**" or any derivative of the word "Charge" are used throughout this document, same shall be deemed and construed to mean the "**Charged Premises**" and the applicable derivative of the word "**Charge**", as such latter term is defined in the Act.

(2) If any of the forms of words contained in this Charge is also contained in column 1 of Schedule B of the *Short Forms of Mortgages Act* (Ontario) and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in column 2 of Schedule B thereof distinguished by the same number, and this Charge shall be interpreted as if the *Short Forms of Mortgages Act* was still in force and effect.

(3) The parties to this Charge agree that the covenants implied by paragraphs 1 and 2 of subsection 7(1) of the Act (as varied in this Charge) shall be in addition to, and not in substitution for, the covenants and other provisions set forth in this Charge.

(4) In the event of any conflict between any of such implied covenants (as varied in this Charge) and any other covenant or provision of this Charge, such other covenant or provision of this Charge shall prevail.

(5) The parties to this Charge agree that the covenant deemed to be included in this Charge by clause 7(1)(iii) of the Act is varied so that the text of such clause reads as follows:

That the Chargor has not done, omitted or permitted anything whereby the land is or may be encumbered, except as the Chargor has reported to the Chargee in writing.

10. **Conflict**

In the event of an inconsistency between any of the terms and conditions contained in this Schedule and the terms and conditions contained in Standard Charge Terms No. 200033, the terms and conditions of this Schedule shall prevail.

**APPENDIX 7:
BROOKDALE MEZZANINE LOAN AGREEMENT AND RELATED
DOCUMENTATION**

LOAN AGREEMENT

THIS AGREEMENT made as of the 10th day of July, 2017,

B E T W E E N:

Building & Development Mortgages Canada Inc., in Trust

(called the "**Lender**")

- and -

Fortress Brookdale Inc.

(called the "**Borrower**")

WHEREAS the Lender has agreed to advance the Loan to the Borrower on the basis set forth herein;

AND WHEREAS the Loan will be secured by a Fourth-ranking mortgage against the Property;

AND WHEREAS the balance of the terms of the Loan are set out in this Agreement;

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Defined Terms**

Unless expressly stated otherwise, the following capitalized terms shall have the meanings indicated:

- (a) "**Adverse Development Conditions**" shall mean any event or series of events beyond the control of the Borrower such as strikes, walkouts, labour troubles, inability to procure materials or services or construction financing, power failures, restrictive governmental laws or regulations or the orders or directions of any administrative board, governmental department, officer or other authority, riots, insurrections, war, sabotage, rebellion or acts of God, material changes or delays in market conditions affecting sales or closings, delays in obtaining governmental approvals, permits, rezoning or similar regulatory requirements, or adverse and material changes to the Project Budget, none of which is the fault of the Borrower;
- (b) "**Agreement**" means this agreement and all amendments thereof;

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- (c) **"Borrower"** means Fortress Brookdale Inc. and its successors and permitted assigns;
- (d) **"Bridge Lender"** shall have the meaning attributed thereto in Section 3(c);
- (e) **"Bridge Loan"** shall have the meaning attributed thereto in Section 3(c);
- (f) **"Business Day"** means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (g) **"Conditions Precedent"** shall have the meaning attributed thereto in Section 11 hereof;
- (h) **"Co-Tenancy Agreement"** between Fortress Avenue Road (2015) Inc. Fernbrook Homes (Brookdale) Limited, Fortress Brookdale Inc. and Dominus Construction (2005) Corporation dated May 25, 2015.
- (i) **"Default"** means an event or condition, the occurrence of which would, with the lapse of time or the giving of notice, or both, become an Event of Default;
- (j) **"Development Fees"** means any and all development management fees or construction management fees payable by the Borrower or any related parties in connection with the Project;
- (k) **"Event of Default"** shall have the meaning attributed thereto in Section 16 hereof;
- (l) **"First-Ranking Construction Loan"** means collectively, one or more secured Project construction mezzanine bridge loans, in favour of arm's-length lender(s), in an aggregate principal amount not to exceed \$110,000,000 (plus a 10% contingency) ranking *pari passu* or with stated priority between them (in the case of multiple loans), with usual cost-to-complete advances and related security/documentation;
- (m) **"First-Ranking Construction Loan Security"** means the security to be provided to the Senior Lender to service the First-Ranking Construction Loan;
- (n) **"Fortress"** means Fortress Real Developments Inc.;
- (o) **"Hazardous Substances"** means all contaminants, pollutants, substances and materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances and/or materials are or shall become prohibited, controlled or regulated pursuant to environmental laws and shall include "contaminants", "dangerous substances", "hazardous materials", "hazardous substances", "hazardous wastes", "industrial wastes", "liquid wastes", "pollutants" and "toxic substances", all as defined in, referred to and/or contemplated in environmental laws, but exclude all cleaning and related products used in the usual operation and maintenance of property;

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- (p) **“Lender”** means Building & Development Mortgages Canada Inc., in trust, for and on behalf of certain persons/entities, and their respective successors and assigns;
- (q) **“Loan”** shall have the meaning attributed thereto in Section 3 hereof;
- (r) **“Loan Documents”** means this Agreement, the Security, all other documentation delivered in connection with the Loan and all amendments thereof;
- (s) **“Maturity Date”** shall have the meaning attributed thereto in Section 4 hereof;
- (t) **“Net Equity”** means a portion of the principal amount of the Loan advanced to the Borrower, from time to time, excluding: (1) the Interest Reserve (if applicable); (2) all other accrued interest; (3) the Deferred Lender Fee (if applicable); and (4) the amounts raised and paid out on account of interest payments, all fees paid by the Borrower to Fortress under the Development Consultant Agreement as Development Consultant Fees / Costs, as defined therein;
- (u) **“Notice”** shall have the meaning attributed thereto in Subsection 18(b) hereof;
- (v) **“Permitted Encumbrances”** means the First-Ranking Construction Loan Security, a mortgage to secure any insurer providing bonding to the Tarion Warranty Corporation, Deposit Security, bridge loans, mezzanine financing or providing excess deposit insurance to purchasers of condo units and such non-financial encumbrances as shall be reasonable for a development such as the Project (including, without limitation, encumbrances pertaining to easements, rights-of-way, subdivision agreements, condominium development or related agreements, site plan control agreements, Development Consultant Agreements, cost-sharing agreements, encroachment agreements, zoning/use laws, utility licences, utility easements, Crown patent reservations and restrictive covenants);
- (w) **“Pledge of Shares”** shall have the meaning attributed thereto in Section 10(g) hereof;
- (x) **“Project”** means residential condominium development to be constructed on the Property, comprised of the lands located at 375 & 377 Fairlawn Avenue, 1678 Avenue Road, 1682 Avenue Road, 1686 Avenue Road, 1688-1690 Avenue Road, 1694-1698 Avenue Road, 1700 Avenue Road, 1702 Avenue Road, 1704B Avenue Road, 412 Brookdale Avenue, 414 Brookdale Avenue; Toronto, Ontario. and any adjacent lands to the current or future parcels;
- (y) **“Project Budget”** means the Project budget attached hereto as Schedule “B”;
- (z) **“Project Cost Consultant”** means an arm’s-length cost consultant approved by the Lender, acting reasonably;

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- (aa) **"Property"** means the lands municipally and legally described in Schedule "A" attached hereto, together with all personal, intellectual and other property and all contracts relating thereto or associated therewith;
- (bb) **"Security"** shall have the meaning attributed thereto in Section 10 hereof;
- (cc) **"Senior Lender(s)"** means the arm's length recognized financial institution providing the First-Ranking Construction Loan for the Project and receiving the First-Ranking Construction Loan Security, all as approved by the Lender, acting reasonably;
- (dd) **"Substantial Completion"** shall have the meaning attributed thereto pursuant to the *Construction Lien Act* (Ontario);
- (ee) **"Term"** shall have the meaning attributed thereto in Section 4 hereof; and

2. Schedules

The following are the schedules attached to and forming part of this Agreement:

- (a) Schedule "A" - Municipal and Legal Description of the Property
- (b) Schedule "B" - Project Budget
- Schedule "C" - Addendum to Loan Agreement

3. Loan

- (a) The Lender hereby establishes a non-revolving loan (the **"Loan"**) in favour of the Borrower in an amount not exceeding \$15,000,000.00 (of which \$5,000,000.00 is a buffer) to provide funding for the Borrower's costs related to the acquisition of the Property, as set out in Schedule "B" attached hereto (the **"Project Budget"**) including, without limitation, funding to repay, if any, the Bridge Loan, other reasonable closing costs of the Purchase Agreement and reasonable soft costs incurred or to be incurred prior to construction financing and to provide for any shortfall in required equity (as determined by the Senior Lender in its sole, absolute and unfettered discretion) prior to the first advance of the First-Ranking Construction Loan, all as set out in the Project Budget, but specifically excluding Development Fees which must be funded by the Senior Lender;
- (b) If, for any reason whatsoever and notwithstanding any other provision hereof, the Lender is unable to fund the full Loan for the Project, as and when required, as per the Schedule shown in the Project Budget as approved by the Lender, as amended from time to time, with consent of both the Lender and Borrower within ninety (90) days of being required to do so, then the security for the Loan funded shall be postponed and subordinated in favour of any and all security required by a lender providing the loan for the shortfall (the **"Replacement Lender"**) and shall be postponed and subordinated in favour of the Security held by the Replacement Lender for advances to the Project. Either the Lender or the

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Borrower shall have the right to obtain a Replacement Lender on the best commercial terms available; and

- (c) Notwithstanding any other provision hereof, in the event that, for any reason whatsoever, less than the principal amount of the Loan is arranged for ultimate advance to the Borrower, as and when required as set out herein, then the Lender may, in its sole, absolute and unfettered discretion, agree to arrange a financing of the shortfall through an additional loan ("**Bridge Loan**") from a third party lender ("**Bridge Lender**"). The Bridge Loan shall rank in priority to the Loan and the Loan Documents and rank behind the First-Ranking Construction Loan Security (if applicable), and the Borrower and Lender agree to execute and deliver all reasonable documentation to provide required Security and related documents to the Bridge Lender as it may reasonably require to secure the Bridge Loan, and reflect such priority/ranking. The Bridge Loan shall provide for usual cost-to-complete advances and be secured by all usual security/documentation similar to the Security herein.

4. **Term**

2 years, commencing on the date of first advance and ending on the final day of such period (the "**Maturity Date**"). At the Borrower's option (to be exercised in writing not less than three (3) months prior to the Maturity Date), the Borrower may extend the Maturity Date for 12 additional months.

The first advance (the "**First Advance**") shall be made within sixty (60) days following the execution of this Loan Agreement, delivery of the Security and satisfaction of all Conditions Precedent.

Notwithstanding the foregoing, provided that construction of the Project has commenced and is proceeding, and the Senior Lender is continuing to fund the First-Ranking Construction Loan, if there are delays in completion of the Project and sale and closing of the residential condominium units, the Lender may extend the Maturity Date by delivery of written notice to the Borrower for a period or periods sufficient in the Lender's opinion to complete the construction and sale of the Project and in order to comply with any postponement/standstill agreements referred to in Section 14 hereof.

Failing the first advance being completed as aforesaid, the Lender at its option, may terminate this Agreement and be relieved of all liability hereunder.

5. **Interest Rate**

Eight Percent (8%) per annum.

Notwithstanding any other provision hereof, the aggregate fees, donations, interest, share of profits, penalties and all other payments pursuant to the Loan (in addition to the repayment of Loan principal) shall be deemed not to exceed an effective annual rate of interest of 59% (calculated in accordance with generally accepted actuarial practices and principles).

6. **Interest Payment**

Interest, at a rate of 8%, calculated annually, not in advance, shall accrue and be payable at the maturity date.

Should the Borrower choose to exercise the 12 month term extension, interest will continue to accrue at Eight Percent (8%) per annum (calculated annually, not in advance) and the final year of accrued interest will be paid in full with all other accrued interest at the time of the “extended” maturity.

7. **Prepayment/Repayment of Principal**

- (a) The Borrower may prepay the Loan, in whole but not in part, upon two (2) Business Days’ prior written notice to the Lender and without bonus, but the obligations to pay the Deferred Lender Fee and any payments to Fortress under the Development Consultant Agreement shall continue;
- (b) The outstanding Loan principal together with accrued interest owing and all other amounts due and owing, if any, pursuant to the Loan Documents shall become wholly due and payable on the earlier of Maturity Date or the occurrence of an unremedied Event of Default;
- (c) In the event that the Senior Lender requires less equity that has already been advanced by the Lender, or to the extent the Project is refinanced, to the extent that such equity can be repatriated to the Borrower, same shall be paid to the Lender to pay down the Loan or at the option of the Lender, held in a separate trust account and pledged to the Lender to secure and be used to fund Interest Reserves and interest payments; and
- (d) The Lender agrees that in the event of a shortfall or projected shortfall in repayment of the Loan, the Lender shall nonetheless provide a discharge of its security, partial or otherwise, to permit sales of individual Project units in accordance with the Loan Agreement or any postponement/standstill agreements with prior lenders, provided that the net Cash Surplus is distributed in accordance with this Section 7(d).

8. **Security**

The security for the Loan (as amended, hereinafter the “**Security**”) shall be as follows, subject only to the Permitted Encumbrances:

- (e) Property mortgage executed by the Borrower in the principal amount of \$15,000,000.00 (of which \$5,000,000.00 is a buffer);
- (f) if the Property beneficial owner is not the Borrower, then a direction, acknowledgement and security agreement executed by the beneficial owner, Borrower and Lender, including confirmation of a second/third-ranking charge of the beneficial owner’s interest in the Property and a direction by the beneficial

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owner to the Borrower to execute the Loan Documents to which the Borrower is a party, such direction to be duly acknowledged by the Borrower;

- (g) a general security agreement executed by the Borrower charging the personal property and undertaking of the Borrower, present and future, used in connection with the Property including, without limitation, all accounts, equipment, goods, inventory, chattel paper, documents of title, intangibles, securities and proceeds therefrom;
- (h) an indemnity from the Borrower indemnifying the Lender from and against all losses, demands, claims, liabilities, costs, actions, penalties, obligations and expenses imposed upon the Lender and arising in connection with the Lender being a lender hereunder in respect of the Property and all assets relating thereto, save and except in respect of matters arising and caused by the gross negligence of the Lender during any period in which the Lender shall be in exclusive possession of the Property and/or arising and caused after a completed foreclosure proceeding or sale proceeding pursuant to the Security and/or caused by the gross negligence of the Lender; such indemnity shall survive the full payment and discharge of the Loan including *inter alia*, an appropriate indemnity for all environmental matters;
- (i) a completion guarantee from the Borrower;
- (j) an undertaking by the Borrower and the sponsors to obtain construction financing from the Senior Lender for all approved Project costs as described in the Project Budget, save for the equity to be advanced by way of the Loan Amounts under this Loan Agreement, on commercially reasonable terms to be approved by the Lender, acting reasonably;
- (k) a first pledge of all the voting shares of the Borrower and any beneficial owner of the Project; and
- (l) such further and/or other security relating to the Property as the Lender shall reasonably require.

9. **Deliveries to Lender**

The Borrower shall deliver, within five (5) Business Days following execution of this Agreement, a copy of each of the following:

- (a) the Property parcel pages, existing registered encumbrances and existing surveys thereof; RECEIVED
- (b) the appraisal and professional reports; RECEIVED
- (c) the financial statements and Project Budget; RECEIVED

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- (d) the off-title search results and corporate/personalty search results described in; RECEIVED
- (e) evidence of liability insurance in satisfactory amounts, with the Lender included as a named insured, in available; RECEIVED
- (f) all material Project contracts; RECEIVED
- (g) all Project plans and specifications and all periodic Project development reports issued to date, if applicable; RECEIVED
- (h) all architectural and engineering documents and any other consultant or internally generated developments reports with respect to the Project, together with the draft plan, zoning analysis, traffic study, sanitary study, water study, storm-water study, utility study and road study, if available; RECEIVED
- (i) a copy of the Purchase Agreement and closing statement of adjustments; and N/A
- (j) all other information and/or documentation in respect of the Project, the Property and/or the Borrower as the Lender may request, acting reasonably.

10. **Conditions Precedent to Advance**

Each advance pursuant to the Loan shall be conditional upon the Lender's receipt of the following (the "**Conditions Precedent**"), which Conditions Precedent are inserted for the sole benefit of the Lender and may be waived by the Lender, in whole or in part:

- (a) the Security, duly registered and perfected (as the case may be) together with all other documentation relating to the Loan, the Property, the Project and the Borrower required by the Lender, acting reasonably;
- (b) title insurance from a title insurance company approved by the Lender, acting reasonably;
- (c) an opinion from Borrower's counsel confirming the subsistence, power and authority of the Borrower, the due authorization, execution, delivery and enforceability (subject to customary assumptions and qualifications) of the Loan Documents and such other matters as the Lender shall reasonably require;
- (d) a mortgage statement from a Permitted Encumbrance mortgagee(s) confirming that the relevant mortgage loan is in good standing and the terms thereof; RECEIVED
- (e) certificate from the Borrower certifying no Event of Default or default, the truth of all representations and warranties, the satisfaction of all conditions and compliance with all covenants set out in the Loan Documents;
- (f) an appraisal indicating completed Project value of not less than \$33,000,000.00; RECEIVED

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- (g) satisfactory environmental report, geotechnical report, mechanical engineering report, structural engineering report and zoning report, prepared by the appropriate professionals (with reliance letters in favour of the Lender); RECEIVED
- (h) confirmation that realty taxes have been paid to the relevant date; RECEIVED
- (i) satisfactory financial statements in respect of the Borrower and a satisfactory summary of Borrower share ownership; RECEIVED
- (j) satisfactory Project Budget, duly approved by the Lender; RECEIVED
- (k) satisfactory insurance coverage for the Project, duly approved by the Lender's insurance consultant (if any) and the Lender; RECEIVED
- (l) all relevant consents pursuant to the Loan Documents;
- (m) certificate from the Borrower certifying that there have been no material changes affecting the Property and/or the Borrower since the later of the date of execution of this Agreement and the immediately prior advance hereunder and;
- (n) confirmation of investors' interest – the Borrower acknowledges that the Lender will be syndicating this loan to individual investors, either through cash investments or RRSP investments and that each investor will have an individual beneficial interest in the Loan Amount proportionate to the overall contributions. As part of the syndication process, the Borrower agrees to execute a confirmation of Lender's interest in the Lender's standard form with each of the investors to confirm their individual Loan Amounts;

11. **Reporting & Default Mechanisms**

11.1 **Reporting Mechanisms**

The Borrower hereby covenants and agrees to deliver and provide the following with respect to the Project on a monthly basis including:

- (a) copies of the Project Cost Consultant's reports with each advance, as well as any preliminary or supplementary reports including the last version issued by the Project Cost Consultant;
- (b) a monthly report as to the status of all zoning and planning approvals;
- (c) a monthly status report as to revisions to the Budget, negotiations with Senior Lender, as well as updated plans and specifications for the Project. To the extent such plans and specifications materially change from those received and are approved by the Lender at the outset, same will require the approval of the Lender, acting reasonably;

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- (d) financial reporting as to loan advances, sales reports, project expense reports and such other reasonable reporting requirements of the Lender and consistent with those to be provided to the Project Cost Consultant and the Senior Lender;
- (e) advice as to any material deviations to the Project Budget;
- (f) all preliminary and final plans for the design , layout , suite mix and proposed pricing of the Project and the units, any other Project specifications required by the Lender, as amended from time to time, all to be approved by the Lender, acting reasonably; and
- (g) such other reasonable requirements of the Lender consistent with the terms of this Loan Agreement and industry practice for similar types of equity/loans.

The Borrower acknowledges that Fortress will be delegated the responsibilities of monitoring the Project and receiving all reports from the Borrower as contemplated in the Loan Agreement including completing the due diligence with respect to the funding obligation of the Lender under the Loan Agreement and providing approvals where required for the Lender.

11.2 **Default Mechanisms**

In the event that there is an Event of Default and the Lender exercises any of its remedies under its Security, Fortress will be delegated all responsibilities of determining the best course of action for enforcement, including managing the affairs of the Borrower pursuant to the exercise of the pledge of shares of the Borrower and any beneficial owner of the Project in order to maximize the recovery of the Loan for the Lender and its underlying investors.

12. **Representations and Warranties**

The Borrower represents and warrants as follows:

- (a) the Borrower is duly constituted and validly subsisting under the laws of the Province of Ontario, has all necessary power and authority to own its properties and assets and to carry on its business as now conducted and is duly licensed or registered or otherwise qualified in all jurisdictions wherein the nature of its assets or the business transacted by it makes such licensing, registration or qualification necessary;
- (b) the Borrower has full power and capacity to enter into, deliver and perform its obligations under the Loan Documents to which it is a party and all other instruments contemplated hereunder to which it is a party;
- (c) the execution and delivery and performance by the Borrower of the Loan Documents to which it is a party and all obligations contained herein and therein,

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and all other instruments contemplated hereunder to which it is a party and the consummation of the transactions contemplated hereby and thereby:

- (i) have been duly authorized by all necessary action;
 - (ii) do not and will not conflict with, result in any breach or violation of, or constitute a default under any such party's constating documents or by-laws, or any applicable laws or judgment presently in effect and applicable to it, or of any material Project agreement to which any such party is bound;
 - (iii) do not (except for the Security) result in or require the creation of any security interest or encumbrance upon or with respect to which the Borrower is bound; and
 - (iv) do not require the consent or approval (other than those consents or approvals already obtained and copies of which have been delivered to the Lender and other than those consents which, if not obtained, would not adversely affect any material component of the Security, the value of the Property or the operation of the business of the Borrower at the Property) of, or registration or filing with (except as contemplated herein), any other person, including any public authority.
- (d) the Borrower has provided to the Lender accurate and complete copies of all material Project agreements;
 - (e) each Loan Document and all other instruments contemplated hereunder are, or when executed and delivered to the Lender will be, legal, valid and binding obligations enforceable against the Borrower in accordance with their respective terms, subject to the limitations with respect to enforcement imposed under law in connection with bankruptcy, insolvency, liquidation, reorganization and other laws affecting the enforcement of creditors' rights generally and subject to the availability of equitable remedies which are only available in the discretion of the court from which they are sought;
 - (f) the Security granted by the Borrower constitutes an assignment, a fixed and specific mortgage and charge, a floating charge and security on its undertaking, property and assets purported to be assigned, mortgaged, charged or subjected to the Security thereby and ranks in priority to all other security interests upon such undertaking, property and assets other than Permitted Encumbrances;
 - (g) subject to any limitations stated therein, all financial statements which were furnished to the Lender hereunder, fairly present the financial condition of the relevant party as at the date thereof, and no material adverse change has occurred since the date of such delivery;
 - (h) no event has occurred and is continuing, and no circumstance exists which has not been waived, which:

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- (i) constitutes a default or Event of Default; or
 - (ii) constitutes a default or event of default under any Permitted Encumbrance which may materially adversely affect the value of the Property or impair the validity or enforceability of the Security.
- (i) the Borrower is not in violation of any terms of its constating documents or, in any material respect, of any applicable law (including, without limitation, all building, zoning, planning, development, construction, construction lien, environmental and occupation laws);
 - (j) the Borrower owns all intellectual property used and/or to be used in connection with the Project, free from all encumbrances;
 - (k) the Borrower is solvent and will not become insolvent after giving effect to the transactions contemplated in this Agreement;
- (l)
 - (i) each material Project agreement is in full force and effect and has not been modified or supplemented;
 - (ii) the Borrower is not in default under any material Project agreement, and to the knowledge of the Borrower, no other party to any such material Project agreement is in default of any material obligation thereunder; and in each such case, no event has occurred which, with the giving of notice or the lapse of time, or both, would constitute such a default; and
 - (iii) no notice or other written or oral communication has been provided by or to the Borrower to or from any party under any material Project agreement which alleges that, as of the date hereof, either a default exists or with the passage of time will exist under the provisions of such material Project agreement.
 - (m) the Property has full and free legally enforceable access to and from public highways, which access is sufficient for the purposes of the normal operation of the Property and the Borrower has no knowledge of any fact or condition that would result in the interruption or termination of such access;
 - (n) all public utilities required for the normal operation of the Property connect into the Property through adjoining public highways or if they pass through adjoining private land, do so in accordance with valid registered easements and are sufficient for the operation of the Property;
 - (o) no legal action or other proceeding has been instituted or, to the best of its knowledge after making diligent enquiry, threatened against the Borrower; the Borrower has not received notice of any work orders, deficiency notices or notices of violation pertaining to the Property;

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- (p) to the best of its knowledge, and save as otherwise disclosed to the Lender in the reports provided by the Borrower, including without limitation the potential presence of methane, the Property complies with all laws regarding environmental matters; the Property has never been used as a land fill site or to store Hazardous Substances either above or below ground, in storage tanks or otherwise; no Hazardous Substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Property; and there are no outstanding directions, writs, injunctions, orders or judgments issued pursuant to environmental laws in respect of the Property;
- (q) the Borrower will on the closing of the Purchase Agreement, have good, valid and marketable title to the Property, free from all encumbrances except the Permitted Encumbrances; and
- (r) the Borrower has filed or caused to be filed in a timely manner all tax returns, reports and declarations required to be filed under law; all information in such tax returns, reports and declarations is complete and accurate in all material respects; the Borrower has paid all taxes due and payable.

13. **Covenants**

The Borrower covenants and agrees as follows:

- (a) to defend its right, title and interest in the Property for the benefit of the Lender against all claims and demands whatsoever of all persons/entities, other than holders of Permitted Encumbrances;
- (b) not to create or suffer to exist any encumbrance of any nature (whether prior to, *pari passu* with or subordinate to the Security) upon the Property or any part thereof other than Permitted Encumbrances;
- (c) to preserve, repair and keep in good order, condition and repair or cause to be preserved, repaired and kept in good order, condition and repair the Property and all appurtenances thereto and all properties and assets used in connection with the Property, to the standard of a prudent owner of similar property, and the Borrower shall carry on and conduct, or cause to be carried on and conducted, the operation of the Property in a prudent manner so as to preserve and protect the Property; the Borrower shall keep the Property in good condition and order, or shall cause the Property to be put and kept in good condition and order, and shall promptly make, or cause to be made, all needed repairs and replacements thereto, including such repairs and replacements to implement the recommendations which a prudent owner of a property similar to the Property would deem appropriate or necessary from time to time; the Borrower shall at any and all reasonable times, upon the prior written request of the Lender, permit the Lender to inspect the Property or any part thereof during normal business hours;
- (d) to carry on or cause to be carried on and conduct or cause to be conducted the operation of the Property in a prudent manner so as not to materially impair the

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value of the Property or the use of the Property for the purpose for which it is held;

- (e) to duly and punctually pay, or cause to be paid, to the Lender the principal of and interest accrued on the Loan, any premium of the Loan and all other amounts owing in respect of the Loan on the dates, at the places, in the monies, and in the manner mentioned herein and in the Loan, in strict conformity therewith, and shall faithfully observe and perform all the conditions, covenants and requirements of all Loan Documents;
- (f) to pay or cause to be paid, on or before the due date thereof, all taxes, rates, levies, duties and assessments, general and special, ordinary and extraordinary, of every nature and kind whatsoever, including local improvement taxes which shall be levied, assessed or imposed upon the Property or any part thereof, or upon the Borrower or any other person on account thereof, and shall from time to time as the same are paid, at the written request of the Lender produce for inspection by the Lender, satisfactory evidence that all such taxes have been paid when due (together with such further supporting information or documentation reasonably required by the Lender);
- (g) the Lender shall be entitled to register or file or cause to be registered or filed the Security (or a notice or financing statement in respect hereof) without delay at every public office of record in the Province of Ontario and in any other jurisdiction where the Borrower is "located" for the purposes of perfecting a security interest pursuant to the *Personal Property Security Act* (Ontario), in each case, where the registration or filing thereof is, in the opinion of the Lender, required to preserve, perfect and/or protect the security hereby or thereby created; and the Lender shall be entitled to renew or cause to be renewed any such registrations or filings as may be necessary from time to time to so preserve, perfect and/or protect the security hereby or thereby created;
- (h) the Borrower shall fully and effectively maintain and keep the Security or cause the Security to be maintained and kept as valid and effective security at all times while the Loan is outstanding and shall not permit or suffer the registration of any lien whatsoever, whether of workmen, builders, contractors, engineers, architects or suppliers of material, upon or in respect of any of the Property, which would rank subsequent to, *pari passu* with or prior to the security of the Security other than Permitted Encumbrances;
- (i) the Borrower shall cooperate fully with the Lender with respect to any proceedings before any court, board or other public authority which may in any way materially and adversely affect the rights of the Lender hereunder or any rights obtained by it under any of the Loan Documents and, in connection therewith, shall keep the Lender fully advised of the status of all such proceedings and shall allow the Lender and its counsel at its election to attend meetings in respect of such proceedings; the Borrower shall cooperate with the Lender in obtaining for the Lender the benefits of any insurance proceeds lawfully or equitably payable in connection with the Property to the extent that the Lender is

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entitled to the same under the terms of the Loan Documents, and the Lender shall be reimbursed for any actual out-of-pocket expenses incurred in connection therewith (including, without limitation, legal fees and disbursements, and the payment by the Borrower of the expense of an appraisal on behalf of the Lender in case of a fire or other casualty affecting the Property or any part thereof) out of such insurance proceeds;

- (j) the Borrower shall cause the Property to be used only for Project purposes and for no other purpose, and the Borrower will do, observe and perform or cause to be done, observed and performed, in all material respects, all of its obligations and all matters and things necessary or expedient to be done, observed or performed under or by virtue of all applicable laws;
- (k) the Borrower shall do, observe and perform, or cause to be done, observed and performed, in all material respects, all of the obligations and things necessary or expedient to be done, observed or performed by the Borrower under or by virtue of all Permitted Encumbrances and material Project agreements; for greater certainty, this covenant regarding Permitted Encumbrances applies to all prior-ranking financial encumbrances which are Permitted Encumbrances;
- (l) if the Borrower shall fail to perform any covenant on its part contained in this Agreement the Lender may, after giving concurrent notice to the Borrower, itself perform (but shall not be obliged to perform), any of such covenants provided no payment or expenditure of funds is required in connection therewith, or, if a default has occurred, and if any such covenant requires the payment or expenditure of money, it may make such payment or expenditure with its own funds, or with money borrowed by or advanced to it for such purpose; all sums so expended or advanced shall be payable by the Borrower together with interest thereon which shall accrue, until paid, at the interest rate applicable to the Loan from the date of such expenditure or advance until repayment but no such performance or payment shall be deemed to relieve the Borrower from any default hereunder;
- (m) the Borrower shall encumber or cause to be encumbered in favour of the Lender, as part of the Security, all additional improvements, licenses, easements and rights of way which, in any way or manner, it shall hereafter acquire in connection with the Property, and the Borrower shall make or cause to be made all requisite registrations required by this Agreement with respect thereto; any and all times the Borrower will do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered all and every such further acts, deeds and assurances in law as the Lender shall reasonably require, for the purpose of giving the Lender a valid encumbrance of the nature herein specified upon all such property (subject only to Permitted Encumbrances) for the better encumbering unto the Lender all and singular the lands and premises, and property encumbered under the Security, or intended so to be or which the Borrower may hereafter become bound to encumber or cause to be encumbered in favour of the Lender;

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- (n) so long as the Loan or any portion thereof remains outstanding the Borrower shall not cancel or materially amend any material Project agreements without the Lender's consent;
- (o) the Borrower shall give prompt notice to the Lender upon the occurrence of any default or any Event of Default or any event, circumstance or matter which may reasonably be expected to have a material adverse effect on the financial condition of the Borrower and/or the Property; the Borrower shall not create, assume, incur or suffer to exist any security interest in or upon any of its undertakings, properties, rights or assets secured by the Security except for Permitted Encumbrances;
- (p) upon two (2) Business Days' prior written notice or at any time in an emergency as reasonably determined by the Lender, the Borrower shall permit the Lender to have reasonable access at all reasonable times and from time to time, to the Property and to all related records (including records pertaining to the Borrower), and shall permit the Lender, acting reasonably, to make copies of and abstracts from such records;
- (q) the Borrower shall give to the Lender prompt written notice of any material adverse change in the condition of the business, financial or otherwise, of the Borrower;
- (r) the Borrower shall give to the Lender prompt written notice of all actions, suits, litigation or other proceeding commenced or threatened against the Borrower and/or in respect of the Property;
- (s) the Borrower shall obtain and maintain during the Term the following Property insurance coverage:
 - (i) prior to commencing construction, all risk builder's insurance with extended coverage for all other risks and perils in, representing an amount equal to 100% of the gross replacement cost of all buildings located on the Property, without deduction for foundations or footings; the proceeds payable under such policy shall be payable to the Lender as mortgage creditor, pursuant to a standard mortgage clause approved by the Insurance Bureau of Canada;
 - (ii) if applicable and prior to commencement of construction, broad form boiler insurance with coverage on all electrical equipment, mechanical equipment and pressure vessels; such policy shall contain a standard mortgage clause approved by the Canadian Boiler and Machinery Underwriters Association, or an equivalent clause, with proceeds payable thereunder to the Lender as mortgage creditor;
 - (iii) general liability insurance covering damages in an amount of not less than \$5,000,000.00 per occurrence;

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- (iv) environmental liability and remediation insurance covering damages in an amount of not less than \$5,000,000.00 per occurrence; such coverage shall include third party pollution liability claims and first party on-site remediation expenses; and
- (v) such other insurance as shall be requested by the Lender, acting reasonably.
- (t) the Borrower shall deliver to the Lender, within one hundred and twenty (120) days following the Borrower's fiscal year, unaudited financial statements in respect of the Property and unaudited financial statements in respect of the Borrower, prepared internally by a qualified person in accordance with generally accepted accounting principles, consistent with prior years, and shall include all appropriate documents, explanatory notes and additional information; in addition to the above financial statements, the Borrower covenants to provide to the Lender, from time to time, upon request, any further financial information then still undisclosed and reasonably required, pertaining to the Property and/or the Borrower; the Lender reserves the right to disclose to third parties any financial information concerning the Property and/or the Borrower, provided that such third parties shall be limited to potential assignees of part or all of the Loan, the Lender's auditors, the Lender's solicitors, the Lender's bankers, the Lender's other advisors and persons to whom such information is ordinarily disclosed in a mortgage securitization or mortgage syndication;
- (u) subject to Adverse Development Conditions, the Borrower covenants to develop and construct and/or cause the development and construction of the Property in accordance with the delivered plans and specifications using only new materials and not Hazardous Substances, without defect in construction, installation and/or materials;
- (v) the Borrower covenants not to materially amend the delivered plans and specifications or fail to construct in accordance with the delivered plans and specifications without the Lender's prior written consent, which consent shall not be unreasonably withheld;
- (w) the Borrower shall pay, regardless of whether any part of the Loan shall be advanced, all reasonable third party costs, fees and expenses incurred by the Lender in connection with the transaction hereunder including, without limitation:
 - (i) all costs incurred in connection with a survey, an appraisal, an engineering review, an architectural review, an environmental review, other professional consultant review, a credit review, a lease review and an insurance review;
 - (ii) all legal fees and disbursements of the Lender's solicitors for enforcement only; and

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- (iii) all registration, recording and filing fees and land transfer and mortgage taxes, if applicable.
- (x) the Borrower shall not sell, transfer, lease, license or otherwise convey an interest in the Property or any part thereof, save and except as contemplated for the staging and completion of the Project or to an entity approved by the Lender, in its sole, absolute and unfettered discretion.

14. **Events of Default**

Events of Default (“**Events of Default**”) shall be as follows:

- (a) if the Borrower fails to pay interest, principal or other amount owing hereunder on a due date during the Term and such default remains outstanding for ten (10) days; or
- (b) if the Borrower fails to pay all principal on the Maturity Date, subject to the Terms of this Agreement, or
- (c) if the Borrower fails to complete all obligations it may have under the Purchase Agreement; or
- (d) if the Borrower fails to pay, or cause to be paid, taxes, rates, levies, duties, public utility charges and assessments, general and special, ordinary and extraordinary, of any nature or kind whatsoever, including local improvement taxes, which shall be levied, assessed or imposed upon the Property or any part thereof, or upon the Borrower, on account thereof and any such default shall continue either for a period of five (5) Business Days after written notice to the Borrower from the Lender or for such shorter period as would, if continued, render the Property, or any part thereof, liable to forfeiture or sale; or
- (e) if the Borrower creates, permits or suffers to exist, any encumbrance against the Property or any part thereof, other than Permitted Encumbrances and, in the case of encumbrances which have not been created by the Borrower, the same continue to exist for a period of ten (10) days after written notice thereof has been given to the Borrower by the Lender or for such shorter period as would, if continued, render the Property or any part thereof, liable to forfeiture or sale; or
- (f) if any representation or warranty in any of the Loan Documents or any financial statements delivered pursuant thereto, is (or, at the time it was given or repeated, was) false or erroneous in any material respect and such false or erroneous condition shall continue for a period of ten (10) days following the Borrower’s receipt of written notice thereof from the Lender; or
- (g) if the Borrower shall fail to comply with any covenant/agreement in any of the Loan Documents and such non-compliance shall continue for a period of ten (10) days following the Borrower’s receipt of written notice thereof from the Lender, or such longer cure period as may be reasonable in the circumstances, provided

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the Borrower takes diligent and commercially reasonable steps to cure such default as soon as possible; or

- (h) if any material provision in the Loan Documents shall for any reason cease to be valid, binding and enforceable in accordance with its terms or the Borrower shall so assert in writing; or any security interest created under any of the Loan Documents shall cease to be a valid and perfected security interest having the priority in any of the collateral purported to be covered thereby; or
- (i) if the Borrower does, or fails to do, anything which would entitle an insurer to cancel or not renew a policy of insurance on the Property required hereunder which is not rectified within fifteen (15) days following the Borrower becoming aware of such entitlement to cancel or not renew, and in any event not later than ten (10) days prior to the termination or expiry of such policy, or if any policy of insurance is cancelled, expires or terminates and is not replaced in accordance with the requirements of this Agreement; or
- (j) if all or any material part of the Property is expropriated; or
- (k) if one or more final judgments for the payment of money (which is not covered by insurance) shall be rendered against the Borrower; or
- (l) if any writ, attachment, execution, enforcement, sequestration, extent, distress or any other similar process shall become enforceable against the Borrower, or if a distress or any analogous process is levied against any properties or assets of the Borrower; or
- (m) if the Borrower shall suspend or cease or threaten to suspend or cease its business; or
- (n) if the Borrower shall breach any law which results in a notice or control order or cancellation of any license or certificate or approval that results in any material disruption of the business at the Property or that could reasonably be expected to have a material adverse effect on the Security, the repayment of the Loan, the Lender's rights under the Loan Documents, the Property or the business operations, prospect or condition of the Borrower (financial or otherwise); or
- (o) if any environmental order is issued by any public authority against the Property and such environmental order has not been satisfied or discharged within the shorter of time allowed for in such environmental order and within thirty (30) days after the date such environmental order was received by the Borrower; or
- (p) if the Borrower shall admit its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency or if an order shall be made or an effective resolution passed for the winding up of such entity or if such entity shall make an assignment for the benefit of its creditors or if a receiver or a liquidator or a trustee in bankruptcy of such entity shall be appointed or if such entity shall

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make a proposal to its creditors under a bankruptcy act including, without limitation, the *Companies' Creditors Arrangement Act* (Canada); or

- (q) if any proceeding is instituted for the winding up of the Borrower or a petition in bankruptcy be presented against such entity under a bankruptcy act and if in either case such proceeding or petition shall not have been dismissed or withdrawn within twenty (20) days of the commencement of the proceeding or petition; or
- (r) if ownership control of the Borrower shall be transferred without the Lender's approval, which approval may be withheld in the Lender's sole, absolute and unfettered discretion; or
- (s) if the Borrower shall sell, transfer, lease, license or otherwise convey an interest in the Property or any part thereof in contravention of Subsection 15(x) hereof, or if the Borrower shall mortgage or otherwise encumber an interest in the Property or any part thereof in contravention of this Agreement, then the Lender may, in its sole, absolute and unfettered discretion, demand immediate repayment of the Loan principal in full together with all accrued interest and all other amounts due hereunder; or
- (t) if the Borrower is in default of any Permitted Encumbrance for more than fifteen (15) days after receiving written notice of such default; or
- (u) in the event that the Lender determines in its sole discretion and in conjunction with the consultations with the Project Cost Consultant, if any, that the Borrower is substantially in default of meeting the Project development and construction schedule including, inter alia, development approvals, servicing and sale of units, or if there are substantial cost overruns occurring (excluding causes beyond the reasonable control of the Borrower or its construction manager).

15. **Postponement and Subordination and Partial Discharge**

The Lender covenants and agrees as follows:

- (a) to postpone and subordinate the Loan Documents in favour of First-Ranking Construction Loan Security and to enter into such standstill agreements as may be required by the Senior Lender. It is acknowledged that under the terms of any First-Ranking Construction Loan Security, the Lender will be prevented from taking any steps of enforcement of the Loan, notwithstanding a default under the terms of the Loan including, non-payment of the Loan on the Maturity Date, and that as a result, the Loan repayment may be extended as set forth in Section 4 hereof in the event that the Project has commenced construction and has not been completed by the Maturity Date, as it may be extended from time-to-time. In addition, as a result of such extension, interest will continue to accrue as there will be insufficient monies in the Interest Reserve.
- (b) to postpone and subordinate the Loan Documents in favour of each non-financial encumbrance, as well as any deposit insurer security, if applicable, which is

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reasonable for a development such as the Project and which individually does not materially adversely affect the market value of the Property (including, without limitation, encumbrances pertaining to roads, sidewalks, easements, rights-of-way, subdivision agreements and/or condominium agreements, site plan control agreements, development agreements, cost-sharing agreements, encroachment agreements, zoning/use laws, utility licences, utility easements, Crown patent reservations and restrictive covenants);

- (c) to discharge the Loan Documents in respect of any part of the Property which is not material to the Project and/or the market value of the Property or which is required by any governmental authority, without requirement for payment or prepayment of any part of the Loan;
- (d) if applicable, to provide partial discharges of the Loan Documents in respect of all Project unit sales to third parties and in respect of all Project sales to third parties, without compensation, provided that the full proceeds thereof shall be used immediately to first pay down the First-Ranking Construction Loan Security and then to pay down other Project trade creditors;
- (e) if applicable, to enter into a non-disturbance agreement, upon request, with any Project; such non-disturbance agreement shall provide for the tenant's postponement and subordination of its lease in favour of the Loan Documents and the tenant's agreement to attorn to the Lender and its successors and assigns upon an Event of Default; and
- (f) The investor hereby agrees that in the event there is an early repayment of the Loan by the Borrower (excluding receipts from enforcement or sale of Project units) ("**Early Repayment**"), same shall be paid to investors in the Loan in the order of priority of advance by the applicable tranche in the original Loan, and then pari passu amongst the investors who had their share of the Loan funded within the same loan tranche.

16. **General**

- (a) If the Borrower shall be comprised of more than one person/entity, then such persons/entities shall be jointly and severally liable for all of the obligations of the Borrower pursuant to this Agreement.
- (b) All notices, directions, service, correspondence and communications ("**Notice**") between the parties hereunder shall be in writing and delivered, sent by prepaid registered mail or electronically communicated by telecopier or e-mail as set forth below; delivered Notices shall be deemed to have been delivered on the day of delivery, if delivered at or before 5:00 p.m. (Toronto time) on a Business Day, or on the next Business Day if delivered after that time; Notices sent by prepaid registered mail shall be deemed to have been received on the third (3rd) Business Day following the date of mailing (notwithstanding the date of actual receipt and the fact that it may not have then been received), except in the event of interruption of postal service during which period Notices shall not be mailed;

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Notices electronically communicated by telecopier shall be deemed to have been delivered on the day of communication with confirmation of transmission, if communicated at or before 5:00 p.m. (Toronto time), or on the next Business Day if communicated after that time; any party may provide Notice of a change of its address and/or telefax number, provided that the Notice is communicated in accordance with this Subsection 18(b):

To the Lender: Building & Development Mortgages Canada Inc.
8-25 Brodie Drive, Richmond Hill, Ontario
L4B 3K7
Attention: Ildina Galati-Ferrante

and a copy to: Fogler Rubinoff LLP
77 King Street West, Suite 3000
Toronto, Ontario M5K 1G8
Attention: Richard Rotchtin

To the Borrower: Fortress Real Developments Inc
25 Brodie Drive, Unit 1
Richmond Hill, Ontario L4B 3K7
Attention: Vince Petrozza

And a copy to: Robins Appleby LLP
120 Adelaide St West
Suite 2600
Toronto, Ontario M5G 1V2

- (c) The Borrower shall not assign its rights and obligations pursuant to this Agreement, in whole or in part, without the Lender's prior written consent, which consent may be withheld in the Lender's sole, absolute and unfettered discretion.
- (d) The Lender shall be entitled to assign all or part of its right, title and interest pursuant to this Agreement to one or more assignees, by way of simple assignment, syndication, securitization and/or other method of assignment.
- (e) All Loan Documents shall be governed by and interpreted in accordance with the laws in effect within the Province of Ontario.
- (f) The terms and conditions contained in this Agreement are inserted for the exclusive benefit of the Lender and may be waived, in whole or in part, by the Lender at any time or times. In the event of inconsistency or conflict between the provisions of this Agreement and the provisions of the Security, this Agreement shall prevail to the extent of such inconsistency or conflict.

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- (g) This Agreement and the Loan Documents constitute the entire agreement between the parties hereto pertaining to the subject-matter hereof and supersede all prior agreements, negotiations, understandings and discussions, whether written or oral.
- (h) If any obligation contained in this Agreement or any other Loan Document or the application thereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement or such Loan Document and the application of such obligation to persons or circumstances other than those to whom/which it is held invalid or unenforceable, shall not be affected thereby and each obligation contained in this Agreement and each other Loan Document shall be separately valid and enforceable to the fullest extent permitted by law.
- (i) All amendments of this Agreement and any other Loan Document shall be in writing.
- (j) Time shall be of the essence of this Agreement and each other Loan Document.
- (k) This Agreement and each other Loan Document shall enure to the benefit of and be binding upon the successors and permitted assigns of the Borrower and the successors and assigns of the Lender.
- (l) Words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender and words importing persons shall include firms and corporations, and vice versa. Similarly, all references to any party or parties herein shall be read with such changes in number as the context or reference may require. References to any statute herein includes such statute as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto.
- (m) In the event that any day on which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the first Business Day thereafter.
- (n) Any legal action or proceeding with respect to this Agreement shall be brought in the courts of the Province of Ontario and such courts shall have exclusive jurisdiction to deal with all matters relating to the interpretation of, or enforcement of rights under all Loan Documents and each of the parties hereto hereby irrevocably attorns to the jurisdiction of such courts.
- (o) Unless specifically otherwise provided herein, all references to dollar amounts herein or other money amounts herein are expressed in terms of lawful money of Canada.
- (p) The Borrower shall, at all times during the Term and for a period of two (2) years thereafter, maintain as confidential this Agreement and all related matters, except as required under law and except as disclosed to advisors and/or employees (who shall be bound by the same obligation).

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- (q) The failure of any party hereto to insist upon the strict performance of any provision of this Agreement or to exercise any right or remedy contained herein, shall not be construed as a waiver or relinquishment of such provision/right/remedy, which provision/right/remedy shall remain in full force and effect.
- (r) This Agreement may be executed in counterparts.

Building & Development Mortgages Canada Inc., in Trust

Per: 

Name: Ildiba Galati-Ferrante
Title:

Per: _____

Name:
Title:

I/We have the authority to bind the Corporation.

Fortress Brookdale Inc.

Per: 

Name: Vince Petrozza
Title: COO

Per: _____

Name:
Title:

I/We have the authority to bind the Corporation.

SCHEDULE "A" TO LOAN AGREEMENT

MUNICIPAL AND LEGAL DESCRIPTION OF THE PROPERTY

Municipal Address: 375 & 377 Fairlawn Avenue, 1678 Avenue Road, 1682 Avenue Road, 1686 Avenue Road, 1688-1690 Avenue Road, 1694-1698 Avenue Road, 1700 Avenue Road, 1702 Avenue Road, 1704B Avenue Road, 412 Brookdale Avenue, 414 Brookdale Avenue; Toronto, Ontario.

Legal Description:

PIN: 10189-0860 (LT)

FIRSTLY; PT LT 43A PL 2247 TWP OF YORK AS IN TB953411; SAVE ANDEXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640. ; SECONDLY; PT LT 43A PL 2247 TWP OF YORK AS IN NY806826: SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640.; THIRDLY; PT LT 42A PL 2247 TWP OF YORK AS IN NY791515; SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640. ; FOURTHLY; PT LT 42A, 43A PL 2247 TWP OF YORK AS IN TR39454; SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT- 3451640. ; FIFTHLY; PT LT 42A, 43A PL 2247 TWP OF YORK PT 2 & 3 64R14089; SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640.; SIXTHLY; PT LT 42A, 43A PL 2247 TWP OF YORK PT 1 64R14089, SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640.; SEVENTHLY; LT 33 PL 2371 TWP OF YORK; PT LT 34 PL 2371 TWP OF YORK AS IN TB940448; EIGHTHLY; PT LT 34 PL 2371 TWP OF YORK AS IN TB940447; CITY OF TORONTO.

PIN: 10189-0245 (LT)

LOT 32, PLAN 2371, TOWNSHIP OF YORK, TORONTO (NYORK), CITY OF TORONTO.

MUNICIPAL ADDRESS & ASSESSMENT ROLL NUMBER

MUNICIPAL ADDRESS	ASSESSMENT ROLL NUMBER
1678 Avenue Road, Toronto	19-08-06-2-100-02700-0000-06
1682 Avenue Road, Toronto	19-08-06-2-100-02600-0000-03
1686 Avenue Road, Toronto	19-08-06-2-100-02500-0000-00
1688-1690 Avenue Road, Toronto	19-08-06-2-100-02400-0000-04
1694-1698 Avenue Road, Toronto	19-08-06-2-100-02200-0000-05
1700 Avenue Road, Toronto	19-08-06-2-100-02100-0000-02
1702 Avenue Road, Toronto	19-08-06-2-100-02001-0000-04
1704B Avenue Road, Toronto	19-08-06-2-100-01800-0000-00
412 Brookdale Avenue, Toronto	19-08-06-2-100-02800-0000-02
414 Brookdale Avenue, Toronto	19-08-06-2-100-02900-0000-05
375 Fairlawn Avenue, Toronto	19-08-06-2-100-01700-0000-04
377 Fairlawn Avenue, Toronto	19-08-06-2-100-01600-0000-01

**SCHEDULE C
ADDENDUM TO LOAN AGREEMENT**

THIS ADDENDUM to the Loan Agreement described below is made as at the 10th day of July, 2017

BETWEEN:

Building & Development Mortgages Canada Inc., In Trust (called, the "Lender")

- and -

Fortress Brookdale Inc. (called, the "Borrower")

(together, the "Parties")

AND WHEREAS the Parties are parties to a Loan Agreement made as of July 10th, 2017 (the "Loan Agreement");

AND WHEREAS any individual investor who enters into an agreement to participate in the Loan (as defined in the Loan Agreement) by way of syndicated mortgage after April 27, 2017 and prior to such date as advised by Building & Development Mortgages Canada Inc. will be provided with updated loan documents, including updated disclosure documents which rely on an estimated market value appraisal prepared in accordance with the standards of the Appraisal Institute of Canada;

NOW THEREFORE the Parties agree as follows:

- 1 Any individual investor who enters into an agreement to participate in the Loan by way of syndicated mortgage after April 27, 2017 and prior to such date as the Parties are advised in writing by Building & Development Mortgages Canada Inc. may, within 15 days of receipt of the updated loan and disclosure documents (including updated disclosure documents which rely on an estimated market value appraisal prepared in accordance with the standards of the Appraisal Institute of Canada) rescind their loan and require repayment of their loan by the Borrower by written notice to their mortgage agent or broker and shall be entitled to repayment by the Borrower within 60 days of the Parties having been advised in writing of the rescission request by the individual investor's mortgage agent or broker.

**BUILDING & DEVELOPMENT MORTGAGES
CANADA INC., IN TRUST**

Per: _____

Name: Ildina Galati

Title: _____

FORTRESS BROOKDALE INC.

Per: _____

Name: Vince Petrozza

Title: _____



Important Information Regarding Your Syndicated Mortgage Loan

BDMC and **FFM Capital Inc.** are in the process of updating the loan documentation (including updated disclosure documents) given to and executed by prospective syndicated mortgage lenders. These updates are aimed at updating the disclosure pertaining to the risks present for a project, conflicts of interest, and by including appraisals which reflect the current estimated market value of the property.

1. **Syndicated mortgage loans are inherently high risk investments. The information you have received regarding the syndicated mortgage loan may be incomplete and may not fully address all of the risks present in the project.**
2. The disclosure you have received regarding the syndicated mortgage loan may rely on a value for the property that was determined using a valuation method that does not provide an estimated market value for the property. The estimated market value is an estimate of the value of the property assuming it is in its current state. Providing an estimated market value is important because it provides an estimate of how much the property could be sold for at the time of your investment if it was necessary to enforce the mortgage. BDMC, the brokerage brokering the loan on behalf of the borrower, has undertaken to obtain an appraisal for the property which provides an estimated market value, prepared by a member of the Appraisal Institute of Canada and according to the guidelines established by that institution, as necessary.

[Note to preparer of form: Paragraph 2 is not included in this statement if an approved appraisal has been provided.]

3. If you decide to lend funds to the Brookdale Mezz project, your agreement regarding your loan must include a right to cancel your loan once you have been provided updated loan documents, including updated disclosure documents which rely on an estimated market value appraisal prepared in accordance with the standards of the Appraisal Institute of Canada.
4. Your right to cancel your syndicated mortgage loan in the project and how to exercise that right is detailed on the final page of loan agreement. Once you have received the new loan documents, you may cancel your loan agreement and

have the right to require repayment of your loan. You do not need any reason in order to cancel your syndicated mortgage loan. Your right to cancel your syndicated mortgage loan is not funded. This means that although you may cancel your loan, there may not be funds available to return the loan amount to you if you exercise your right to cancel.

By signing this notice you are acknowledging that you have read and understand its contents.



Signature of Syndicated Mortgage Lender

Aug 24/17
Date



Print Name of Lender



Aug 24/17
Date

The signature of the Agent indicates that the Agent has reviewed this disclosure with the lender and has advised of the risks involved to the lender.

Execution Copy

FIRST LOAN AMENDING AGREEMENTTHIS AGREEMENT made effective as of the 16th day of October, 2017.

BETWEEN:

FORTRESS BROOKDALE INC.
(the "Borrower")

- and -

BUILDING & DEVELOPMENT MORTGAGES CANADA INC., in Trust
(the "Lender")

WHEREAS:

- A. the Borrower and the Lender entered into a loan agreement dated as of July 10, 2017 (the "Loan Agreement"); and
- B. each of the Borrower and the Lender wish to enter into this amending agreement in order to amend certain of the terms of the Loan Agreement.

NOW THEREFORE in consideration of the premises set forth above, the terms and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Expressions and Definitions

Unless otherwise defined herein, all expressions and definitions contained in this agreement shall have the same meaning as the corresponding expressions and definitions in the Loan Agreement.

2. Amendment of Loan Agreement

The Loan Agreement is hereby amended as follows:

- (a) Section 1(h) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:
 - (h) "Co-Tenancy Agreement" means the co-tenancy agreement among Fortress Avenue Road (2015) Inc. Fernbrook Homes (Brookdale) Limited, Fortress Brookdale Inc. and Dominus Construction (2005) Corporation dated May 25, 2015, as the same may be amended from time to time.
- (b) Section 1(i) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:
 - (i) "Net Equity" means a portion of the principal amount of the Loan advanced to the Borrower, from time to time, excluding: (1) the Interest

- 2 -

Reserve (if applicable); (2) all other accrued interest; and (3) the amounts raised and paid out on account of interest payments;

- (c) Section 1(v) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

(v) **"Permitted Encumbrances"** means the First-Ranking Construction Loan Security, a mortgage to secure any insurer providing bonding to the Taron Warranty Corporation, deposit security, Bridge Loans, mezzanine financing or providing excess deposit insurance to purchasers of condominiums, security relating to the FCC Loan, and such non-financial encumbrances as shall be reasonable for a development such as the Project (including, without limitation, encumbrances pertaining to easements, rights-of-way, subdivision agreements, condominium development or related agreements, site plan control agreements, cost-sharing agreements, encroachment agreements, zoning/use laws, utility licences, utility easements, Crown patent reservations and restrictive covenants) and any other encumbrances shown on the Property parcel register as of the date of this Agreement;

- (d) Section 1(bb) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

(bb) **"Security"** shall have the meaning attributed thereto in Section 8 hereof;

- (e) The following definition is added to the Loan Agreement as Section 1(ff):

(ff) **"FCC Loan"** means a loan from Firm Capital Corporation to the Borrower in the principal amount of approximately \$6,700,000.00, as set out in a loan proposal dated September 27, 2017.

- (f) Section 3(n) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

(n) The Lender hereby establishes a non-revolving loan (the **"Loan"**) in favour of the Borrower in an amount not exceeding \$15,000,000.00 (of which \$5,000,000.00 is a buffer) to provide funding for the Borrower's costs related to the development of the Property, as set out in Schedule "B" attached hereto (the **"Project Budget"**) including, without limitation, funding to repay, if any, the Bridge Loan, and reasonable soft costs incurred or to be incurred prior to construction financing and to provide for any shortfall in required equity (as determined by the Senior Lender in its sole, absolute and unfettered discretion) prior to the first advance of the First-Ranking Construction Loan, all as set out in the Project Budget, but specifically excluding Development Fees which must be funded by the Senior Lender;

- 3 -

- (g) Section 4 of the Loan Agreement is hereby amended by correcting the reference to "Section 1.4" at the end of the third paragraph of Section 4 so that the reference is to "Section 1.5".
- (h) Section 7 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:
 - (a) **Prepayment/Repayment of Principal**
 - (a) The Borrower may prepay the Loan, in whole but not in part, upon two (2) Business Days' prior written notice to the Lender and without bonus:
 - (b) The outstanding Loan principal together with accrued interest owing and all other amounts due and owing, if any, pursuant to the Loan Documents shall become wholly due and payable on the earlier of the Maturity Date or the occurrence of an Event of Default:
 - (c) In the event that the Senior Lender requires less equity than has already been advanced by the Lender, or to the extent the Project is refinanced and such equity can be repatriated to the Borrower, (subject to the limitations described in Section 4.2(f) of the Co-Tenancy Agreement) such equity shall be paid to the Lender to pay down the Loan or at the option of the Lender, held in a separate trust account and pledged to the Lender to secure and be used to fund Interest Reserves and interest payments:
 - (d) Repayment of the Loan and discharge of the Security shall be subject to and in accordance with the provisions of Section 3.3 and 4.2 of the Co-Tenancy Agreement, respectively, copies of which are attached as Schedule "D", and the Security shall be deemed to be a Related Party Mortgage, as defined in the Co-Tenancy Agreement, for the purposes of repayment, and the Priority of Distribution set out in Section 4.2 of the Co-Tenancy Agreement shall supersede any priority entitlement or repayment to which the Lender may otherwise be entitled pursuant to the Security or at law:
 - (e) The Lender shall provide any postponements, standstill agreements, partial discharges and any other documents required by any prior ranking mortgagee and any insurance company providing security for purchaser deposits, all in relation to the development of the Project:
 - (f) In the event of a transfer of the Security by the Lender, the Lender agrees to require the transferee to execute any documentation required pursuant to Section 3.3 of the Co-Tenancy Agreement:

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- (g) In the event the Project is completed and sales revenues are insufficient to repay the Loan as a Related Party Mortgage in accordance with the Priority of Distributions described in Section 4.2 of the Co-Tenancy Agreement, partial discharges of the Security shall be provided to the Borrower in order to complete sales of units in the Project, whether or not full or partial payment will be made under the Loan;
 - (h) The Security shall be strictly non-recourse against Dominus Construction (2005) Corporation and Fernbrook Homes (Brookdale) Limited and Fortress Avenue Road (2015) Inc.; and
 - (i) The Lender agrees to execute all postponements, partial discharges (subject to payment in accordance herewith, if any), consents, etc., in order to allow for the registration of the Project as a condominium and to allow for the transfers of the units once the Project has been completed and sold.
- (j) Section 8 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:
8. The security for the Loan (hereinafter the "Security") shall be as follows, subject only to the Permitted Encumbrances:
- (a) Property mortgage executed by the Borrower in the principal amount of \$15,000,000.00 (of which \$5,000,000.00 is a buffer);
 - (b) if the Property beneficial owner is not the Borrower, then a direction, acknowledgement and security agreement executed by the beneficial owner, Borrower and Lender, including confirmation of a fourth-ranking charge of the beneficial owner's interest in the Property and a direction by the beneficial owner to the Borrower to execute the Loan Documents to which the Borrower is a party, such direction to be duly acknowledged by the Borrower;
 - (c) a general security agreement executed by the Borrower charging the personal property and undertaking of the Borrower, present and future, used in connection with the Property including, without limitation, all accounts, equipment, goods, inventory, chattel paper, documents of title, intangibles, securities and proceeds therefrom;
 - (d) an indemnity from the Borrower indemnifying the Lender from and against all losses, demands, claims, liabilities, costs, actions, penalties, obligations and expenses imposed upon the Lender and arising in connection with the Lender being a lender hereunder in respect of the Property and all assets relating thereto, save and except in respect of matters arising and caused by the gross negligence of the Lender during any period in which the Lender

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shall be in exclusive possession of the Property and/or arising and caused after a completed foreclosure proceeding or sale proceeding pursuant to the Security and/or caused by the gross negligence of the Lender; such indemnity shall survive the full payment and discharge of the Loan including *inter alia*, an appropriate indemnity for all environmental matters;

- (e) a completion guarantee from the Borrower;
 - (f) an undertaking by the Borrower and the sponsors to obtain construction financing from the Senior Lender for all approved Project costs as described in the Project Budget, save for the equity to be advanced by way of the Loan under this Loan Agreement, on commercially reasonable terms to be approved by the Lender, acting reasonably; and
 - (g) such further and/or other security relating to the Property as the Lender shall reasonably require.
- (j) Section 9(i) of the Loan Agreement is hereby deleted in its entirety.
 - (k) Section 11.2 of the Loan Agreement is hereby deleted in its entirety.
 - (l) Section 12(q) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:
 - (q) the Borrower has good, valid and marketable title to the Property, free from all encumbrances except the Permitted Encumbrances;
 - (m) Section 13(s)(iv) of the Loan Agreement is hereby deleted in its entirety.
 - (n) Section 14(e) of the Loan Agreement is hereby deleted in its entirety.
 - (o) Section 14(s) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:
 - (s) if the Borrower shall sell, transfer, lease, license or otherwise convey an interest in the Property or any part thereof in contravention of Subsection 13(x) hereof, or if the Borrower shall mortgage or otherwise encumber an interest in the Property or any part thereof in contravention of this Agreement, then the Lender may, in its sole, absolute and unfettered discretion, demand immediate repayment of the Loan principal in full together with all accrued interest and all other amounts due hereunder. Notwithstanding the foregoing, the sale of units within a plan of condominium shall not be an Event of Default.

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- (p) Section 15(a) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:
- (a) to postpone and subordinate the Loan Documents in favour of First-Ranking Construction Loan Security, the FCC Security and security of any prior ranking mortgagee, and to enter into such standstill agreements as may be required by any prior ranking mortgagee. It is acknowledged that under the terms of any First-Ranking Construction Loan Security, the Lender will be prevented from taking any steps to enforce the Security, notwithstanding a default under the terms of the Loan, including, without limitation, non-payment of the Loan on the Maturity Date. In such event, interest will continue to accrue as there will be insufficient monies in the Interest Reserve.
- (q) Section 15(e) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:
- (e) if applicable, upon request, to enter into a non-disturbance agreement with any tenant of the Property, provided such non-disturbance agreement shall provide for the tenant's postponement and subordination of its lease in favour of the Security and the tenant's agreement to attorn to the Lender and its successors and assigns upon an Event of Default;
- (r) Section 16(b) of the Loan Agreement is hereby amended by deleting reference to "Fortress Real Developments Inc." and replacing the same with "Fortress Brookdale Inc." and by adding the following as parties to receive notice:

With a Copy to: Fembrook Homes (Brookdale) Limited
2220 HWY 7 West
Concord, Ontario L4K 1W7

Attention: Albert Chen

And to their solicitors: Goldman Spring Kichler & Sanders LLP
Suite 700, 40 Sheppard Avenue West
North York, Ontario M2N 6K9

Attention: Ari Reichmann

- (s) Exhibit 1 attached hereto is added as Schedule "D" to the Loan Agreement.

3 Ratification and Confirmation

Except for the amendments expressly set forth above, the Loan Agreement is in all respects ratified and confirmed and the Loan Agreement and this agreement shall be read, taken and construed as one and the same agreement and where the terms of this agreement are inconsistent

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with those of the Loan Agreement, the terms of this agreement shall govern and be binding upon the parties.

4. Further Assurances

The parties hereto covenant and agree from and after the execution and delivery of this agreement to sign such other instruments, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this agreement and every part of it.

5. Governing Law

This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

6. Counterparts

This agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this agreement to produce or account for more than one such counterpart.

7. Binding Effect


This agreement shall inure to the benefit of and be binding upon the parties to it and their respective heirs, executors, successors, assigns and legal representatives.

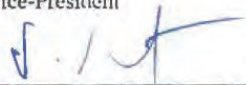
Signature Page Follows

- 8 -

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date hereof.

FORTRESS BROOKDALE INC.

Per: 
 Name: Danny Salvatore c/s
 Title: First Vice-President

Per: 
 Name: Vince Petrozza c/s
 Title: Secretary
We have authority to bind the Corporation

**BUILDING & DEVELOPMENT
MORTGAGES CANADA INC.**


Per: 
 Name: Charlene Burnet
 Title: General Manager
I have authority to bind the Corporation

EXHIBIT 1 to AMENDING AGREEMENTSCHEDULE D

1.3 Acknowledgments re Related Party Mortgages and Further Charges

- (a) On Closing (or within a reasonable time after Closing) with respect to the Second Mortgage and otherwise prior to the registration of any Further Charge, the holders of such mortgages shall acknowledge, both at the date of registration of any such mortgage or mortgages, as well as and when required by the Construction Lender and any insurance company providing security for purchaser deposits that:

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- (i) the Priority of Distributions set out in Section 4.2 herein shall supersede any priority entitlement or recovery pursuant to the registration of the applicable charges;
- (ii) they shall provide all postponements, standstill agreements, partial discharges and all other documents required by the Construction Lender and any insurance company providing security for purchaser deposits;
- (iii) in the event of a transfer of any such mortgage or mortgages, they shall require the transferee to execute all documents as required herein;
- (iv) with respect to the Second Mortgage: all interest payments during the terms of such mortgage shall be funded by Fortress. In the event the Project is completed and sales revenues are insufficient to repay all such mortgages in accordance with the waterfall of payments set forth in the Priority of Distributions herein, partial discharges shall be provided to the Nominee in order to complete sales of units in the Project, whether or not full or partial payment will be made under such mortgage;
- (v) With respect to all Further Charges: all interest payments during the terms of such mortgages shall be either capitalized or funded by the holders of such mortgages and there shall be no default under such mortgages for non-payment of same during the terms thereof. The Co-Tenancy shall have the right to approve the length of the term and any options to extend the terms under such mortgages such that it shall be sufficient to meet the construction, marketing and sale schedules of the Project. In the event the Project is completed and sales revenues are insufficient to repay all such mortgages in accordance with the waterfall of payments set forth in the Priority of Distributions herein, partial discharges shall be provided to the Nominee in order to complete sales of units in the Project, whether or not full or partial payment will be made under such mortgages;
- (vi) the holders of all such mortgage shall also acknowledge that notwithstanding the priority registration of their mortgages, provided the Project is completed by the Nominee, the holders of such mortgages shall only be entitled to repayment of their mortgages in accordance with the Priority of Distributions; and
- (vii) all such lenders shall acknowledge that their security and indebtedness shall be strictly non-recourse as against Cityzen, Dominus Construction (2005) Corporation and their successors and assigns.

4.2 Priority of Distributions

The cash surplus ("Cash Surplus") of the Co-Tenancy arising from the receipt of any Project revenue (save for approved reserves for warranty claims, deposit insurer security, unpaid Project Costs or other reserves approved by the Co-Tenancy) shall be distributed to the Members, as and when funds become available for distribution, in the priority and manner as follows (the "Priority of Distributions"), without duplication, no distribution being made in any category set forth below unless and until the preceding category has been satisfied in full, unless the Members otherwise agree in writing:

- (a) firstly, to the Construction Lender for the repayment of the Construction Loans;
- (b) secondly, unpaid Project Costs including the construction and development management fees herein set out (such amounts not funded by the Construction Lender) including any Excess Loans;
- (c) thirdly, any unpaid fees owing under the Project Management Agreement;
- (d) fourthly, to repay Cityzen Excess Loan(s) (if any) plus default interest;
- (e) fifthly, to repay the Existing Mortgages or to obtain a discharge of any Further Charges up to the Maximum Land Mortgages Amount, to the extent not previously repaid by the Construction Lender;
- (f) sixthly, to repay Related Party Mortgages or equity advances by Fortress with respect to approved Project Costs (only principal amounts and no interest or fees or Priority Advance Distributions or Incremental Environmental Costs);
- (g) seventhly, the balance, if any, to the extent such balance represents the net profits (as determined by the Project accountants using GAAP) of the Co-Tenancy but exclusive of any fees, or interest on such fees or Priority Advance Distributions paid as a result of Fortress arranging any of the Existing Mortgages or Further Charges, to the extent the total owing for same is greater than the Maximum Land Mortgages Amount (the "Actual Profit"), shall be distributed as follows:

- 18 -

With respect to the amount of Actual Profit that is less than \$10,000,000.00:

Fortress:	75%
Cityzen:	25%

With respect to the amount of Actual Profit that equals or exceeds \$10,000,000.00:

Fortress:	40%
Cityzen:	60%

For clarity, all loan fees charged by Fortress or related parties as well as any interest costs arranging fees, loan fees, costs or Priority Advance Distributions included in or on the Existing Charges and the Further Charges or any Incremental Environmental Costs, as well as the Land Transfer Tax paid in connection with the Purchase Agreement (or in connection with Fortress' acquisition of the Property), shall be paid by Fortress and shall not be charged to the Project or constitute a Project Cost. Without limitation, legal fees of Cityzen incurred on the purchase of its 25% interest in the Property shall be Project Costs.

Notwithstanding the foregoing, 25% or 60% of the Total Incremental Environmental Costs funded by the Construction Lender, if any and as the case may be, should be deducted from the Actual Profit payable to Fortress and paid to Cityzen.

Investment Authority – Form 9D

To: Building & Development Mortgages Canada Inc.
8-25 Brodie Drive
Richmond Hill, Ontario
Attention: Ildina Galati-Ferrante

I, [REDACTED] hereby instruct you to act on my behalf, on my mortgage investment of \$350,000.00, the details, conditions and disclosures of which are set below

Details about the investment:

1. Name and Address of the Borrower: Fortress Brookdale Inc.
1 – 25 Brodie Drive
Richmond Hill, Ontario L4B 3K7

2. Municipal Address and Legal
Description of the real property (ies)

Municipal Address: 375 & 377 Fairlawn Avenue, 1678 Avenue Road, 1682 Avenue Road, 1686 Avenue Road, 1688-1690 Avenue Road, 1694-1698 Avenue Road, 1700 Avenue Road, 1702 Avenue Road, 1704B Avenue Road, 412 Brookdale Avenue, 414 Brookdale Avenue; Toronto, Ontario.

Legal Description:

PIN: 10189-0860 (LT)
FIRSTLY; PT LT 43A PL 2247 TWP OF YORK AS IN TB953411; SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640. ;
SECONDLY; PT LT 43A PL 2247 TWP OF YORK AS IN NY806826; SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640.;
THIRDLY; PT LT 42A PL 2247 TWP OF YORK AS IN NY791515; SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640. ;
FOURTHLY; PT LT 42A, 43A PL 2247 TWP OF YORK AS IN TR39454; SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640. ; FIFTHLY; PT LT 42A, 43A PL 2247 TWP OF YORK PT 2 & 3 64R14089; SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640.; SIXTHLY; PT LT 42A, 43A PL 2247 TWP OF YORK PT 1 64R14089, SAVE AND EXCEPT THE EASEMENT THEREIN DELETED UNDER AT-3451640.; SEVENTHLY; LT 33 PL 2371 TWP OF YORK; PT LT 34 PL 2371 TWP OF YORK AS IN TB940448; EIGHTHLY; PT LT 34 PL 2371 TWP OF YORK AS IN TB940447; CITY OF TORONTO.

PIN: 10189-0245 (LT)
LOT 32, PLAN 2371, TOWNSHIP OF YORK, TORONTO (NYORK), CITY OF TORONTO.

3. Type of property – retail, residential and parking complex

4. Principal amount of mortgage/charge: **\$4,800,000.00–** (increasing to a Maximum of **\$15,000,000.00**) (which \$5M is a buffer), see paragraph 18.
5. Amount of loan to be advanced: **\$350,000.00.**
6. Rank of mortgage or charge: **A Fourth ranking Charge/Mortgage (The ranking of the mortgage can change at any time over the duration of the term) – subject to paragraph 18, see below.**
7. Encumbrances: **A First, Second & Third ranking Charge/Mortgage will be registered in priority of this mortgage investment, see below.**

Balance 1st mortgage \$18,500,000.00 to Firm Capital Corporation.

Balance 2nd mortgage \$4,100,000.00 and is registered in the amount of \$5,330,000.00 to AG Group et al.

- **Balance 3rd mortgage \$650,000.00 to Jaekel Capital Inc. **to be retired from this charge.**

Please refer to paragraph 19, below for details on future postponements to construction financing and development agreements.

8. My investment of **\$350,000.00** represents **7.29%** of the total loan to the borrower.
9. I am satisfied that the approximate and current market value of the property against which my investment has been secured is **\$33,000,000.00** The means taken to determine said appraisal to value authored by Peter Bobechko of Blake, Matlock and Marshal Ltd. Dated on February 13, 2017.
10. Including my loan and mortgage amount of **\$350,000.00**, the percentage of the value of the property including this mortgage and all prior ranking charges is currently: **85%**
11. **2 years, commencing on the date of advance (July 30th, 2017) of the Loan and ending on the final day of such period (the “Maturity Date”). At the Borrower’s option (to be exercised in writing not less than three (3) months prior to the Maturity Date), the Borrower may extend the Maturity Date for twelve (12) additional months (the “Extension”).**
12. **The due date of the loan is July 30th, 2019 (Extension date July 30th, 2020) THE LENDER ACKNOWLEDGES INTEREST CALCULATIONS AND PAYMENT DATES ARE TO BE BASED ON THE ACTUAL DATE OF THE FIRST ADVANCE OF FUNDS TO BORROWER UNLESS OTHERWISE PROVIDED IN ANY LOAN AGREEMENTS OR DOCUMENTS THERETO.**
13. The loan is amortized over **0 years-** the mortgage is an interest only mortgage.
14. The interest rate is **8.00%** calculated annually, not in advance.

15. Particulars of amounts and due dates (monthly, quarterly, etc.) of payments of interest only: All interest payable to the Lender, calculated annually, not in advance, shall accrue and be payable at the maturity date.
16. The mortgage is to be registered in the name of: **"COMPUTERSHARE TRUST COMPANY OF CANADA" FOR** [REDACTED]
17. After completion of the mortgage transaction, a collection or administration fee of per instalment is payable by the borrower: N A
18. I understand that the mortgage shall be initially registered indicating a face value of \$4,800,000.00, and that from time to time the loan amount will increase upon the completion of certain development and construction milestones on the Property by the Borrower. It is anticipated that the loan amount shall be amended during the term of the loan to a **MAXIMUM OF \$15,000,000.00**.
19. I understand the Charge/Mortgage in which I have an interest is currently a fourth ranking Charge/Mortgage against the Property and the position of the mortgage can change over the duration of the term.

I understand that a first ranking Charge/Mortgages against the Property in favour of Firm Capital Corporation in the amount of \$18,500,000.00, currently, and the second mortgagee will postpone its position to construction financing.

I understand that a second ranking Charge/Mortgages against the Property in favour of AG Group et al. in the amount of \$4,100,000.00, currently, and the third mortgagee will postpone its position to construction financing.

I understand that a third ranking Charge/Mortgages against the Property in favour of Jaekel Capital Inc. in the amount of \$650,000.00, currently, and the fourth mortgagee will postpone its position to construction financing.

I understand that during the course of this investment the Borrower anticipates obtaining additional construction financing for the Property which is expected to take priority to the second/third Charge/Mortgage, changing its position to a greater ranking Charge/Mortgage.

I hereby understand, consent and agree that other charges/mortgages and/or development agreements may be registered in priority to the third charges/mortgages against the property during the term of my investment in the fourth charges/mortgages.

I hereby confirm that I understand and agree that the fourth charge/mortgage in which I have invested shall be required to postpone and standstill to prior charges/mortgages to a maximum of \$110,000,000 plus a 10% contingency if required, in priority financing. I understand that priority financing is expected to periodically increase over the term of this charge/mortgage and that such postponements shall be permitted and shall occur on the basis of cost consultant reports prepared on behalf of the borrower.

I understand that additional priority financing may be required if there is a shortfall pursuant to the terms of the charge/mortgage in which I am investing. In the event of a shortfall in the funding of this charge/mortgage I understand and agree that other charges/mortgages may be registered against the property to fund and secure any such shortfall.

I understand that the trustees of this charge/mortgage may requested to execute such documents as may be required to permit the registration of certain agreements for the purpose of facilitating the planned development of the property, examples of such agreements include, but are not limited to: site plans, development plans, planning act requirements, mezzanine financing, insurance on deposits, or condominium registration documents.

I hereby confirm that I am aware of and understand that I have provided the trustee of my charge/mortgage with my irrevocable consent to execute any required documents as a condition of my participation in this charge/mortgage.

I hereby re-confirm my consent and agreement to postpone and standstill to any required financing or development agreements, and to partially discharge my charge/mortgage, without payment, with respect to any lands secured by the charge/mortgage which may be required for public or quasi-public purposes.

I understand and agree to provide partial discharges of this security for sales of all condominium units or the office/retail/parking components, without charge, provided the proceeds of the sale are used to pay off the First-Ranking Construction Loan Security and/or trade creditors.

I understand that save and except as outlined herein, there shall be no other postponements or encumbrances which affect the position or security afforded by the current fourth charge/mortgage.

I agree to provide partial discharges of the Loan Documents in respect of all Project lot/unit sales to third parties and in respect of all Project office/retail/parking component sales to third parties, without compensation, provided that the full proceeds thereof shall be used immediately to first pay down the First-Ranking Construction Loan Security and then to pay down other Project trade creditors

*



Initials

20. In the event that BDMC & Computershare Trust Company of Canada in its sole discretion, acting as approved Lender and administrator, determines that the Borrower, as a result of an act of "*Force Majeure*" (shall mean any event or series of events beyond the control of the Borrower such as strikes, walkouts, labour troubles, inability to procure materials or services or construction financing, power failures, restrictive governmental laws or regulations or the orders or directions of any administrative board, governmental department, officer or other authority, riots, insurrections, war, sabotage, rebellion or acts of God, material

changes or delays in market conditions affecting sales or closings, delays in obtaining governmental approvals, permits, rezoning or similar regulatory requirements, none of which is the fault of the Borrower.), will not be able to complete the Project so as to repay the Loan on or before the maturity date on the Loan under the Loan Agreement (as it may be extended under the terms thereof), it shall have the authority to extend the term of the Loan for such period of time, not exceeding 24 months so as to permit the Borrower to complete the Project and its sales, and thereby repay the Loan. BDMC OR the Lenders Trustee shall have the right to do so on one or more occasions but for a period of time not exceeding 24 months as aforesaid, without the consent of the investor;

21. **Partial Investor Discharges:** Should the borrower, at any time, over the duration on the term choose to repay the loan in part, at any percentage, investors may be paid out based on the priority of registration.

The investor hereby agrees that in the event there is an early repayment of the Loan by the Borrower (excluding receipts from enforcement or sale of Project units) ("Early Repayment"), same shall be paid to investors in the Loan in the order of priority of advance by the applicable tranche in the original Loan, and the pari passu amongst the investors who had their share of the Loan funded within the same loan tranche.

Any portion of the mortgage repaid prior to the maturity will not be subject to any Deferred Lender Fee.

22. Net proceeds raised under this mortgage may be used to refinance portions of existing prior encumbrances and/or investors/lenders.
23. Particulars of disbursements made for legal, brokerage or other fees or commissions in connection with the placement of the loan, including the names of recipients and amounts paid by the borrower, are:

Estimate	Paid to	Purpose
\$10,500.00	Building & Development Mortgages Canada Inc.	Co-Brokerage Fee - H/O
\$100.00	Building & Development Mortgages Canada Inc.	Administrator Fee – Per client/year
\$11,375.00	BDMC (FMP)	Brokerage Fee
\$31,500.00	BDMC (FMP-RCI)	Co-Brokerage Fee
\$7000.00	FMP Mortgage Investments Inc. (paid Via Building & Development Mortgages Canada Inc.)	Point of Sale expenses including, but not limited to, the following: maintenance of front office support for operations, staff, insurance, promotion, events, training, due diligence, pro forma reviews, reporting and compliance and legal
\$9625.00	FMP Mortgage Investments Inc. (paid Via Building & Development Mortgages Canada Inc.)	For the provision of back office functionality including, but not limited to, customer service operations, project reviews, compliance, dedicated project & market communications, client updates, events, ongoing training, continuing education, site visits, reviews of Deloitte Special Audited Procedure Reports.

\$10,000.00	Fogler Rubinoff LLP	Legal Fees (Project commencement)
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1. *(Instructions: Clauses (a) and (b) below refer to information which each investor may require from the lawyer. If you require the information referred to in a clause, initial the clause).*

The information which I require from you as my administrator before the administrator for the trustee completes the transaction and makes the advance is as follows:

- (a) If my investment will be in a position other than a first mortgage or charge, details, including amounts, of all existing encumbrances outstanding are disclosed below:

1st Ranking Mortgage Charge registered to Firm Capital Corporation with a face value of \$18,500,000.00

2nd Ranking Mortgage Charge registered to AG Group et al. with a face value of \$4,100,000.00

3rd Ranking Mortgage Charge registered to Jaekel Capital Inc. with a face value of \$650,000.00

This mortgage is up to date and in good standing; subject to future postponements as per paragraph 21, above.

- (b) If the mortgage or charge is a syndicated mortgage, and is prospectus exempt:

We have acknowledged and accept that you as my administrator express no opinion as to the necessity for a validity of a prospectus.

2. *(Instructions: Each investor to complete and initial clause (a) and, if clause (a) is answered in the affirmative, to complete (if necessary) and initial clause (b) and to initial clause (c)).*

- (a) I instruct you to obtain a current and independent appraisal of the subject property and provide it to me before you complete this mortgage transaction. **No.**
I have reviewed the appraisal with my licensed mortgage agent/broker.

*


Initials

- (b) The appraisal is to be paid by me. **Not Applicable.**

- (c) I have been advised and accept that you as my administrator do not express an opinion as to the validity of the appraisal valuation/letter of opinion.

*


Initials

Disclosure:

1. I acknowledge being advised by you as the Lender's Independent Legal Advice (ILA), or as an independent lawyer to the transaction, that to the best of our knowledge the Independent Legal Advice Solicitor does not have any direct or indirect interest in the Borrower. *(Specify yes or no and indicate the date on which the lawyer advised you that he or she has no direct or indirect in the borrower or borrowers).*

No independent legal advice has a direct or indirect interest in the Borrower.

Aug 18/17.

* Investor to insert current date here

(If the lawyer has an interest in the borrower or borrowers, he or she is unable to act for you on this loan (Rule 2.06 of the Rules of Professional Conduct)).

WARNINGS:

1. You are cautioned that the responsibility for assessing the financial merits of the mortgage investment rests with YOU the investor or investors at all times. The above-named lawyer's responsibility is limited to ensuring the mortgage is legally registered on title in accordance with the investor's or investors' instructions. The lawyer is not permitted to personally guarantee the obligations of the Borrower or Borrowers nor the suitability of the Property as security for the mortgage investment.

2. Any loss you may suffer on this mortgage investment will not be insured under the lawyer's professional liability policy if the lawyer has acted as a mortgage broker or has helped to arrange it.

Investor's Signature: *

I hereby acknowledge receipt of a copy of this form prior to the advance of funds to or on behalf of the Borrower. I further acknowledge having read and understood the above warnings.

Signature

Name: 2416653 Ontario Inc. per Robert Piluso

Address: 70 Pippin Road, Suite #56 Vaughan, Ontario L4K 4M9

I, _____, did witness
WITNESS NAME

INVESTOR NAME

on the 18 day of August
(day) (month)

2017 in the Town/City of Toronto, in the Province of Ontario
 (town/city) (province)

sign the document entitled "Investment Authority – Form 9D".


 Signature/Seal of Notary Public/Commissioner

Date:

Phone:

Name:

Fax:

Address:

Email:

Michael Norman Sinclair Patterson
 A Commissioner, etc., Province of Ontario,
 for Nexera Law Group Professional
 Corporation.

Expires August 13, 2018

robapp\2731788 5

PARTICIPATION AND SERVICING AGREEMENT

THIS AGREEMENT made as of the 10th day of July, 2017

B E T W E E N:

(hereinafter called "Lender")

OF THE FIRST PART

- and -

Building & Development Mortgages Canada Inc.
(Mortgage Administration Licence No. 12304)

(hereinafter called "BDMC")

OF THE SECOND PART

WHEREAS:

1. pursuant to the Loan Agreement, BDMC has agreed to provide the Borrower various loan facilities totalling Fifteen Million (\$15,000,000.00) Dollars (the "Loan") for the purposes of refinancing existing debt, and financing the development and the construction of residential homes on the Lands, to be secured by the Security Documents;
2. Lender has agreed to participate in the Loan to the extent of \$50,000.00 upon the terms and subject to the conditions of the Lender Acknowledgement & Consent dated July 10th 2017 (the "LAC"); and
3. Lender has agreed that BDMC will administer the Investment on behalf of Lender in accordance with the terms and subject to the conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of these presents and the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1.00 - INTERPRETATION

1.1 Defined Terms

The following words and phrases shall have the meanings attributed thereto when used in this Agreement:

"Borrower" means Fortress Brookdale Inc.;

"Force Majeure" shall mean any event or series of events beyond the control of the Borrower such as strikes, walkouts, labour troubles, inability to procure materials or services or construction financing, power failures, restrictive governmental laws or regulations or the orders or directions of any administrative board, governmental department, officer or other authority, riots, insurrections, war, sabotage, rebellion or acts of God, material changes or delays in market conditions affecting sales or closings, delays in obtaining governmental approvals, permits, rezoning or similar regulatory requirements, none of which is the fault of the Borrower.

"Investment" means the investment in the Loan of the Lender as set out in the LAC and the 4th recital hereof;

"Lands" means those lands more particularly described and charged pursuant to the Security Documents including without limitation all buildings, fixtures and improvements now or hereafter situate thereon and all easements, rights-of-way and other

similar rights appurtenant to or used in connection therewith;

"Loan" means the financing of the Project by BDMC to the Borrower to assist in the construction, on the Lands, in the maximum principal amount of Fifteen Million (\$15,000,000.00) Dollars on the terms and subject to the conditions set out in the Loan Agreement and includes without limitation all Principal, Interest, interest on overdue Interest, fees, expenses, charges and such other amounts owing by the Borrower from time to time to BDMC pursuant to the Loan Agreement or any of the Security Documents in respect of Loan;

"Loan Agreement" means the Loan Agreement dated July 10th 2017 between BDMC and the Borrower in respect of the Loan;

"Mortgaged Property" means:

- (a) the Lands;
- (b) all rights, privileges, advantages and benefits whatsoever arising pursuant to all agreements regarding the development of, and the construction of improvements on, the Lands;
- (c) all personal property presently or in the future owned or acquired by or on behalf of the Borrower and all proceeds and renewals thereof, accretions thereto and substitutions therefore which are used in connection with the Lands;
- (d) all other personal property of the Borrower securing the Facilities; and

"Participants" means BDMC and the Lender and other Lenders acquiring interests in the Loan and "Participant" means any one of them;

"Person" means any individual, company, corporation, partnership, firm, trust, sole proprietorship, government, government agency, authority or entity however designated or constituted;

"Principal" means the principal amount of the Loan and all Interest, interest on overdue Interest, fees, expenses, charges and other amount owing by the Borrower to BDMC from time to time which may be added thereto or become part thereof pursuant to the Loan Agreement or the Security Documents;

"Project" means the property located at 375 & 377 Fairlawn Avenue, 1678 Avenue Road, 1682 Avenue Road, 1686 Avenue Road, 1688-1690 Avenue Road, 1694-1698 Avenue Road, 1700 Avenue Road, 1702 Avenue Road, 1704B Avenue Road, 412 Brookdale Avenue, 414 Brookdale Avenue; Toronto, Ontario.

"Proportionate Share" means the proportionate share of each of the Participants in the Loan as stipulated in each LAC entered into with each Participant;

"Security Documents" means the property located at 375 & 377 Fairlawn Avenue, 1678 Avenue Road, 1682 Avenue Road, 1686 Avenue Road, 1688-1690 Avenue Road, 1694-1698 Avenue Road, 1700 Avenue Road, 1702 Avenue Road, 1704B Avenue Road, 412 Brookdale Avenue, 414 Brookdale Avenue; Toronto, Ontario:

- (e) all mortgages, charges, security agreements, instruments and documents executed and delivered by the Borrower to BDMC as security for the Facilities, from time to time, whether direct, indirect, primary or collateral, including without limitation any guarantees, charges, assignments and any other type of security agreement;
- (f) all policies of insurance relating to the Mortgaged Property as required under the Loan Agreement or under the Security Documents; and
- (g) all instruments and documents supplemental or ancillary to any of the foregoing.

Unless specifically defined herein, all capitalized terms shall have the meanings ascribed to them in the Loan Agreement.

- 1.2 **Applicable Law** This Agreement shall be interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 1.3 **Headings, etc.** The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.
- 1.4 **Singular, Plural and Gender** Words importing the singular include the plural thereof and vice versa and words importing gender include the masculine, feminine and neuter genders.

ARTICLE 2.00 - LOAN ORIGATION AND PARTICIPATION

- 2.1 **Entering into of Loan** BDMC shall be exclusively responsible for the implementation of the Loan in accordance with the provisions of the Loan Agreement and to obtain and administer the Security Documents and the processing of the Loan in accordance with the provisions of the Loan Agreement. In connection therewith, it shall perform and attend to all matters and things necessary to administer and service the Loan in accordance with normal lending practice and with the same degree of care and skill as a prudent lending institution would exercise for its own account including, without limitation, the following:
 - (a) acquire, assemble, record and process all the necessary information, data, applications and other forms and reports in connection with the Loan;
 - (b) retain solicitors to perform and carry out all instructions and requirements necessary to complete the Loan including, without limitation, the requisite title searches, the preparation, execution and delivery of the Security Documents and the registration and filing of the Security Documents or notices thereof as may be required to ensure the priority of the Security Documents subject only to such encumbrances and other qualifications permitted by the Loan Agreement;
 - (c) ensure that the Borrower has made satisfactory arrangements for insurance as may be required by the Loan Agreement;
 - (d) make the Advances in accordance with normal mortgage practice out of funds to be provided by the Participants, the provisions of the Loan Agreement, the LAC and the Construction Lien Act.
- 2.2 **Endorsement of Security Documents** All Security Documents shall be taken by BDMC in its name and such other trustees appointed by a Participant from time to time and shall hold the Investment as agent for the Participants according to their Proportionate Shares and upon and subject to the terms of this Agreement.

ARTICLE 3.00- SERVICING OF INVESTMENT

- 3.1 **Servicing Duties** BDMC shall hold, administer and service the Loan for the Lender and other Participants in accordance with normal lending practice and with the same degree of care and skill as a prudent lending institution would exercise for its own account and shall perform, without limiting the generality of the foregoing, the following duties:
 - (a) make reasonable efforts to collect all payments due under the Loan, including without limitation, all Principal, Interest and interest on overdue Interest, taxes (if applicable), and any other monies or payments required by the Loan Agreement or the Security Documents;
 - (b) perform all necessary services with respect to the settlement of any loss under insurance policies in the event of damage to or destruction of the Mortgaged Property;

- (c) settle with the Borrower and any expropriating authority the amount and disposition of any compensation payable in connection with any expropriation of any part of or any interest in the Mortgaged Property;
- (d) pay out of payments of Interest or other monies received for the borrower by BDMC:
 - (i) when necessary, insurance premiums, taxes and any other amounts which BDMC is authorized to pay on behalf of the Borrower under any of the Security Documents;
 - (ii) the reasonable fees and expenses of any experts retained by BDMC pursuant to section 3.2;
 - (iii) any other reasonable expenses necessary to protect or preserve the Mortgaged Property approved by Lender; and
- (e) remit to Lender forthwith upon receipt, or as soon as is reasonably possible thereafter, the applicable pro rata portions of all payments on account of Principal received by BDMC (except to the extent any amount thereof has been solely funded by BDMC), together with a statement indicating the amount of each payment of Principal;
- (f) remit to Lender on or before the 15th Business Day of each month all payments of its Proportionate Share of Interest out of the Interest received by BDMC from the Borrower during the previous month, less any payments authorized by paragraph 3.1(e), together with a statement indicating the amount of each payment received and the deductions therefrom. It is the intention of BDMC that payments of Interest will be due on the fifteenth day of each month except as otherwise provided by the Loan Agreement and the Security Documents. If payments of Interest are received by BDMC on any other day, the balances of such payments shall be remitted to Lender on or before the 15th Business Day following receipt of the payment; **NOT APPLICABLE DUE TO ACCRUE**
- (g) maintain proper records and accounts showing all receipts and disbursements in respect of the Investment and permit Lender, its auditors and agents, on reasonable notice to BDMC, to examine such records and accounts from time to time and provide such copies thereof as Lender may reasonably require at its expense relating to the Loan;
- (h) generally attend to the performance of such other things as a prudent lending institution would normally perform if the Loan was for its own account exclusively as per the Loan Agreement and the LAC including, inter alia, sign all postponements, standstill, subordination and partial discharges for any of the Security Documents as per the LAC and the Loan Agreement, or generally, as may arise from time to time in order to protect the interest of the Lender in the Loan;
- (i) in the event that BDMC, in its sole discretion, acting as approved Lender and administrator, determines that the Borrower, as a result of an act of *Force Majeure*, will not be able to complete the Project so as to repay the Loan on or before the maturity date on the Loan under the Loan Agreement (as it may be extended under the terms thereof), it shall have the authority to extend the term of the Loan for such period of time, not exceeding 24 months so as to permit the Borrower to complete the Project and its sales, and thereby repay the Loan. BDMC shall have the right to do so on one or more occasions but for a period of time not exceeding 24 months as aforesaid, without the consent of the Lender;
- (j) give such notices to the Borrower and other Persons as BDMC may consider necessary;
- (k) take all reasonable steps to enforce performance of the obligations of the

Borrower under the Loan or the Security Documents or to protect or preserve the Mortgaged Property;

- (l) if BDMC considers it necessary to accelerate repayment of the Loan and realize upon the Mortgaged Property including, inter alia, the appointment of a receiver, the exercise of powers of distress, the institution of foreclosure or power of sale proceedings and/or any other legal or equitable remedy. BDMC shall not be required to consult with Lender prior to determining what action BDMC should take to enforce its rights and exercise its remedies under the Security Documents or otherwise. BDMC shall not be required to take any action (or refrain from taking any action) that would result in BDMC being in default of any covenant, term, provision or condition of this Agreement, the Loan Agreement or the Security Documents or any obligation imposed on it by law including, without limitation, the obligation to act in a reasonable manner and in accordance with normal lending practice and with the same degree of care and skill as a prudent lending institution would exercise for its own account; and
- (m) to fulfill all obligations of the Lender under the Loan and any Loan arrangements including the LAC relating to the execution of all necessary postponements, discharges, standstill agreements and other documentation consistent with the foregoing.

3.2 **Experts** To assist in administering the Investment and carrying out its duties hereunder, BDMC may retain at the expense of the Borrower, or failing same, the Participants to be shared based on their respective Proportionate Shares, such solicitors, notaries, counsel, auditors, appraisers and other experts as BDMC may, acting reasonably.

3.3 **No Warranties or Representations** BDMC has given no warranty or representation with respect to the Investment and shall not be responsible for the observance or performance of any of the obligations of the Borrower or the Covenantors pursuant to the Loan Agreement or the Security Documents. Lender acknowledges that it has made its own decision to participate in the Investment without any inducement from or reliance upon BDMC with respect to the financial condition of the Borrower or the Covenantors or the sufficiency of the Mortgaged Property or the Security Documents.

3.4 **Duty of Care** BDMC shall not be liable for any error of judgment or any action taken or omitted to be taken by it under or in connection with this Agreement if it acts upon or relies on any advice received from any expert retained by BDMC pursuant to section 3.2 or otherwise acts in good faith.

3.5 **Consent of Lender**

- (a) Save as set out herein, BDMC shall not, without the prior written consent of Lender, acting reasonably, agree to any renewal or any material amendment, modification or waiver of any of the terms of the Loan Agreement, the Security Documents or any agreement or document relating thereto, nor consent to any action or failure to act by the Borrower or any other party, or exercise any rights that BDMC may have in respect thereof or any rights pursuant to Section 3.1(j) hereof;
- (b) If BDMC should request Lender's written consent to any of the action described in this paragraph and shall not receive Lender's consent or denial thereof in writing within ten (10) Business Days of the mailing, delivery or emailing of such request, Lender shall be deemed to have given its consent to such action; and
- (c) Notwithstanding anything contained herein, in the event that BDMC obtains the written consent or agreement of Lenders holdings at least fifty-one percent (51%) of the amount of the Loan advanced from time-to-time to any renewal, or material amendment, modification or waiver of any of

the terms (collectively, the "Change") of the Loan Agreement, the Security Documents or any agreement or document relating thereto, the consent of all of the Lenders shall be deemed to have been given to the Change and BDMC shall be deemed to be authorized to enter into any and all such agreements and documentation to give effect to the Change on behalf of all the Lenders. By way of example, in the event that the authorized loan is \$20,000,000.00 and when the Change is being requested \$10,000,000.00 has been advanced, provided that BDMC obtains the written consent of Lenders to the Change who have advanced at least \$5,000,001.00, BDMC shall be permitted to take advantage of the provisions of this Section 3.5(b) to proceed with the proposed Change.


Lender Initials

- 3.6 **Indemnity** Lender shall indemnify and hold harmless BDMC from its pro rata share of all claims, costs, losses, expenses and damages of every nature and kind with respect to the performance of BDMC's obligations in this Agreement, the Loan Agreement and the Security Documents, as same relates to the Loan save and except any such claim, cost, loss, expense or damage which results from:
- (a) the failure of BDMC to act as a prudent lending institution as required by Sections 2.1 and 3.1;
 - (b) BDMC's failure to comply with its obligations under this Agreement; or
 - (c) BDMC's negligence, fraud or any illegal act.

The obligations of Lender under this section shall survive the termination of this Agreement.

- 3.7 **Interest Accrual** Lender acknowledges that the Loan includes funds raised for an interest reserve to pay out regular Lender interest payments. In the event that such interest reserve is not fully funded to cover all interest payments to the Participants, interest payments may be delayed, reduced or be unpaid until maturity of the Loan. In such event, all such interest would continue to accrue and be recoverable as and when the interest reserves are replenished or the Loan matures and is fully repaid, assuming successful completion of the Project and full repayment of the Loan at that time.

It is anticipated that such interest reserves will be fully funded for the term of the Loan provided BDMC has raised all required funds contemplated under the Loan.

ARTICLE 4.00- GENERAL

- 4.1 **Meetings** Subject to any other provisions to this Agreement, either party may at any time on three (3) Business Days notice call a meeting with the other party to consider any matter related to this Agreement and, if requested by BDMC, to obtain the consent of Lender to any action proposed to be taken by BDMC.
- 4.2 **Notices** All notices, consents, approvals or communications required or permitted hereunder shall be in writing and shall be delivered by courier or sent by facsimile transmission and, if intended for BDMC, addressed as follows:

Building & Development Mortgages Canada Inc.
25 Brodie Drive— Unit 8
Richmond Hill, ON L4B 3K7
Attention: Ildina Galati- Ferrante
Fax No. 905 508 3957

and, if intended for Lender, addressed as follows:

Attention:
Fax No.

Any such notice, consent, approval or communication delivered or sent as aforesaid shall be deemed to be received on the Business Day next following the day it is delivered or sent. Any party may change its address for the foregoing purposes within the Province of Ontario by giving the other party notice of such change of address as hereinbefore provided.

- 4.3 **Termination** Subject as hereafter provided, this Agreement shall remain in force until the earlier of the Loan having been paid in full and the Security Documents have been discharged or the Mortgaged Property has been realized and the proceeds of realization have been disbursed among the Participants in accordance with this Agreement. The indemnity provided in section 3.6 shall survive termination indefinitely.
- 4.4 **Effective Date of this Agreement** This Agreement shall not be effective until the date on which it is executed and delivered by BDMC and Lender.
- 4.5 **Relationship** Neither the execution of this Agreement, nor the sharing of the Investment nor any agreement to share in profits or losses arising as a result of the Investment is intended to be nor shall it be construed to be the formation of a partnership or a joint venture among the Participants.
- 4.6 **Publications or Registration of Interest** Lender shall not register this Agreement or notice thereof in any manner on the title to the Lands or with respect to any of the other Mortgaged Property.
- 4.7 **Dealings with Borrower**
 - (a) Lender shall not contact or deal either directly or indirectly with the Borrower or the Covenantors or any other Person with respect to the servicing of the Investment or the enforcement of the Security without the consent of BDMC. Lender shall also not enter into any other agreement or take any other security with respect to this Agreement, the Investment or its Proportionate Share without the consent of BDMC.
 - (b) Lender shall not exercise any right of set-off, counter claim or any other claim it may have against the Borrower with respect to Contributory Advances or Contributory Payments to be made by it pursuant to this Agreement.
- 4.8 **Legal Capacity** Each Participant warrants and represents to the others that it has the legal capacity to enter into this Agreement and the Investment pursuant to its constating documents and any applicable legislation and that this Agreement constitutes a valid and binding obligation of such Participant enforceable in accordance with its terms.
- 4.9 **Entire Agreement** This Agreement constitutes the entire agreement between the Participants with respect to the Investment and supersedes all prior proposals and agreements, whether oral or written, with respect to the Investment.
- 4.10 **Amendment** No term or provision of this Agreement may be amended, waived, discharged or terminated without the unanimous written consent of all of the parties.
- 4.11 **Binding, etc.** This Agreement shall enure to the benefit of and be binding upon the parties and their successors and permitted assigns.
- 4.12 **No Waiver** The failure of any party to insist upon the strict adherence to or performance of any of the covenants contained herein shall not be considered as a waiver of such covenant by that party. A waiver of any provision in this Agreement must be in writing and signed by the waiving party.

- 4.13 **Counterparts** This document may be executed in counterparts, each of which shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to be dated the date hereof.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date first hereinabove written.

Per

Name:

Title:

Per

Name:

Title:

Building & Development Mortgages Canada Inc.

Per:

Name:

Title:

I/We have authority to bind the Corporation

APPENDIX 8:
CHARGE FOR BROOKDALE MEZZANINE LOAN (WITH SCHEDULES)

Properties

PIN 10189 - 0865 LT Interest/Estate Fee Simple
 Description LOTS 33 & 34 PLAN 2371, PART LOT 42A & LOT 43A PLAN 2247 PT 1 66R29204;
 TOGETHER WITH AN EASEMENT OVER PT 3 66R29204 AS IN AT4379990; CITY OF
 TORONTO
 Address TORONTO
 PIN 10189 - 0866 LT Interest/Estate Fee Simple
 Description LOT 32 PLAN 2371 YORK PT 2 66R29204; CITY OF TORONTO
 Address TORONTO

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 FORTRESS BROOKDALE INC.
 Address for Service 25 Brodie Drive
 Unit 1
 Richmond Hill, Ontario
 L4B 3K7

I, Danny Salvatore, First Vice President and I, Vince Petrozza, Secretary, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name BUILDING & DEVELOPMENT MORTGAGES CANADA
 INC.
 Address for Service in Trust
 25 Brodie Drive
 Unit 8
 Richmond Hill, Ontario
 L4B 3K7

Statements

Schedule: See Schedules

In accordance with registration AT4303858 registered on 2016/08/09, the consent of Director of Community Planning, North York District, City of Toronto has been obtained for the registration of this document.

Provisions

Principal \$4,800,000.00 Currency CDN
 Calculation Period
 Balance Due Date 2019/10/30
 Interest Rate 8.00% per annum
 Payments
 Interest Adjustment Date
 Payment Date
 First Payment Date 2019 10 30
 Last Payment Date 2019 10 30
 Standard Charge Terms 200033
 Insurance Amount full insurable value
 Guarantor

Signed By

Richard Martin Rotchtin

77 King Street West Suite 3000 PO acting for
 Box 95 TD Centre Chargor(s)
 Toronto
 M5K 1G8

Signed 2017 10 17

Tel 416-864-9700

Signed By

Fax 416-941-8852

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

Submitted By

FOGLER, RUBINOFF LLP

77 King Street West Suite 3000 PO
Box 95 TD Centre
Toronto
M5K 1G8

2017 10 17

Tel 416-864-9700

Fax 416-941-8852

Fees/Taxes/Payment

Statutory Registration Fee	\$63.35
Total Paid	\$63.35

CONSENT

IN THE MATTER OF A CHARGE from **FORTRESS BROOKDALE INC.** in favour of **BUILDING & DEVELOPMENT MORTGAGES CANADA INC.** against those lands described as those lands set out in Schedule "A".

AND IN THE MATTER OF A SECTION 111 AGREEMENT between **FORTRESS BROOKDALE INC.** and the **CITY OF TORONTO** registered as Instrument No. **AT4303844** on **August 9, 2016**.


AND IN THE MATTER OF A RESTRICTION registered by **FORTRESS BROOKDALE INC.** in favour of the City of Toronto as Instrument No. **AT4303858** on **August 9, 2016**.

I HEREBY CONSENT ON THIS DATE AS THE DIRECTOR OF COMMUNITY PLANNING **NORTH DISTRICT**, FOR THE CITY OF TORONTO, TO THE REGISTRATION OF A MORTGAGE FROM **FORTRESS BROOKDALE INC.** IN FAVOUR OF **BUILDING & DEVELOPMENT MORTGAGES CANADA INC.** ON THE SAID LANDS DESCRIBED HEREIN.

THIS CONSENT IS BEING GRANTED SUBJECT TO THE RESTRICTION REGISTERED AS INSTRUMENT NO. **AT4303858** on **AUGUST 9, 2016** CONTINUING TO REMAIN ON ALL OF THE LANDS SET OUT IN INSTRUMENT.

Dated at the City of Toronto this 29TH day of August, 2017.

CITY OF TORONTO


Joe Nanos, Director
Community Planning, North York District

SCHEDULE "A" to CONSENT**PIN 10189-0866 (LT)**

LOT 32 PLAN 2371 YORK PT 2 66R29204; CITY OF TORONTO

PIN 10189-0865 (LT)

LOTS 33 & 34 PLAN 2371, PART LOT 42A & LOT 43A PLAN 2247 PT 1 66R29204;
TOGETHER WITH AN EASEMENT OVER PT 3 66R29204 AS IN AT4379990; CITY OF
TORONTO

**SCHEDULE 1 TO THE ATTACHED CHARGE/MORTGAGE OF LAND
GIVEN TO BUILDING & DEVELOPMENT MORTGAGES CANADA INC., IN TRUST
BY FORTRESS BROOKDALE INC.**

1. **Definitions.** In this Charge, unless there is something in the subject matter or context to indicate otherwise, the following terms shall have the meanings set out below:

- (a) **"Act"** means the *Land Registration Reform Act* (Ontario) and any amendments thereto in effect at the time of execution and delivery of the Charge;
- (b) **"Change of Control"** means, with respect to the Chargor, a change in the Person or group of Persons, or any combination thereof, that owns or controls directly or indirectly securities of the Chargor, such that another Person or group of Persons, or any combination thereof, other than corporations that are affiliates (as defined in the *Canada Business Corporations Act*) of such corporations, owns or controls directly or indirectly securities of the Chargor other than by way of security only;
- (c) **"Charge"** means the Form, this Schedule and all other schedules annexed, as any of the foregoing may be amended from time to time and the expressions **"hereof"**, **"herein"**, **"hereto"**, **"hereunder"** and similar expressions refer to the Charge and not to any particular paragraph or other portion thereof;
- (d) **"Charged Premises"** means the lands and premises described in the Electronic Form as the "Properties" and includes, without limitation, all buildings and fixed improvements thereon and all fixtures and appurtenances thereof;
- (e) **"Electronic Form"** means the attached electronic form of Charge/Mortgage pursuant to the Act;
- (f) **"Environmental Claim"** means all claims, suits, actions, causes of action, losses, costs, expenses, fines, penalties, payments, liabilities, obligations and/or damages (including, without limitation, all solicitors' fees on a solicitor and own client basis) relating to, directly or indirectly arising out of, attributable to, resulting from or in any way connected with:
 - (i) the existence of any Hazardous Substance in, on, under or near the Charged Premises; and
 - (ii) the Release in, on, under, over, upon or from the Charged Premises of any Hazardous Substance,
 including, without limitation, all costs and expenses of any remediation or restoration of all or any part of the Charged Premises and/or any property adjoining or in the vicinity of the Charged Premises required or mandated by the Environmental Law;
- (g) **"Environmental Law"** means any law, by-law, order, ordinance, ruling, regulation, certificate, approval, consent or directive of any applicable federal, provincial or municipal government, governmental department, agency or regulatory authority or any court of competent jurisdiction, relating to Environmental Matters and/or regulating the import, storage, distribution, labelling, sale, use, handling, transport or disposal of a Hazardous Substance, including, but not limited to, the *Environmental Protection Act* (Ontario), as amended from time to time;
- (h) **"Environmental Matters"** means:
 - (i) all environmental matters relating to the Charged Premises including, without limitation:

- (A) the existence of any Hazardous Substance which might impair the quality of the environment, or adversely affect human health or damage any plant or animal in, on, under or near the Charged Premises; and the Release in, on, under, over, upon or from the Charged Premises of any Hazardous Substance; and
- (B) compliance with the Environmental Law;
- (i) **"Hazardous Substance"** means any substance or condition that is prohibited, controlled or otherwise regulated or otherwise hazardous in fact, including, without limitation, any contaminant, pollutant, noxious substance, toxic substance, dangerous substance, hazardous substance, material or wastes, hazardous waste, flammable or explosive material, radio-active material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls, polychlorinated biphenyl waste, polychlorinated biphenyl related waste, petroleum and associated products, underground storage tanks or surface impoundments and any other substance or material now or hereafter declared, defined or deemed to be regulated or controlled in or pursuant to the Environmental Law;
- (j) **"Interest"** means interest and other moneys payable under this Charge at the Interest Rate;
- (k) **"Loan Agreement"** means the loan agreement dated as of July 10, 2017, entered into between the Chargee and the Chargor, as same may be amended and/or restated from time to time;
- (l) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision of any country, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;
- (m) **"Principal Sum"** means the lesser of the sum referred to in the Electronic Form and the sum advanced by the Chargee to the Chargor and outstanding from time to time under this Charge;
- (n) **"Release"** means any release, spill, emission, leakage, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration; and
- (o) **"Security Documents"** means all instruments or agreements given as collateral security for the obligations secured by this Charge.

2. **Charge**

The Chargor, the owner of the Charged Premises, in consideration of \$10.00 of lawful money of Canada paid to it, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), charges the Charged Premises with payment to the Chargee of the Principal Sum, with Interest and with the power of sale expressed in this Charge. The Chargor further charges the Charged Premises to secure due payment and performance of all obligations, liabilities and all other amounts payable or arising under this Charge and the Loan Agreement.

3. **Default**

- (1) The occurrence of any one or more of the following events shall constitute a default under this Charge:
 - (a) the Chargor failing to pay to the Chargee principal or interest when due, or failing to pay any other indebtedness secured by this Charge within ten (10) days after written notice that same is due;

- (b) the Chargor defaulting in the due and prompt performance or observance of any of their covenants or obligations hereunder or under the Loan Agreement or any of the Security Documents if such default continues for ten (10) days after notice of such default is given by Chargee, or the occurrence of an event which entitles, or with the giving of notice or lapse of time or otherwise would entitle, the Chargee to accelerate an indebtedness, liability or obligation secured by any of the Security Documents pursuant to the provisions thereof or the provisions of the Loan Agreement;
- (c) if any proceedings are commenced or if an order shall be made by a court of competent jurisdiction or resolution of the directors or shareholders of the Chargor shall be passed for the dissolution, winding-up, or liquidation of the Chargor or if any application is made with respect to the Chargor under the *Companies' Creditors Arrangement Act* (Canada) and such proceedings are not dismissed or withdrawn with twenty (20) days of commencement;
- (d) if the Chargor shall in any court file, or consent to the filing of, a petition in bankruptcy or insolvency or for any reorganization, readjustment, arrangement, composition, or similar relief under any Canadian or other applicable law or for the appointment of a receiver or trustee of all or a substantial portion of the Charged Premises or make a general assignment for the benefit of creditors, or a proposal under the *Bankruptcy and Insolvency Act* (Canada), or shall be declared by a court of competent jurisdiction bankrupt or if a trustee, custodian or a sequestrator or a receiver or receiver and manager or any other officer with similar powers shall be appointed of the Chargor or of the Charged Premises or any substantial part of the Charged Premises;
- (e) if an encumbrancer shall take possession of the Charged Premises or any substantial part of the Charged Premises, or if a distress or execution or any similar process be levied or enforced thereagainst and remain unsatisfied for such period as would permit such property to be sold thereunder;
- (f) if any representation or warranty made by the Chargor herein or in any of the Security Documents or the Loan Agreement, or in any notice, certificate, instrument or statement contemplated hereby or thereby is untrue or incorrect in any material respect as of the date on which such representation or warranty is made or any such representation or warranty becomes untrue or incorrect in any material respect at any time thereafter with reference to the facts subsisting at that time and such breach continues for a period of ten (10) days following Chargor's receipt of written notice thereof from the Chargee;
- (g) if any mortgage, charge, hypothec, pledge, lien or other security interest or encumbrance of whatsoever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise) on the whole or any substantial part of the undertaking or assets of the Chargor becomes enforceable and the Person or Persons entitled to the benefit thereof takes steps to enforce such charge, and such steps are not remedied within 15 days after the commencement thereof;
- (h) if any encumbrance or notice of an encumbrance is registered against the Charged Premises without the Chargee's prior written consent and continues for a period of ten (10) days after written notice thereof has been given to the Chargor by the Chargee;
- (i) if the Chargor or those claiming under the Chargor shall commit any act of waste upon the Charged Premises, it being acknowledge that demolition or work in connection with the Project shall not be considered waste;

- (j) if the Chargor breaches the provisions of Section 4 of this Schedule;
- (k) if there is registered any construction lien against the Charged Premises or if there is issued any statement of claim derived therefrom, unless such lien is discharged and/or vacated within fifteen (15) days of the Chargee requiring the same to be done by the Chargor (which the Chargor agrees to do);
- (l) if the Charged Premises or a substantial part of the Charged Premises shall be expropriated by any governmental authority, body or corporation having the powers of expropriation; or
- (m) if the Chargor fails to comply with any of its obligations under the *Excise Tax Act* (Canada) to remit goods and services tax to the governmental authority entitled thereto or if any action is taken by any governmental authority against the Chargor or any other Person owing money to the Chargor with respect to goods and services tax, interest or penalties which such governmental authority claims is owing from the Chargor.

(2) Upon the occurrence of any one or more events of default under this Charge, the Principal Sum outstanding together with any and all accrued and unpaid interest and other moneys secured by this Charge shall at the option of the Chargee immediately become due and payable, and all the powers in and by this Charge or by law conferred in case of default, shall become exercisable and the powers of sale contained in this Charge may be exercised as provided in this Charge.

4. Change in Ownership

(1) If, without the prior written consent of the Chargee, or as otherwise contemplated by the Loan Agreement:

- (a) there is a change of ownership, control, pledge and/or sale, transfer or conveyance of the Charged Premises or any part thereof;
- (b) there is a Change of Control of the Chargor or any pledge of any interest in the Chargor; or any change in the Person(s) comprising or the partners, stockholders, members or beneficiaries of the Chargor from those represented to Chargee on the date of this Charge;
- (c) there is a merger, reorganization, dissolution or any other change in the ownership structure of the Chargor or any trustee, general partner or beneficiary of the Chargor; or
- (d) the Chargor enters into any agreement to effect any of the foregoing, whether by registered or unregistered instrument, and whether for valuable or nominal consideration,

then the Principal Sum and interest thereon and all other moneys secured by this Charge shall, at the option of the Chargee, immediately become due and payable.

(2) The Chargor shall provide such documentation as the Chargee may reasonably require in order to facilitate the giving of the consent referred to in Section 4(1) by the Chargee.

(3) The giving of a consent to any transaction referred to in Section 4(1) shall not be deemed to be a waiver of the Chargee's right to require consent to any future or successive transaction.

(4) The Chargee may require, among other things, as a term for granting any consent referred to in Section 4(1) that:

- (a) the proposed new owner or assignee of the Charged Premises (the "**Transferee**") provide the Chargee with such relevant financial information as the Chargee may request in the circumstances including such evidence as the Chargee may require to establish the financial

responsibility of the Transferee and the Chargor shall provide the Chargee with a specific authorization in writing allowing the Chargee to have access to and collect personal information concerning the Transferee; and

- (b) the Transferee shall execute the Chargee's then standard form assumption agreement in favour of the Chargee agreeing to be bound by all of the obligations of the Chargor under this Charge and other Security Documents in support thereof.

it being specifically understood that the consent of the Chargee to any transaction referred to in Section 4(1) shall not release the Chargor, from any of the covenants contained in this Charge.

(5) If the Transferee proposes to acquire less than the entire interest of the Chargor in the Charged Premises, the Chargee may require as a term for granting consent in addition to the requirements set out above that the Chargor and the Transferee execute co-ownership documentation in form and content satisfactory to the Chargee.

(6) The Chargor shall pay to the Chargee all costs of the Chargee relating to the Chargee's review of the Change of Control or change of ownership contemplated by this Charge, including a reasonable administrative charge and the fees, expenses and disbursements of the Chargee's solicitors, and such amounts shall be payable and secured by this Charge whether or not the consent of the Chargee to such Change of Control or change of ownership is granted.

5. Condominium Provisions

Provided that if all or any part of the Charged Premises is or becomes a condominium unit pursuant to the provisions of the Condominium Act, 1998, as amended, the following covenants and provisions shall apply in addition to all other covenants and provisions set forth in this Charge:

(1) For the purposes of all parts of the Charged Premises comprising one or more such condominium units, all references in this Charge to the Charged Premises shall include the Chargor's appurtenant undivided interest in the common elements and other assets of the Condominium Corporation;

(2) The Chargor shall at all times comply with the Condominium Act, 1998, as amended and shall forward to the Chargee proof of such compliance as the Chargee may request from time to time including, without limitation, estoppel certificates issued by the Condominium Corporation; and if the Chargor fails to so comply in any respect, the Chargee may do so at its option and all costs and expenses incurred by the Chargee in connection therewith shall be secured by this Charge and payable by the Chargor to the Chargee forthwith upon demand, together with interest thereon as herein provided;

(3) The Chargor shall pay, when due, all monies payable by the Chargor or with respect to the Charged Premises in accordance with the provisions of the Condominium Act, 1998, as amended and the declaration, by-laws and rules of the Condominium Corporation, including all required contributions to common expenses and any special levies, charges and assessments, and shall provide proof of such payment to the Chargee upon request; and if the Chargor fails to make any such payment, the Chargee may do so at its option and all amounts so paid by the Chargee shall be secured by this Charge and shall be payable by the Chargor to the Chargee forthwith upon demand, together with interest thereon as herein provided;

(4) The Chargor hereby irrevocably appoints, authorizes and empowers the Chargee to exercise the rights of the Chargor to vote or to consent as an owner within the meaning of the Condominium Act, 1998, as amended with respect to all matters relating to the affairs of the Condominium Corporation, or to abstain from doing so, provided that:

- (a) the Chargee may at any time and from time to time give notice in writing to the Chargor and to the Condominium Corporation that the Chargee does not intend to exercise such right to vote or to consent, in which case the Chargor may exercise its right to vote or to consent for so long as such notice remains effective or until such notice is revoked by the Chargee;

and any such notice may be for an indeterminate period of time, a limited period of time or for a specific meeting or matter;

- (b) the Chargee shall not be under any obligation to vote or to consent or to protect the interests of the Chargor; and
- (c) the exercise by the Chargee of its right to vote or to consent or to abstain from doing so shall not constitute the Chargee as a mortgagee or chargee in possession and shall not give rise to any liability on the part of the Chargee;

(5) The Chargor shall forward to the Chargee by delivery or by prepaid registered mail copies of every notice, assessment, claim, demand, by-law, rule, request for consent and other communication relating to all or any part of the Charged Premises or the common elements or affairs of the Condominium Corporation on or before the date which is the earlier of:

- (a) fourteen (14) days after receipt of the same by the Chargor;
- (b) seven (7) days prior to the date set for any meeting of the Condominium Corporation or any committee thereof;
- (c) seven (7) days prior to the due date of any claim or demand for payment; and
- (d) within twenty-four (24) hours after becoming aware of any information concerning termination of any insurance policy, insurance trust agreement or management agreement relating to the Condominium Corporation or any of its assets;

(6) The Chargor hereby authorizes and directs the Condominium Corporation to permit the Chargee to inspect the records of the Condominium Corporation at any reasonable time;

(7) In addition to and notwithstanding any other provisions of this Charge, the outstanding principal amount and all accrued interest and other charges secured by this Charge shall, at the Chargee's option, become immediately due and payable without notice or demand if any of the following events or circumstances shall occur and be continuing:

- (a) the government of the Condominium Corporation or the government of the Charged Premises by the Condominium Corporation is terminated;
- (b) a vote of the Condominium Corporation authorizes the sale of all or substantially all of its property or assets or all or any part of its common elements or all or any part of the Charged Premises, or any part of the same is expropriated;
- (c) the Condominium Corporation fails to comply with any provision of the Condominium Act, 1998, as amended or its declaration or any of its by-laws and rules;
- (d) the Condominium Corporation fails to insure its assets, including the Charged Premises, in accordance with the Condominium Act, 1998, as amended and the declaration and by-laws of the Condominium Corporation, or any insurer thereof cancels or threatens cancellation of any existing obligation to insure the same.

6. **Receiver.**

(1) If and whenever the Chargee becomes entitled to enter into possession of the Charged Premises, the Chargee may, in the sole and absolute discretion of the Chargee, with or without entering into possession of the Charged Premises or any part of the Charged Premises, by instrument in writing appoint a Receiver (which term shall include a receiver and manager) of the Charged Premises or any part of the Charged Premises and of the rents and profits of the Charged Premises and with or without security and may from time to time remove any Receiver

with or without appointing another instead, and in making such appointment or appointments the Chargee shall be deemed to be acting for the Chargor.

(2) Upon the appointment of any such Receiver or Receivers from time to time, and subject to the provisions of the instrument appointing such Receiver, the following provisions shall apply:

- (a) every such Receiver may, in the discretion of the Chargee and by writing, be vested with all or any of the powers and discretions of the Chargee;
- (b) every such Receiver, so far as concerns the responsibility of such Receiver's acts or omissions, shall be deemed the agent or attorney of the Chargor and not the agent of the Chargee (unless specifically appointed by the Chargee as the agent of the Chargee);
- (c) the appointment of every Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such Receiver shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the Charged Premises or any part of the Charged Premises;
- (d) every Receiver shall be the irrevocable agent or attorney of the Chargor (unless the Chargee specifically appoints such Receiver as the agent for the Chargee) for the collection of all rents falling due in respect of the Charged Premises or any part of the Charged Premises whether in respect of any leases created in priority to this Charge or subsequent to this Charge;
- (e) every such Receiver shall from time to time have the power to lease any portion of the Charged Premises which may become vacant for such term and subject to such provisions as the Receiver may deem advisable or expedient and in so doing every such Receiver shall act as the attorney or agent for the Chargor (unless specifically appointed by the Chargee as the agent of the Chargee) and such Receiver shall have authority to execute under seal any leases of any such premises in the name of and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever any such Receiver may do in the premises;
- (f) every such Receiver shall have full power to manage, operate, amend, repair, alter or extend the Charged Premises or any part of the Charged Premises in the name of the Chargor for the purpose of securing the payment of rental from the Charged Premises or any part of the Charged Premises;
- (g) the Chargee may from time to time by writing fix the reasonable remuneration of every such Receiver who shall be entitled to deduct the same out of the receipts from the Charged Premises or the proceeds of the Charged Premises;
- (h) no such Receiver shall be liable to the Chargor to account for moneys or damages other than moneys received by him in respect of the Charged Premises or any part of the Charged Premises and every such Receiver shall apply such cash so received to pay in the following order:
 - (i) his commission or remuneration as Receiver;
 - (ii) all expenses properly made or incurred by the Receiver in connection with the management, operation, amendment, repair, alteration or extension of the Charged Premises or any part of the Charged Premises;

- (iii) money which may from time to time be or become charged on the Charged Premises in priority to this Charge, and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect of the Charged Premises or any part of the Charged Premises;
- (iv) in keeping in good standing all charges on the Charged Premises prior to this Charge;
- (v) the Chargee in payment of all Interest due or falling due under this Charge and the balance to be applied upon the Principal Sum and all other moneys due and payable and secured by this Charge; and
- (vi) thereafter any surplus remaining in the hands of every such Receiver to the Chargor or its assigns.

7. **Environmental Matters.**

(1) The Chargor covenants, represents and warrants that, to the best of its knowledge, and, except as disclosed by the Chargor in writing to the Chargee and accepted in writing by the Chargee:

- (a) the Chargor's use and occupation of, and activities and operations on, the Charged Premises comply and shall comply in all respects with the Environmental Law;
- (b) neither the Chargor, nor any party for whom the Chargor is responsible at law, has Released, caused or permitted a Release or shall Release, cause or permit a Release of any Hazardous Substance into the natural environment, including, without limitation, the air, soil, subsoil or surface or groundwater in, on, over, under or at the Charged Premises, except in compliance with Environmental Law;
- (c) no Hazardous Substance is or will be stored or located in, on, under or at the Charged Premises, other than in compliance with Environmental Law;
- (d) no active or inactive underground storage tanks are or will be located under the Charged Premises and neither the Charged Premises nor any adjacent lands have ever been used as or for a waste disposal site or coal gassification site;
- (e) the Chargor is not required to obtain, nor has obtained, nor is subject to any certificate, approval, direction, or order of any governmental authority or court of competent jurisdiction under the Environmental Law in respect of the Charged Premises or the operation of the Chargor's business thereon; and
- (f) there are no pending or threatened claims, actions, suits, prosecutions, hearings or other proceedings of any kind in any court or tribunal and the Chargor has received no notice of any such proceedings relating to an Environmental Claim or the discharge, deposit, escape or Release of any Hazardous Substance or any actual or alleged violation of the Environmental Law affecting the Charged Premises, and there is no basis for any of the foregoing being initiated.

(2) The Chargor shall use its best efforts to ensure (i) that any tenant, subtenant or other occupant of the Charged Premises shall in the future be in compliance with all requirements of Environmental Law, (ii) that no tenant, subtenant or other occupant of the Charged Premises places, suffers or permits to remain any toxic waste or other Hazardous Substance, or any contaminants, oil or pesticides at, on, under, within or about the Charged Premises, other than in compliance with Environmental Law.

(3) The Chargor shall permit the Chargee reasonable access to the Charged Premises at any time, and the Chargee's agents and employees from time to time, in order to conduct, at the Chargor's expense, such tests, inspections and environmental audits of the Charged Premises as may be required by the Chargee at any time during the currency of this Charge, including, without limitation, the right to take soil samples from the Charged Premises, and the right to review and photocopy any and all records relating to the Charged Premises or the business now or hereinbefore conducted at the Charged Premises and the conducting by the Chargee of such tests, inspections and environmental audits shall not constitute the Chargee a mortgagee/chargee in possession or in control of management of the Charged Premises.

(4) The Chargor agrees to indemnify and save harmless the Chargee, its officers, directors, employees and agents, from and against (i) any Environmental Claim, and (ii) all losses, damages, costs, expenses, liabilities, claims and demands, including without limitation, legal fees incurred and the cost, liability or damage arising out of the settlement of any action entered into by the Chargee, either with or without the consent of the Chargor, that may be incurred by the Chargee as a result of:

- (a) any of the representations and warranties set out in Section 6(1) being untrue on the date of this Charge or becoming untrue at any date hereafter throughout the currency of this Charge;
- (b) the presence on, under or about or migration from the Charged Premises of any Hazardous Substance caused by or attributable, either directly or indirectly, to any act or omission of the Chargor or any other Person; and
- (c) any remediation or restoration of the Charged Premises and/or any lands adjoining or in the vicinity of the Charged Premises required or mandated by the Environmental Law attributable, either directly or indirectly, to any act or omission of the Chargor or any other Person.

(5) Notwithstanding anything to the contrary contained herein or in the Loan Agreement, the representations, warranties, covenants and indemnities contained in this Section 6 shall survive:

- (a) any power of sale, action of foreclosure or judicial sale, or any other extinguishing of the obligations of the Chargor pursuant to this Charge; and
- (b) the exercise of any remedies available to the Chargee pursuant to this Charge.

8. **Acknowledgment.** The Chargor acknowledges having received a true copy of this Charge.

9. **Land Registration Reform Act.**

(1) It is hereby understood and agreed that wherever the words "Chargor", "Chargee" and "Charge" appear throughout this document, same shall correspondingly be deemed and construed to mean "Chargor", "Chargee", and "Charge" respectively, as such latter terms are defined in the Act, and wherever the words "Charged Premises" or any derivative of the word "Charge" are used throughout this document, same shall be deemed and construed to mean the "Charged Premises" and the applicable derivative of the word "Charge", as such latter term is defined in the Act.

(2) If any of the forms of words contained in this Charge is also contained in column 1 of Schedule B of the *Short Forms of Mortgages Act* (Ontario) and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in column 2 of Schedule B thereof distinguished by the same number, and this Charge shall be interpreted as if the *Short Forms of Mortgages Act* was still in force and effect.

(3) The parties to this Charge agree that the covenants implied by paragraphs 1 and 2 of subsection 7(1) of the Act (as varied in this Charge) shall be in addition to, and not in substitution for, the covenants and other provisions set forth in this Charge.

(4) In the event of any conflict between any of such implied covenants (as varied in this Charge) and any other covenant or provision of this Charge, such other covenant or provision of this Charge shall prevail.

(5) The parties to this Charge agree that the covenant deemed to be included in this Charge by clause 7(1)1(iii) of the Act is varied so that the text of such clause reads as follows:

That the Chargor has not done, omitted or permitted anything whereby the land is or may be encumbered, except as the Chargor has reported to the Chargee in writing.

10. **Conflict**

In the event of an inconsistency between any of the terms and conditions contained in this Schedule and the terms and conditions contained in Standard Charge Terms No. 200033, the terms and conditions of this Schedule shall prevail.

SCHEDULE TO CHARGE

The Chargee acknowledges and confirms that:

A. Building & Development Mortgages Canada Inc. holds this charge in trust for:

- 1) [REDACTED] in the amount of \$100,000.00;
- 2) [REDACTED] and [REDACTED] in the amount of \$30,000.00;
- 3) [REDACTED] in the amount of \$50,000.00;
- 4) [REDACTED] (per: [REDACTED]) in the amount of \$350,000.00;
- 5) [REDACTED] in the amount of \$30,000.00;
- 6) [REDACTED] and [REDACTED] in the amount of \$50,000.00; and
- 7) [REDACTED] (per: [REDACTED]) in the amount of \$30,000.00.

**APPENDIX 9:
PARCEL REGISTER FOR PROJECT LANDS**



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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

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10189-0865 (LT)

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

PROPERTY DESCRIPTION: LOTS 33 & 34 PLAN 2371, PART LOT 42A & LOT 43A PLAN 2247 PT 1 66R29204; TOGETHER WITH AN EASEMENT OVER PT 3 66R29204 AS IN AT4379990; SUBJECT TO AN EASEMENT AS IN AT4660181; SUBJECT TO AN EASEMENT AS IN AT4753130; CITY OF TORONTO

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER, THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2017/03/13. PLANNING ACT CONSENT AS IN TB940437. PLANNING ACT CONSENT AS IN TB940456.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
RE-ENTRY FROM 10189-0863

PIN CREATION DATE:
2017/03/13

OWNERS' NAMES
1704 AVENUE ROAD GP INC.
1704 AVENUE ROAD, LP

CAPACITY SHARE
GPAR
FIRM

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2017/03/13 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
NOTE: THIS PROPERTY WAS RETIRED ON 2021/10/29. THIS PROPERTY IS NOW DIVIDED INTO THE FOLLOWING PROPERTIES: 10189-0871 TO 10189-0873						
64BA895	1976/09/02	PLAN BOUNDRIES ACT				C
REMARKS: RE: NY704626/PLAN 10248						
64BA1481	1978/02/15	PLAN BOUNDRIES ACT				C
REMARKS: RE: NY755960/PLAN 10934						
64BA1152	1978/03/22	PLAN BOUNDRIES ACT				C
REMARKS: RE: NY737125/PLAN 10676						
AT3585071	2014/05/20	NOTICE	\$2	CITY OF TORONTO	MADY AVENUE ROAD LTD.	C
AT3807259	2015/02/10	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** MADY AVENUE ROAD LTD.	FORTRESS BROOKDALE INC.	
AT3894767	2015/05/28	CHARGE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	VECTOR FINANCIAL SERVICES LIMITED	
AT3894768	2015/05/28	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	VECTOR FINANCIAL SERVICES LIMITED	
REMARKS: AT3894767.						
AT3894769	2015/05/28	CHARGE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	RW FORTRESS INC.	

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* 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
AT3955352	2015/07/23	CHARGE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	CENTRO MORTGAGE INC.	
AT3955420	2015/07/23	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC.	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352.				
AT3962441	2015/07/30	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352				
AT3986534	2015/08/24	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352 AT3955352				
AT4021992	2015/09/30	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352 AT3955352				
AT4046860	2015/10/26	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352				
AT4065378	2015/11/13	CHARGE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO	
AT4065412	2015/11/13	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** RW FORTRESS INC.	QUINCY INVESTMENTS LIMITED	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
					969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO	
AT4065413	2015/11/13	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO	
AT4075751	2015/11/25	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
AT4110698	2016/01/07	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
AT4130302	2016/01/27	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
AT4158080	2016/03/02	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	

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* 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
AT4174535	2016/03/24	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352						
AT4210360	2016/05/03	APL CH NAME INST		*** DELETED AGAINST THIS PROPERTY *** RW FORTRESS INC. RW FORTRESS INC. RW FORTRESS INC. RW FORTRESS INC. RW FORTRESS INC. RW FORTRESS INC.	JAEKEL CAPITAL INC.	
REMARKS: AT3894769						
AT4216294	2016/05/12	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352						
AT4216295	2016/05/12	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352						
AT4240390	2016/06/07	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352						
AT4243114	2016/06/09	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	JAEKEL CAPITAL INC.	
REMARKS: AT3894769						
AT4249565	2016/06/16	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352						
AT4269368	2016/07/06	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352, AT4240390 AT3955352						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4303844	2016/08/09	NOTICE	\$2	CITY OF TORONTO		C
AT4303845	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** VECTOR FINANCIAL SERVICES LIMITED	CITY OF TORONTO	
REMARKS: AT3894767 AND AT3894768, AT3894768 S/B AT4303844 - AMENDED JAN16/17 TWENDOVER						
AT4303846	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** JAEKEL CAPITAL INC.	CITY OF TORONTO	
REMARKS: AT3894769 TO AT4303844						
AT4303847	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	CITY OF TORONTO	
REMARKS: AT3955352 TO AT4303844						
AT4303848	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO	CITY OF TORONTO	
REMARKS: AT4065378 TO AT4303844						
AT4303858	2016/08/09	RESTRICTION-LAND		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.		
AT4303859	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** VECTOR FINANCIAL SERVICES LIMITED	CITY OF TORONTO	
REMARKS: AT3894767 AND AT3894768						
AT4303860	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** JAEKEL CAPITAL INC.	CITY OF TORONTO	
REMARKS: AT3894769 TO AT4303858						
AT4303861	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	CITY OF TORONTO	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4303862	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO	CITY OF TORONTO	
AT4304843	2016/08/10	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4311566	2016/08/16	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4340511	2016/09/13	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4363739	2016/10/05	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4379989	2016/10/25	NOTICE	\$2	CITY OF TORONTO		C
AT4409893	2016/11/23	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	JAEKEL CAPITAL INC.	
AT4414052	2016/11/28	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC.	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: AT3955352					OLYMPIA TRUST COMPANY	
AT4414053	2016/11/28	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352 AT3955352						
AT4427266	2016/12/07	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352						
AT4457626	2017/01/12	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	JAEKEL CAPITAL INC.	
REMARKS: AT3894769						
AT4469319	2017/01/25	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352						
AT4476610	2017/02/01	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.		
REMARKS: AT4286895						
AT4486280	2017/02/14	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352						
AT4486281	2017/02/14	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4503127	2017/03/06	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
66R29204	2017/03/13	PLAN REFERENCE				C
AT4509599	2017/03/13	APL ABSOLUTE TITLE		FORTRESS BROOKDALE INC.	FORTRESS BROOKDALE INC.	C
REMARKS: AT4286895 & AT4476610						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4516581	2017/03/21	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352 & AT4503127						
AT4540011	2017/04/19	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352						
AT4560150	2017/05/09	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4591073	2017/06/07	CHARGE		*** COMPLETELY DELETED *** FORTRESS BROOKDALE INC.	FIRM CAPITAL MORTGAGE FUND INC.	
REMARKS: CONTINUANCE OF REGISTRATION NUMBER AT4303858						
AT4591074	2017/06/07	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** FORTRESS BROOKDALE INC.	FIRM CAPITAL MORTGAGE FUND INC.	
REMARKS: AT4591073.						
AT4591075	2017/06/07	POSTPONEMENT		*** COMPLETELY DELETED *** JAEKEL CAPITAL INC.	FIRM CAPITAL MORTGAGE FUND INC.	
REMARKS: AT3894769 TO AT4591073						
AT4591076	2017/06/07	POSTPONEMENT		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	FIRM CAPITAL MORTGAGE FUND INC.	
REMARKS: AT3955352 TO AT4591073						
AT4591077	2017/06/07	POSTPONEMENT		*** COMPLETELY DELETED *** QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO	FIRM CAPITAL MORTGAGE FUND INC.	

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REMARKS: AT4065378 TO AT4591073						
AT4591473	2017/06/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** VECTOR FINANCIAL SERVICES LIMITED		
REMARKS: AT3894767.						
AT4619487	2017/07/06	NOTICE		*** COMPLETELY DELETED *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AMENDING AT3955352,						
AT4619488	2017/07/06	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352						
AT4645430	2017/08/02	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4660181	2017/08/21	TRANSFER EASEMENT	\$2	FORTRESS BROOKDALE INC.	ROGERS COMMUNICATIONS INC.	C
AT4707175	2017/10/17	CHARGE		*** COMPLETELY DELETED *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC.	
AT4707176	2017/10/17	POSTPONEMENT		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC.	
REMARKS: AT3955352, AT4645430 TO AT4707175						
AT4728397	2017/11/08	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	
REMARKS: AT4707175.						
AT4732555	2017/11/15	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	
REMARKS: AT4707175						
AT4738233	2017/11/21	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD		
REMARKS: AT4707175, AT4732555 AT4707175								
AT4744352	2017/11/28	TRANSFER OF CHARGE	\$2	*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	C		
REMARKS: RE: AT4707175, AT4738233 AT4707175								
AT4752741	2017/12/06	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA			
REMARKS: RE: AT4707175, AT4744352 AT4707175								
AT4753130	2017/12/06	TRANSFER EASEMENT		FORTRESS BROOKDALE INC.	ENBRIDGE GAS DISTRIBUTION INC.			
AT4762751	2017/12/18	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA			
REMARKS: AT4707175								
AT4781690	2018/01/17	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA			
REMARKS: AT4707175								
AT4790996	2018/01/29	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SUMMIT CONCRETE & DRAIN LTD.				
AT4790997	2018/01/29	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SUMMIT FORMING LTD.				
AT4791585	2018/01/30	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** D. ZENTIL MECHANICAL INC.				
AT4801687	2018/02/13	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** ATLAS DEWATERING CORPORATION				
AT4801986	2018/02/13	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** INNOCON LAFARGE CANADA INC. LEHIGH HANSON MATERIALS LIMITED INNOCON INC.				
AT4803253	2018/02/15	CONSTRUCTION LIEN		*** COMPLETELY DELETED ***				

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4803254	2018/02/15	CONSTRUCTION LIEN		DIRCAM ELECTRIC LIMITED *** COMPLETELY DELETED *** DIRCAM ELECTRIC LIMITED		
AT4807083	2018/02/22	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** GILBERT STEEL LIMITED		
AT4813373	2018/03/01	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** THE FENCE PEOPLE LIMITED		
AT4815544	2018/03/05	CERTIFICATE		*** COMPLETELY DELETED *** INNOCON LAFARGE CANADA INC. LEHIGH HANSON MATERIALS LIMITED INNOCON INC.	FORTRESS BROOKDALE INC. JAEKEL CAPITAL INC. BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA OLYMPIA TRUST COMPANY FIRM CAPITAL MORTGAGE FUND INC. QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO	
REMARKS: OF ACTION - AT4801986						
AT4818840	2018/03/12	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** GLOBAL PRECAST INC.		
AT4821028	2018/03/14	CERTIFICATE		*** COMPLETELY DELETED *** D. ZENTIL MECHANICAL INC.	FORTRESS BROOKDALE INC. CENTRO MORTGAGE INC. IN TRUST OLYMPIA TRUST COMPANY QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
					DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO BUILDING & DEVELOPMENT MORTGAGES CANADA INC. IN TRUST JAEKEL CAPITAL INC. COMPUTERSHARE TRUST COMPANY OF CANADA	
	REMARKS: AT4791585					
AT4826878	2018/03/23	CERTIFICATE		*** COMPLETELY DELETED *** ATLAS DEWATERING CORPORATION		
	REMARKS: AT4801687					
AT4835898	2018/04/05	CERTIFICATE		*** COMPLETELY DELETED *** GILBERT STEEL LIMITED		
	REMARKS: CERTIFICATE OF ACTION					
AT4841153	2018/04/12	CERTIFICATE		*** COMPLETELY DELETED *** DIRCAM ELECTRIC LIMITED	ONTARIO SUPERIOR COURT OF JUSTICE	
	REMARKS: AT4803253 AND AT4803254					
AT4843073	2018/04/16	CERTIFICATE		*** COMPLETELY DELETED *** THE FENCE PEOPLE LIMITED		
	REMARKS: AT4813373					
AT4845648	2018/04/19	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SUMMIT FORMING LTD.		
AT4846823	2018/04/20	CERTIFICATE		*** COMPLETELY DELETED *** SUMMIT CONCRETE & DRAIN LTD.	FORTRESS BROOKDALE INC.	
	REMARKS: CERTIFICATE OF ACTION, AT4790996 AND AT4795274					
AT4846824	2018/04/20	CERTIFICATE		*** COMPLETELY DELETED *** SUMMIT FORMING LTD.	FORTRESS BROOKDALE INC.	
	REMARKS: CERTIFICATE OF ACTION, AT4790997, AT4795275, AND AT4845648,					
AT4850172	2018/04/26	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CONCRANE EQUIPMENT INC.		
AT4857277	2018/05/04	CERTIFICATE		*** COMPLETELY DELETED *** GLOBAL PRECAST INC	FORTRESS BROOKDALE INC. JAEKEL CAPITAL INC. BUILDING & DEVELOPMENT MORTGAGES CANADA INC.	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
					COMPUTERSHARE TRUST COMPANY OF CANADA OLYMPIA TRUST COMPANY FIRM CAPITAL MORTGAGE FUND INC. QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307270 ONTARIO INC. SASSO AUTO CONSULTING INC. ANGELO GROSSI DAVID MARK DOUBILET GUS STAMATIOU ROBERT DI MATTEO TONINO AMENDOLA	
				REMARKS: AT4818840, CERTIFICATE OF ACTION		
AT4897958	2018/06/28	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** ALUMA SYSTEMS INC.		
AT4902724	2018/07/05	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** STEPHENSON'S RENTAL SERVICES INC.		
AT4912720	2018/07/18	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CONCRANE EQUIPMENT INC.		
AT4920981	2018/07/26	CERTIFICATE		*** COMPLETELY DELETED *** CONCRANE EQUIPMENT INC.		
				REMARKS: ACTION; AT4850172, AT4912720		
AT4927888	2018/08/02	CERTIFICATE		*** COMPLETELY DELETED *** ALUMA SYSTEMS INC.		
				REMARKS: ACTION, AT4897958		
AT4951254	2018/09/05	CERTIFICATE		*** COMPLETELY DELETED *** STEPHENSON'S RENTAL SERVICES INC.		
				REMARKS: ACTION AT4902724		
AT4976190	2018/10/04	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CONCRANE EQUIPMENT INC.		
AT4988103	2018/10/23	APL VESTING ORDER	\$50,000,000	ONTARIO SUPERIOR COURT OF JUSTICE	1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	C
AT4988104	2018/10/23	CHARGE PARTNERSHIP		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT5057330	2019/01/18	CHARGE PARTNERSHIP		1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP *** COMPLETELY DELETED *** 1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	BNY TRUST COMPANY OF CANADA CANADIAN MORTGAGE SERVICING CORPORATION	
AT5057331	2019/01/18	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	CANADIAN MORTGAGE SERVICING CORPORATION	
AT5057332	2019/01/18	POSTPONEMENT		*** COMPLETELY DELETED *** BNY TRUST COMPANY OF CANADA	CANADIAN MORTGAGE SERVICING CORPORATION	
AT5221220	2019/08/26	CHARGE PARTNERSHIP	\$39,000,000	1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	WESTMOUNT GUARANTEE SERVICES INC.	C
AT5221221	2019/08/26	POSTPONEMENT		*** COMPLETELY DELETED *** BNY TRUST COMPANY OF CANADA	WESTMOUNT GUARANTEE SERVICES INC.	
AT5279033	2019/11/01	CHARGE PARTNERSHIP	\$116,250,000	1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	LAURENTIAN BANK OF CANADA	C
AT5279034	2019/11/01	NO ASSGN RENT GEN		1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	LAURENTIAN BANK OF CANADA	C
AT5279035	2019/11/01	POSTPONEMENT		WESTMOUNT GUARANTEE SERVICES INC.	LAURENTIAN BANK OF CANADA	C
AT5279036	2019/11/01	POSTPONEMENT		*** COMPLETELY DELETED *** BNY TRUST COMPANY OF CANADA	LAURENTIAN BANK OF CANADA	
AT5279037	2019/11/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN MORTGAGE SERVICING CORPORATION		
AT5452683	2020/06/16	NOTICE	\$2	CITY OF TORONTO		C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
66R32037	2021/08/05	PLAN REFERENCE				C
AT5869191	2021/09/27	DISCH OF CHARGE		*** COMPLETELY DELETED *** BNY TRUST COMPANY OF CANADA		
REMARKS: AT4988104.						
TCP2877	2021/10/22	STANDARD CONDO PLN				C
AT5890572	2021/10/22	CONDO DECLARATION		1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP		C

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

PROPERTY DESCRIPTION: LOT 32 PLAN 2371 YORK PT 2 66R29204; SUBJECT TO AN EASEMENT AS IN AT4660181; SUBJECT TO AN EASEMENT AS IN AT4753130; CITY OF TORONTO

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER, THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2017/03/13.

ESTATE/QUALIFIER:

FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:

RE-ENTRY FROM 10189-0245

PIN CREATION DATE:

2017/03/13

OWNERS' NAMES

1704 AVENUE ROAD GP INC.
1704 AVENUE ROAD, LP

CAPACITY SHARE

GPAR
FIRM

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2017/03/13 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
NOTE: THIS PROPERTY WAS RETIRED ON 2021/10/29. THIS PROPERTY IS NOW DIVIDED INTO THE FOLLOWING PROPERTIES: 10189-0874 TO 10189-0875						
64BA1152	1978/03/22	PLAN BOUNDRIES ACT				C
REMARKS: RE: NY737125/PLAN 10676						
AT3585071	2014/05/20	NOTICE	\$2	CITY OF TORONTO	MADY AVENUE ROAD LTD.	C
AT3807259	2015/02/10	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** MADY AVENUE ROAD LTD.	FORTRESS BROOKDALE INC.	
AT3894767	2015/05/28	CHARGE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	VECTOR FINANCIAL SERVICES LIMITED	
AT3894768	2015/05/28	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	VECTOR FINANCIAL SERVICES LIMITED	
REMARKS: AT3894767.						
AT3894769	2015/05/28	CHARGE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	RW FORTRESS INC.	
AT3955352	2015/07/23	CHARGE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	CENTRO MORTGAGE INC.	
AT3955420	2015/07/23	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC.	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352.						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT3962441	2015/07/30	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352						
AT3986534	2015/08/24	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352 AT3955352						
AT4021992	2015/09/30	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352 AT3955352						
AT4046860	2015/10/26	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
REMARKS: AT3955352						
AT4065378	2015/11/13	CHARGE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO	
AT4065412	2015/11/13	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** RW FORTRESS INC.	QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4065413	2015/11/13	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	AMENDOLA, TONINO QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO	
AT4075751	2015/11/25	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
AT4110698	2016/01/07	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
AT4130302	2016/01/27	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC. OLYMPIA TRUST COMPANY	
AT4158080	2016/03/02	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4174535	2016/03/24	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4210360	2016/05/03	APL CH NAME INST		*** DELETED AGAINST THIS PROPERTY *** RW FORTRESS INC.	JAEKEL CAPITAL INC.	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4216294	2016/05/12	NOTICE		RW FORTRESS INC. RW FORTRESS INC. RW FORTRESS INC. RW FORTRESS INC. RW FORTRESS INC. *** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4216295	2016/05/12	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4240390	2016/06/07	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4243114	2016/06/09	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	JAEKEL CAPITAL INC.	
AT4249565	2016/06/16	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4269368	2016/07/06	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4303844	2016/08/09	NOTICE	\$2	CITY OF TORONTO		C
AT4303845	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** VECTOR FINANCIAL SERVICES LIMITED	CITY OF TORONTO	
AT4303846	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4303847	2016/08/09	POSTPONEMENT		JAEKEL CAPITAL INC. *** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	CITY OF TORONTO CITY OF TORONTO	
AT4303848	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO	CITY OF TORONTO	
AT4303858	2016/08/09	RESTRICTION-LAND		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.		
AT4303859	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** VECTOR FINANCIAL SERVICES LIMITED	CITY OF TORONTO	
AT4303860	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** JAEKEL CAPITAL INC.	CITY OF TORONTO	
AT4303861	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	CITY OF TORONTO	
AT4303862	2016/08/09	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC.	CITY OF TORONTO	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO		
				REMARKS: AT4065378 TO AT4303858		
AT4304843	2016/08/10	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
				REMARKS: AT3955352, AT4269368 AT3955352		
AT4311566	2016/08/16	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
				REMARKS: AT3955352, MULTIPLE		
AT4340511	2016/09/13	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
				REMARKS: AT3955352, AT4304843 AT3955352		
AT4363739	2016/10/05	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
				REMARKS: AT3955352 AT3955352		
AT4379989	2016/10/25	NOTICE	\$2	CITY OF TORONTO		C
AT4409893	2016/11/23	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	JAEKEL CAPITAL INC.	
				REMARKS: AT3894769		
AT4414052	2016/11/28	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
				REMARKS: AT3955352		
AT4414053	2016/11/28	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
				REMARKS: AT3955352 AT3955352		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4427266	2016/12/07	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352				
AT4457626	2017/01/12	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	JAEKEL CAPITAL INC.	
		REMARKS: AT3894769				
AT4469319	2017/01/25	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352 AT3955352				
AT4476610	2017/02/01	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.		
		REMARKS: AT4286895				
AT4486280	2017/02/14	NOTICE		*** DELETED AGAINST THIS PROPERTY *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352				
AT4486281	2017/02/14	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352				
AT4503127	2017/03/06	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352				
66R29204	2017/03/13	PLAN REFERENCE				C
AT4509599	2017/03/13	APL ABSOLUTE TITLE		FORTRESS BROOKDALE INC.	FORTRESS BROOKDALE INC.	C
		REMARKS: AT4286895 & AT4476610				
AT4516581	2017/03/21	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352 & AT4503127				

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4540011	2017/04/19	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352				
AT4560150	2017/05/09	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4591073	2017/06/07	CHARGE		*** COMPLETELY DELETED *** FORTRESS BROOKDALE INC.	FIRM CAPITAL MORTGAGE FUND INC.	
		REMARKS: CONTINUANCE OF REGISTRATION NUMBER AT4303858				
AT4591074	2017/06/07	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** FORTRESS BROOKDALE INC.	FIRM CAPITAL MORTGAGE FUND INC.	
		REMARKS: AT4591073.				
AT4591075	2017/06/07	POSTPONEMENT		*** COMPLETELY DELETED *** JAEKEL CAPITAL INC.	FIRM CAPITAL MORTGAGE FUND INC.	
		REMARKS: AT3894769 TO AT4591073				
AT4591076	2017/06/07	POSTPONEMENT		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	FIRM CAPITAL MORTGAGE FUND INC.	
		REMARKS: AT3955352 TO AT4591073				
AT4591077	2017/06/07	POSTPONEMENT		*** COMPLETELY DELETED *** QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO	FIRM CAPITAL MORTGAGE FUND INC.	
		REMARKS: AT4065378 TO AT4591073				
AT4591473	2017/06/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** VECTOR FINANCIAL SERVICES LIMITED		
		REMARKS: AT3894767.				

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AT4619487	2017/07/06	NOTICE		*** COMPLETELY DELETED *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
		REMARKS: AMENDING AT3955352,				
AT4619488	2017/07/06	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
		REMARKS: AT3955352				
AT4645430	2017/08/02	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	
AT4660181	2017/08/21	TRANSFER EASEMENT	\$2	FORTRESS BROOKDALE INC.	ROGERS COMMUNICATIONS INC.	C
AT4707175	2017/10/17	CHARGE		*** COMPLETELY DELETED *** FORTRESS BROOKDALE INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC.	
AT4707176	2017/10/17	POSTPONEMENT		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. OLYMPIA TRUST COMPANY	BUILDING & DEVELOPMENT MORTGAGES CANADA INC.	
		REMARKS: AT3955352, AT4645430 TO AT4707175				
AT4728397	2017/11/08	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC.	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	
		REMARKS: AT4707175.				
AT4732555	2017/11/15	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	
		REMARKS: AT4707175				
AT4738233	2017/11/21	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	
		REMARKS: AT4707175, AT4732555 AT4707175				
AT4744352	2017/11/28	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	
		REMARKS: RE: AT4707175, AT4738233 AT4707175				

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AT4752741	2017/12/06	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	
REMARKS: RE: AT4707175, AT4744352 AT4707175						
AT4753130	2017/12/06	TRANSFER EASEMENT	\$2	FORTRESS BROOKDALE INC.	ENBRIDGE GAS DISTRIBUTION INC.	C
AT4762751	2017/12/18	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	
REMARKS: AT4707175						
AT4781690	2018/01/17	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA	
REMARKS: AT4707175						
AT4795274	2018/02/01	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SUMMIT CONCRETE & DRAIN LTD.		
AT4795275	2018/02/01	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SUMMIT FORMING LTD.		
AT4801687	2018/02/13	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** ATLAS DEWATERING CORPORATION		
AT4801986	2018/02/13	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** INNOCON LAFARGE CANADA INC. LEHIGH HANSON MATERIALS LIMITED INNOCON INC.		
AT4803253	2018/02/15	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** DIRCAM ELECTRIC LIMITED		
AT4803254	2018/02/15	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** DIRCAM ELECTRIC LIMITED		
AT4807083	2018/02/22	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** GILBERT STEEL LIMITED		
AT4813373	2018/03/01	CONSTRUCTION LIEN		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4815544	2018/03/05	CERTIFICATE		THE FENCE PEOPLE LIMITED *** COMPLETELY DELETED *** INNOCON LAFARGE CANADA INC. LEHIGH HANSON MATERIALS LIMITED INNOCON INC.	FORTRESS BROOKDALE INC. JAEKEL CAPITAL INC. BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA OLYMPIA TRUST COMPANY FIRM CAPITAL MORTGAGE FUND INC. QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307271 ONTARIO INC. SASSO AUTO CONSULTING INC. GROSSI, ANGELO DOUBILET, DAVID MARK STAMATIOU, GUS DI MATTEO, ROBERT AMENDOLA, TONINO	
REMARKS: OF ACTION - AT4801986						
AT4818840	2018/03/12	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** GLOBAL PRECAST INC.		
AT4826878	2018/03/23	CERTIFICATE		*** COMPLETELY DELETED *** ATLAS DEWATERING CORPORATION		
REMARKS: AT4801687						
AT4835898	2018/04/05	CERTIFICATE		*** COMPLETELY DELETED *** GILBERT STEEL LIMITED		
REMARKS: CERTIFICATE OF ACTION						
AT4841153	2018/04/12	CERTIFICATE		*** COMPLETELY DELETED *** DIRCAM ELECTRIC LIMITED	ONTARIO SUPERIOR COURT OF JUSTICE	
REMARKS: AT4803253 AND AT4803254						
AT4843073	2018/04/16	CERTIFICATE		*** COMPLETELY DELETED *** THE FENCE PEOPLE LIMITED		
REMARKS: AT4813373						
AT4845648	2018/04/19	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SUMMIT FORMING LTD.		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4846823	2018/04/20	CERTIFICATE		*** COMPLETELY DELETED *** SUMMIT CONCRETE & DRAIN LTD.	FORTRESS BROOKDALE INC.	
REMARKS: CERTIFICATE OF ACTION, AT4790996 AND AT4795274						
AT4846824	2018/04/20	CERTIFICATE		*** COMPLETELY DELETED *** SUMMIT FORMING LTD.	FORTRESS BROOKDALE INC.	
REMARKS: CERTIFICATE OF ACTION, AT4790997, AT4795275, AND AT4845648,						
AT4850172	2018/04/26	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CONCRANE EQUIPMENT INC.		
AT4857277	2018/05/04	CERTIFICATE		*** COMPLETELY DELETED *** GLOBAL PRECAST INC	FORTRESS BROOKDALE INC. JAEKEL CAPITAL INC. BUILDING & DEVELOPMENT MORTGAGES CANADA INC. COMPUTERSHARE TRUST COMPANY OF CANADA OLYMPIA TRUST COMPANY FIRM CAPITAL MORTGAGE FUND INC. QUINCY INVESTMENTS LIMITED 969592 ONTARIO LIMITED 969593 ONTARIO LIMITED 2307270 ONTARIO INC. SASSO AUTO CONSULTING INC. ANGELO GROSSI DAVID MARK DOUBILET GUS STAMATIOU ROBERT DI MATTEO TONINO AMENDOLA	
REMARKS: AT4818840, CERTIFICATE OF ACTION						
AT4897958	2018/06/28	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** ALUMA SYSTEMS INC.		
AT4902724	2018/07/05	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** STEPHENSON'S RENTAL SERVICES INC.		
AT4912720	2018/07/18	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CONCRANE EQUIPMENT INC.		
AT4920981	2018/07/26	CERTIFICATE		*** COMPLETELY DELETED *** CONCRANE EQUIPMENT INC.		
REMARKS: ACTION; AT4850172, AT4912720						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4927888	2018/08/02	CERTIFICATE		*** COMPLETELY DELETED *** ALUMA SYSTEMS INC.		
		REMARKS: ACTION, AT4897958				
AT4951254	2018/09/05	CERTIFICATE		*** COMPLETELY DELETED *** STEPHENSON'S RENTAL SERVICES INC.		
		REMARKS: ACTION AT4902724				
AT4976190	2018/10/04	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CONCRANE EQUIPMENT INC.		
AT4988103	2018/10/23	APL VESTING ORDER	\$50,000,000	ONTARIO SUPERIOR COURT OF JUSTICE	1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	C
AT4988104	2018/10/23	CHARGE PARTNERSHIP		*** COMPLETELY DELETED *** 1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	BNY TRUST COMPANY OF CANADA	
AT5057330	2019/01/18	CHARGE PARTNERSHIP		*** COMPLETELY DELETED *** 1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	CANADIAN MORTGAGE SERVICING CORPORATION	
AT5057331	2019/01/18	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	CANADIAN MORTGAGE SERVICING CORPORATION	
		REMARKS: AT5057330.				
AT5057332	2019/01/18	POSTPONEMENT		*** COMPLETELY DELETED *** BNY TRUST COMPANY OF CANADA	CANADIAN MORTGAGE SERVICING CORPORATION	
		REMARKS: AT4988104 TO AT5057330				
AT5221220	2019/08/26	CHARGE PARTNERSHIP	\$39,000,000	1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	WESTMOUNT GUARANTEE SERVICES INC.	C
AT5221221	2019/08/26	POSTPONEMENT		*** COMPLETELY DELETED *** BNY TRUST COMPANY OF CANADA	WESTMOUNT GUARANTEE SERVICES INC.	
		REMARKS: AT4988104 TO AT5221220				
AT5279033	2019/11/01	CHARGE PARTNERSHIP	\$116,250,000	1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	LAURENTIAN BANK OF CANADA	C
AT5279034	2019/11/01	NO ASSGN RENT GEN		1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP	LAURENTIAN BANK OF CANADA	C

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REMARKS: AT5279033.						
AT5279035	2019/11/01	POSTPONEMENT		WESTMOUNT GUARANTEE SERVICES INC.	LAURENTIAN BANK OF CANADA	C
REMARKS: AT5221220 TO AT5279033						
AT5279036	2019/11/01	POSTPONEMENT		*** COMPLETELY DELETED *** BNY TRUST COMPANY OF CANADA	LAURENTIAN BANK OF CANADA	
REMARKS: AT4988104 TO AT5279033						
AT5279037	2019/11/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN MORTGAGE SERVICING CORPORATION		
REMARKS: AT5057330.						
AT5452683	2020/06/16	NOTICE	\$2	CITY OF TORONTO		C
REMARKS: ENCROACHMENT AGREEMENT						
66R32037	2021/08/05	PLAN REFERENCE				C
AT5869191	2021/09/27	DISCH OF CHARGE		*** COMPLETELY DELETED *** BNY TRUST COMPANY OF CANADA		
REMARKS: AT4988104.						
TCP2877	2021/10/22	STANDARD CONDO PLN				C
AT5890572	2021/10/22	CONDO DECLARATION		1704 AVENUE ROAD GP INC. 1704 AVENUE ROAD, LP		C

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**APPENDIX 10:
COMPUTERSHARE INDENTURE**

TRUST INDENTURE

DATED AS OF NOVEMBER 26, 2013

BROOKDALE REALTY CORPORATION

AS ISSUER

and

OLYMPIA TRUST COMPANY

AS TRUSTEE

and

MADY AVENUE ROAD LTD.

AS GUARANTOR

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TRUST INDENTURE

THIS TRUST INDENTURE is dated as of this 26th day of November, 2013.

B E T W E E N :

BROOKDALE REALTY CORPORATION, a corporation incorporated under the laws of the Province of Alberta

(the “**Issuer**”)

- and -

OLYMPIA TRUST COMPANY, a corporation incorporated under the laws of the Province of Alberta

(the “**Trustee**”)

- and -

MADY AVENUE ROAD LTD., a corporation incorporated under the laws of the Province of Ontario

(the “**Guarantor**”)

WHEREAS:

- A. The Issuer deems it necessary to raise money for its purposes and to create and issue the Bonds (as defined below), to be constituted, secured and issued in the manner hereinafter contemplated;
- B. The Issuer is duly authorized to create and issue the Bonds;
- C. The Bonds shall initially be unsecured and become secured on or before the Registration Date (as defined below);
- D. The Guarantor owns the Project Lands (as defined below) and has agreed to cause to be granted to the Trustee, for the benefit and security of the Bondholders (as defined below), a mortgage/security interest in the Project Lands as security for the observance and performance of the Guarantor's covenants and obligations herein contained;
- E. All things necessary have been done and performed to cause the Bonds, when certified by the Trustee and issued in accordance with this Indenture, to be valid, binding and enforceable obligations of the Issuer, with the benefits and subject to the obligations of this Indenture, and to cause this Indenture to be valid, binding and enforceable in accordance with its terms; and

- F. The foregoing recitals are made as representations and statements of fact by the Issuer and not by the Trustee.

NOW THEREFORE in consideration of the mutual covenants and premises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

In this Indenture, the following terms have the following meanings:

- (a) **"Actual Project Profit"** means the amount equal to Project Revenue less the Project Costs, as at the Project Completion Date;
- (b) **"Applicable Laws"** means, at any time, with respect to any Person, Property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official requests, directives, rules, guidelines, orders, policies, practise and other requirements of any Governmental Authority relating or applicable at such time to such Person, Property, transaction, event or other matter which are binding and have the force of law;
- (c) **"Authorized Officer"** means a director, the president, the chief financial officer, a vice-president, the secretary or other authorized officer of the Issuer;
- (d) **"Bond Documents"** means this Indenture, the Bonds and the Security Documents;
- (e) **"Bond Obligations"** means, at any particular time, all of the then Indebtedness, liabilities and obligations, absolute or contingent, direct or indirect, matured or unmatured, liquidated or unliquidated, of the Issuer to the Trustee and/or the Bondholders arising under this Indenture, the Bonds and any other related document, including without limitation the principal amount then outstanding under the Bonds and any premium and/or interest (including default interest) accruing hereunder, and all costs, charges and expenses properly incurred by the Trustee hereunder and all interest thereon, and the remuneration of the Trustee;
- (f) **"Bondholders"** or **"holders"** means the Persons for the time being entered in the registers maintained by the Trustee as holders of Bonds, and **"Bondholder"** or **"holder"** means any of them;
- (g) **"Bondholders' Request"** means an instrument signed in one or more counterparts by the holders of not less than 66⅔% in principal amount of the outstanding Bonds requesting the Trustee to take the action or proceeding specified therein;

- (h) **"Bonds"** means the 8% bonds issued or to be issued hereunder and outstanding and entitled to the benefits hereof, and **"Bond"** means any of them;
- (i) **"Business Day"** means any day other than a Saturday, Sunday and each day on which commercial banks in Calgary, Alberta, are closed for business;
- (j) **"Certified Resolution"** means a copy of a resolution or by-law certified by the Authorized Officer to have been duly passed by the directors of the Issuer, and to be in full force and effect on the effective date of such certification;
- (k) **"Construction Financing Mortgage"** means the mortgage or mortgages charging the Project Lands, in an aggregate principal amount of approximately \$75,000,000, subject to change, in favour of related and/or arm's-length lenders for the construction/development of the Project, including but not limited to construction financing, deposit insurance, Tarion bond, construction mezzanine financing, capital mortgage(s) and HVAC equipment lease financing;
- (l) **"Deferred Lender Fee"** means:
 - (i) in the event that the Actual Project Profit is equal to or exceeds \$12,500,000 but less than \$13,250,000, an amount equal to 6% of the Total Loan Amount, or
 - (ii) in the event that the Actual Project Profit is equal to or exceeds \$13,250,000, an amount equal to 12% of the Total Loan Amount;
- (m) **"Event of Default"** shall have the meaning set out in Section 9.1;
- (n) **"Extraordinary Resolution"** has the meaning attributed to such term in Sections 12.3;
- (o) **"First Mortgage"** means the mortgage registered against the Project Lands as of the date of this Trust Indenture in the aggregate original principal amount of \$14,000,000 in favour of MCAP Financial Corporation and Terra Firma Capital Corporation, and any renewals or replacements thereof;
- (p) **"Governmental Authority"** means:
 - (i) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances,
 - (ii) any Person acting within and under the authority of any of the foregoing or under a statute, rule or regulation thereof, and
 - (iii) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances;

- (q) **"Guarantee"** of or by any Person (in this definition, the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any obligation of any other Person;
- (r) **"Indebtedness"** of any Person includes, without duplication, (i) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (iii) all obligations of such Person upon which interest charges are customarily paid, (iv) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (v) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (vi) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (vii) all Guarantees by such Person of Indebtedness of others, (viii) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guarantee, (ix) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (x) the net amount of obligations of such Person (determined on a marked-to-market basis) under hedging agreements, and (xi) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value any equity securities of such Person, valued, in the case of redeemable equity securities, at the greater of voluntary or involuntary liquidation preference, plus accrued and unpaid dividends. The Indebtedness of any Person shall include the indebtedness of any other entity (including any partnership in which such Person is a general or limited partner) to the extent such Person is liable therefore as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such indebtedness provide that such Person is not liable therefor;
- (s) **"Indenture Legislation"** shall have the meaning set out in Section 14.2;
- (t) **"Interest Payment Date"** in respect of an Interest Period means the date that is ten (10) Business Days following such Interest Period, provided that the Maturity Date shall be the Interest Payment Date for any Interest Periods preceding the Maturity Date in respect of which an Interest Payment Date has not occurred, and provided further that in the event any Bond shall be partially or totally redeemed at any time prior to the Maturity Date, then for such Bonds, the Redemption Date shall be an Interest Payment Date for any Interest Periods in respect of which an Interest Payment Date has not occurred;
- (u) **"Interest Period"** means the period beginning on (and including) the Issue Date and ending on (and including) the last day of March, 2014, and, for each successive period, beginning on (and including) the first day of the calendar quarter subsequent to the previous Interest Period and ending on (and including) the last day of such calendar quarter; provided that the final Interest Period shall

end on (but exclude) the Maturity Date (unless the principal amount owing on any such Bond shall not have been repaid) and, in the event any Bond shall be partially or totally redeemed at any time prior to the Maturity Date, then the period-beginning on (and including) the first day of the calendar quarter in which such partial or total redemption occurs to, but excluding the date such partial or total redemption occurs, shall be an Interest Period;

- (v) **"Interest Rate"** means the interest rate of 8% per annum;
- (w) **"Issue Date"** means, in respect of any Bond, the date on which such Bond is issued, as determined by the Issuer;
- (x) **"Lien"** means (i) with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge, security interest, royalty interest, adverse claim, defect of title or right of set off in, on or of such asset, (ii) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (iii) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities, (iv) any netting arrangement, defeasance arrangement or reciprocal fee arrangement, and (v) any other arrangement having the effect of providing security;
- (y) **"Loan Agreement"** means the loan agreement dated November 26, 2013, between the Issuer and the Guarantor whereby the Issuer has agreed to advance the available funds raised from issuance of the Bonds to the Guarantor for the purpose of financing the development of the Project;
- (z) **"Loan Amount"** means the total principal amount advanced by the Issuer to the Guarantor under the Loan Agreement;
- (aa) **"Material Adverse Effect"** means a material adverse effect on (i) the business, assets, operations, prospects or condition, financial or otherwise, of the Issuer or the Guarantor, or (ii) the validity or enforceability of any of the Security Documents or the rights and remedies of the Trustee and the Bondholders thereunder, or (iii) the amount which the Bondholders would be likely to receive (after giving effect to delays in payment and costs of enforcement) upon the liquidation of the property and assets of the Issuer;
- (bb) **"Maturity Date"** means April 30, 2018;
- (cc) **"Officers' Certificate"** means a certificate signed on behalf of the Issuer by an Authorized Officer;
- (dd) **"Operating Expenses"** means all expenses that are incurred or paid by the Issuer on behalf of, or in connection with the management or operation of the Issuer's business, including, without limitation:

- (i) agent's fees, and other fees and expenses payable in connection with the organization and capitalization of the Issuer and the issue of the Bonds or any future offerings by the Issuer;
 - (ii) all salaries, compensation and other amounts payable to consultants and other Persons engaged to perform services for the Issuer;
 - (iii) Taxes and assessments applicable to the Issuer or its assets;
 - (iv) advertising and promotional expenses, insurance premiums, rental expenses, and legal fees and expenses incurred by the Issuer in the conduct of its business;
 - (v) general, administrative and overhead costs and expenses incurred by the Issuer;
 - (vi) interest and other charges payable in connection with borrowing by the Issuer with respect to the Bonds and any other loans incurred by the Issuer;
 - (vii) accounting, audit, legal, professional and reporting expenses including, without limitation, costs of preparation and documentation of Issuer's financial statements and accounts, costs of preparation and documentation of federal and provincial tax returns;
 - (viii) expenses incurred with respect to printing and engraving expenses and Taxes incurred in connection with the issuance, transfer, registration and recording of documents evidencing ownership of Bonds;
 - (ix) costs incurred in connection with any litigation in which the Issuer is involved or for which it is responsible, as well as any examination, investigation or other proceeding conducted by any regulatory agency, including related legal and accounting fees relating thereto; and
 - (x) expenses incurred in changing the form of, amending, converting or modifying the Bonds, or incurred in dissolving or winding up of the Issuer.
- (ee) **"Permitted Encumbrances"** means, as of any particular time, one or more of the following Liens and other rights in connection with or relating to the Project Lands:
- (i) Liens for Taxes, utility charges, levies and/or improvements: (A) not at the time due and delinquent; or (B) which are due and delinquent but the validity of which is being contested in good faith at the time and in respect of which reasonable security has been furnished by the Issuer;
 - (ii) all Liens from judgments rendered against the Guarantor which are being contested in good faith, provided that the contesting will not involve forfeiture of all or any part of the Project Lands and for which reasonable security has been furnished by the Guarantor;

- (iii) undetermined or inchoate liens arising pursuant to statute, which liens have not been filed or registered in accordance with applicable laws or of which written notice has not been duly given in accordance with applicable laws or which, although filed and/or registered, relate to obligations not due or delinquent;
 - (iv) easements, rights-of-way and other similar rights in land (including, without limitation, party wall agreements and easements/rights-of-way for railways, sewers, drains, steam, gas lines, oil pipe lines, gas mains, water mains, electric light and power cables/poles, telephone/telegraph cables, television cables and all other incidental equipment) granted to or reserved by other Persons which, in the opinion of the Guarantor, acting reasonably, will not in the aggregate materially and adversely impair the current use of the Project Lands, the market value thereof and/or the Security Documents;
 - (v) all exceptions to title contained in statutes applicable to the Project Lands;
 - (vi) the rights reserved to and/or vested in Governmental Authorities pursuant to all statutes applicable to the Project Lands;
 - (vii) restrictive covenants affecting the uses to which the Project Lands may be put, and which, in the opinion of the Guarantor, acting reasonably, will not in the aggregate materially and adversely impair the current use of the Project Lands, the market value thereof and/or the Security Documents, provided that the said restrictive covenants are complied with;
 - (viii) the reservations expressed in the original grant(s) from the Crown, as amended by statute, of the lands of which the Project Lands form a part;
 - (ix) unregistered liens or claims in favour of the Crown, any province, any municipality or any political subdivision thereof;
 - (x) such title defects and irregularities which are minor in nature and will not in the aggregate materially and adversely impair the current use of the Project Lands, the market value thereof and/or the Security Documents;
 - (xi) builders liens in respect of which there shall have been deposited with the Trustee cash or other security satisfactory to the Trustee, in an amount sufficient to pay and discharge same;
 - (xii) such other non-financial encumbrances as shall be reasonable for a development such as the Project;
 - (xiii) all existing encroachments of improvements located on the Project Lands onto adjoining lands; and
 - (xiv) pledges and deposits in compliance with workers' compensation, unemployment insurance and other social security laws and regulations;
- (ff) **"Person"** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, body corporate, unincorporated association, trust, trustee, executor,

administrator or other legal personal representative, or Governmental Authority, however designated or constituted;

- (gg) **"PN Debt"** means the unsecured amount, up to a maximum of \$14,000,000, being raised by Mady Brookdale 2013 Inc. through a private placement of debt bearing interest at a rate of 8% per annum that will become secured on October 31, 2015 through registration on the Project Lands;
- (hh) **"Premium"** shall have the meaning set out in Section 2.3;
- (ii) **"Privacy Laws"** shall have the meaning set out in Section 14.15;
- (jj) **"Pro-Rata"** at any time, means a fraction equal to the number of Bonds of which a Bondholder is the registered holder at that time divided by the total number of issued and outstanding Bonds at that time;
- (kk) **"Project"** means the proposed retail, residential and parking complex to be built on the Project Lands;
- (ll) **"Project Completion Date"** means the date of full disposition of the residential units and other components comprising the Project has been completed;
- (mm) **"Project Costs"** means all the costs, including hard and soft construction costs, financing costs, taxes, realty commissions and all other related costs, incurred by the Guarantor in respect of the Project;
- (nn) **"Project Lands"** means the lands municipally and legally described in Schedule "A" attached hereto, together with all personal, intellectual and other property and all contracts relating thereto or associated therewith;
- (oo) **"Project Revenue"** means all revenue received by the Guarantor at the Project Completion Date;
- (pp) **"Property"** means any present or future undertaking, property or assets of a Person of any kind whatsoever;
- (qq) **"Record Date"** means, in respect of each Interest Payment Date, that date which is the last day of the calendar quarter before the Interest Payment Date;
- (rr) **"Redemption Date"** shall have the meaning set out in Section 3.1;
- (ss) **"Registration Date"** means the date that is on or before October 31, 2015;
- (tt) **"Second Mortgage"** means the mortgage registered against the Project Lands as of the date of this Trust Indenture in the aggregate original principal amount of \$6,250,000 in favour of Wendelyn Financial Limited, and any renewals or replacements thereof;

- (uu) **"Senior Indebtedness"** means the principal of and the interest and premium, if any, on:
 - (i) Indebtedness of the Guarantor outstanding in respect of the Permitted Encumbrances;
 - (ii) Indebtedness of the Guarantor outstanding in respect of the First Mortgage;
 - (iii) Indebtedness of the Guarantor outstanding in respect of the Second Mortgage;
 - (iv) Indebtedness of the Guarantor outstanding in respect of the Construction Financing Mortgage; and
 - (v) renewals, extensions or refundings of any Indebtedness referred to in subsections (i) to (iv) of this definition;

unless, in any case, it is provided by the terms of the instrument creating or evidencing such Indebtedness or pursuant to which such Indebtedness is outstanding that such Indebtedness is not prior in right of payment to the Bonds but ranks subordinated in right of payment to, the Bonds;
- (vv) **"Security Documents"** shall have the meaning set out in Section 5.1;
- (ww) **"Security Interest"** means any Lien or other encumbrance on or interest in the Property that secures the payment of Indebtedness;
- (xx) **"Syndicated Mortgage"** means the syndicated mortgage that may be offered by the Guarantor in Ontario at a later date to be secured against the Project Lands;
- (yy) **"Taxes"** means all taxes, duties, fees, premiums, assessments, imposts, levies, rates, withholdings, dues, government contributions and other charges of any kind whatsoever, whether direct or indirect, together with all interest, penalties, fines, additions to tax or other additional amounts, imposed by any Governmental Authority;
- (zz) **"this Indenture", "hereto", "herein", "hereby", "hereunder", "hereof"** and similar expressions, except as expressly stated otherwise, refer to this Indenture and not to any particular Article, Section, Subsection, Paragraph, Subparagraph, clause or other portion hereof, and include any and every instrument supplemental or ancillary hereto or in implementation hereof;
- (aaa) **"Total Loan Amount"** means the total principal amount advanced by the Issuer to the Guarantor under the Loan Agreement;
- (bbb) **"Written Order", "Written Request" or "Written Direction"** means, respectively, a written order, request or direction signed in the name of the Issuer by any officer or director of the Issuer in form acceptable to the Trustee, acting reasonably.

1.2 Division of Trust Indenture and Headings

The division of this Indenture into Articles, Sections, Subsections, Paragraphs and Subparagraphs and the insertion of headings and the inclusion of a table of contents are for convenience of reference only and do not affect the construction or interpretation hereof.

1.3 References

All references herein to Articles, Sections, Subsections, Paragraphs, Subparagraphs, Schedules and other subdivisions refer to the corresponding Articles, Sections, Subsections, Paragraphs, Subparagraphs, Schedules and other subdivisions of this Indenture, unless otherwise specified.

1.4 Number, Gender and Persons

In this Indenture, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. All wording applicable to a person shall be construed to apply to a Person. Every use of the words "including" or "includes" in this Indenture is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.

1.5 Business Day

Unless otherwise specified in this Indenture, time periods within which or following which any calculation or payment is to be made, or action is to be taken, will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.

1.6 Laws

Unless otherwise specified, any reference in this Indenture to any statute includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.

1.7 Applicable Law

The Bond Documents shall be governed by and construed in accordance with the laws in effect within the Province of Alberta and, by execution and delivery of this Indenture, the Issuer and Guarantor accept, generally, and unconditionally, the non-exclusive jurisdiction of the courts having jurisdiction in the Province of Alberta. The Issuer hereby waives, and agrees not to assert, by way of motion, as a defence or otherwise, in any action or proceeding, any claim that it is not personally subject to the jurisdiction of the said courts of the Province of Alberta located in the City of Calgary, that the action or proceeding is brought in an inconvenient forum, that the venue of the action or proceeding is improper or that this Indenture, the Security Documents, the Bonds or the subject-matter hereof or thereof may not be enforced in such courts. Nothing herein shall limit the right of any party to serve process in any manner permitted by law or to commence legal proceedings or otherwise proceed against any other party in any other jurisdiction.

1.8 Interest Act

- (a) **Calculation of Annual Rate of Interest.** For the purpose of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest to which any rate of interest payable under this Indenture that is calculated on any basis other than a full calendar year may be determined by multiplying such rate by a fraction the numerator of which is the actual number of days in the calendar year in which such yearly rate of interest is to be ascertained and the denominator of which is the number of days comprising such other basis. The parties further agree that for the purposes of the *Interest Act* (Canada), the rates of interest stipulated in this Indenture or the Bonds are intended to be nominal rates and not effective rates or yields.
- (b) **Adjustment.** Under no circumstances shall a Bondholder be entitled to receive, nor shall it in fact receive, a payment or partial payment of interest, fees or other amounts under this Indenture or the Bonds at a rate that is prohibited by applicable laws. Accordingly, notwithstanding anything herein or elsewhere contained, if, and to the extent that under any circumstances, the effective annual rate of "interest" (as defined in Section 347 of the *Criminal Code of Canada*) received or to be received by a Bondholder (determined in accordance with such section) on any amount of "credit advanced" (as defined in Section 347 of the *Criminal Code of Canada*) pursuant to these presents or any agreement or arrangement collateral hereto entered into in consequence or implementation hereof would, but for this section, be a rate that is prohibited by applicable laws, then the effective annual rate of interest, as so determined, received or to be received by the Bondholder on such amount of credit advanced shall be and be deemed to be adjusted to a rate that is one basis point less than the lowest effective annual rate of interest that is so prohibited (the "adjusted rate"); and, if the Bondholder has received a payment or partial payment which would, but for this section, be so prohibited then any amount or amounts so received by the Bondholder in excess of the adjusted rate shall and shall be deemed to have comprised a credit to be applied to subsequent payments on account of interest, fees or other amounts due to the Bondholder at the adjusted rate.

1.9 Currency

Unless otherwise specified, the word "dollar" and the "\$" sign refer to Canadian currency, and all amounts to be advanced, paid, tendered or calculated under this Indenture are to be advanced, paid, tendered or calculated in Canadian currency.

1.10 Schedules

The following schedules attached hereto are deemed to form part of this Indenture:

Schedule "A" - Legal Description of the Project Lands

Schedule "B" - Form of Bond Certificate

ARTICLE 2

THE BONDS

2.1 Limitation on Issue and Designation

The aggregate principal amount of Bonds which may be issued and certified hereunder shall consist of a maximum of \$10,800,000, and such Bonds are hereby designated "8% Bonds". Upon registration of the Security Documents in accordance with Article 5 on or before the Registration Date, the Bonds shall be re-designated "8% Secured Bonds".

2.2 Terms of Bonds

- (a) The Bonds shall:
 - (i) be dated on the applicable Issue Date;
 - (ii) mature on the Maturity Date; and
 - (iii) bear interest from and including their respective Issue Date at the Interest Rate calculated quarterly, not in advance, on the principal amount thereof, payable (after as well as before maturity and after as well as before, default and judgment, with interest on amounts in default at the same rate) on the Interest Payment Date for the applicable Interest Period as described herein and in the Bonds. Interest shall be computed on the basis of a year of 365 days or 366 days in the case of a leap year.
- (b) The principal of the Bonds shall be repaid by the Issuer on or before the Maturity Date.
- (c) Interest on each Bond shall cease to accrue from the earliest of the Maturity Date and, if such Bond is called for redemption, the Redemption Date fixed for such Bond, unless, upon due presentation and surrender of the Bond for payment on or after the Maturity Date or Redemption Date, as the case may be such payment is improperly withheld or refused.
- (d) All Bonds now or hereafter certified and issued under this Indenture shall, subject to the terms of this Indenture, be equally and rateably entitled to the benefit hereof.

2.3 Deferred Lender Fee / Premium

If the Issuer receives a Deferred Lender Fee from the Guarantor pursuant to the terms of the Loan Agreement, the Issuer will distribute to the Bondholders, Pro-Rata, as additional income on the Bonds, the amount equal to the Deferred Lender Fee less Operating Expenses (the "Premium") no later than thirty (30) days from the date on which the Issuer receives the Deferred Lender Fee from the Guarantor.

2.4 Payment of Principal, Interest and Premium

- (a) The principal of the Bonds, interest thereon and the Premium, if any, shall be payable in accordance with this Indenture and the Bonds. Wherever in this Indenture or the Bonds there is mention, in any context, of the payment of interest, such mention shall be deemed to include the payment of interest on amounts in default to the extent that, in such context, such interest is, was or would be payable pursuant to this Article 2. The Trustee and the Issuer, as applicable, shall be entitled to deduct or withhold from any payment of principal, interest, or the Premium due and required hereunder such moneys or property in respect of Taxes required by applicable law to be withheld or paid.
- (b) Interest due on the Bonds shall be paid directly by the Issuer or, alternatively, at the option of the Issuer, pursuant to a Written Order, by the Trustee. If interest is paid directly by the Issuer, the Issuer will send to the Trustee confirmation of the completion of the payment plus copies of the cheques issued and mailed. As interest on the Bonds becomes due (except interest payable on the Maturity Date or on redemption pursuant to Article 3 which may be paid on presentation of such Bonds for payment), the Issuer, at least three (3) Business Days prior to each Interest Payment Date, will forward or cause the Trustee to forward by first class mail (or in the event of mail service interruption by such other means as the Trustee and the Issuer shall determine to be appropriate), to the registered holder, at the Record Date immediately preceding the applicable Interest Payment Date, of each Bond for the time being, or in the case of joint holders to the registered address of the one whose name appears first on the register of Bondholders, addressed to such Bondholder at that Bondholder's address appearing on the register, a cheque drawn on the Issuer's banker or alternatively, a cheque of the Trustee, for such interest less any Taxes required by law to be deducted or withheld, payable to the order of such holder or holders and negotiable at par at each of the places at which any amount upon the Bonds is expressed to be payable. The forwarding of such cheque will satisfy and discharge the liability for the interest due on such Bonds to the extent of the sum or sums represented thereby (plus the amount of any Taxes deducted or withheld as aforesaid) unless such cheque is not paid on presentation. In the event of the non-receipt of such cheque by the holder, or the loss or destruction thereof, the Issuer or the Trustee, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and indemnity reasonably satisfactory to it, will issue, or cause to be issued, to such holder a replacement cheque in the amount of the cheque that was not received or was lost or destroyed as aforesaid. If the Trustee is directed by the Issuer to handle the payment of the interest, as interest becomes due on each Bond, the Issuer shall, on or before 11:00 a.m. (Calgary time), on the fourth Business Day immediately prior to the applicable Interest Payment Date, deliver to the Trustee a certified cheque, bank draft or an electronic transfer of funds in an amount sufficient to pay such interest as is payable in respect of such Bonds.
- (c) Should the Issuer elect to distribute the Premium to the Bondholders in accordance with Section 2.3, the Premium shall be paid directly by the Issuer or,

alternatively, at the option of the Issuer, pursuant to a Written Order, by the Trustee. If the Premium is paid directly by the Issuer, the Issuer will send to the Trustee confirmation of the completion of the payment plus copies of the cheques issued and mailed. The Issuer, at least three (3) Business Days prior to the date of payment of the Premium, will forward or cause the Trustee to forward by first class mail (or in the event of mail service interruption by such other means as the Trustee and the Issuer shall determine to be appropriate), to the registered holder, at the Record Date of the immediately preceding Interest Payment Date, of each Bond for the time being, or in the case of joint holders to the registered address of the one whose name appears first on the register of Bondholders, addressed to such Bondholder at that Bondholder's address appearing on the register, a cheque drawn on the Issuer's banker or alternatively, a cheque of the Trustee, for such Premium less any Taxes required by law to be deducted or withheld, payable to the order of such holder or holders and negotiable at par at each of the places at which any amount upon the Bonds is expressed to be payable. The forwarding of such cheque will satisfy and discharge the liability for the Premium due on such Bonds to the extent of the sum or sums represented thereby (plus the amount of any Taxes deducted or withheld as aforesaid) unless such cheque is not paid on presentation. In the event of the non-receipt of such cheque by the holder, or the loss or destruction thereof, the Issuer or the Trustee, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and indemnity reasonably satisfactory to it, will issue, or cause to be issued, to such holder a replacement cheque in the amount of the cheque that was not received or was lost or destroyed as aforesaid. If the Trustee is directed by the Issuer to handle the payment of the Premium, the Issuer shall, on or before 11:00 a.m. (Calgary time), on the fourth Business Day immediately prior to the Premium payment date, deliver to the Trustee a certified cheque, bank draft or an electronic transfer of funds in an amount sufficient to pay the Premium as is payable in respect of such Bonds.

- (d) The Person in whose name a Bond is registered shall be deemed and regarded as the owner thereof for all purposes of this Indenture. Payment of or on account of the principal of, interest on, and the Premium, if any, in respect of, such Bond shall be made only to, or upon the order in writing of, the registered holder of each Bond as at the Record Date immediately preceding the applicable Interest Payment Date.
- (e) Delivery to the Issuer or the Trustee by a Bondholder of a Bond for cancellation, or a receipt of such holder for the principal moneys, interest and the Premium, if any, evidenced by such Bond, will be a good discharge to the Issuer and the Trustee of their respective obligations in respect of such Bond. The Issuer and the Trustee will not be bound to enquire into the title of such holder, save as ordered by a court of competent jurisdiction or as required by statute.
- (f) Each Person will be deemed to be entitled to the principal moneys, interest and the Premium, if any, evidenced by such Bond, free from all equities or rights of set-off or counterclaim between the Issuer and the original or any intermediate

holder thereof and all Persons may act accordingly. Any payment hereunder will be a good discharge by the Issuer and the Trustee of their respective obligations in respect of the amounts so paid.

- (g) The Issuer shall deposit with the Trustee or any paying agent to the order of the Trustee, on or before 11:00 a.m. (Calgary time) on the Business Day immediately prior to the Maturity Date, a certified cheque, bank draft or an electronic transfer of funds in an amount sufficient to pay the principal and interest to which holders are respectively entitled upon surrender of such Bonds on and after the Maturity Date.

2.5 Form and Issue of Bonds

- (a) The Bonds shall be issued as fully registered Bonds in denominations of \$1,000 and integral multiples thereof, and a maximum aggregate principal amount of \$10,800,000 may be issued and certified.
- (b) The Bonds shall be substantially in the form set out in Schedule "B" attached hereto, and shall bear such distinguishing letters and numbers as the Issuer and the Trustee may approve.
- (c) The Bonds shall be executed by an Authorized Officer and certified by the Trustee. In issuing and certifying the Bonds, the Trustee shall be entitled to receive at the initial closing only, unless otherwise specified, and shall be fully protected in relying upon, unless and until such documents have been superseded or revoked:
 - (i) a Certified Resolution authorizing certification and delivery of the Bonds;
 - (ii) an Officers' Certificate to the effect that the Issuer has complied with all the requirements of this Indenture and closing conditions set out in the offering documents, if any, and has obtained all required approvals in connection with the issue of Bonds as to which certification is requested;
 - (iii) a Written Order of the Issuer requesting the certification and delivery of Bonds and the full registration instructions relating thereto to facilitate entry of such interest into the registers maintained by the Trustee for the holders of Bonds (required by the Trustee for each issuance of Bonds); and
 - (iv) an opinion of the Issuer's legal counsel that all requirements imposed by this Indenture or by law in connection with the proposed issue of Bonds have been complied with.

2.6 Execution of the Bonds

The Bonds shall be signed by the Authorized Officer. The signature of such Authorized Officer may be mechanically or photostatically reproduced in facsimile and Bonds bearing such facsimile signature shall be binding upon the Issuer as if they had been manually signed by such officer. Notwithstanding that any person whose manual or facsimile signature appears on any Bond as such officer may no longer hold office at the date of such Bonds or at the date of certification or delivery thereof, any Bond signed as aforesaid shall, subject to Section 2.7, be valid and binding upon the Issuer and the holder thereof shall be entitled to the benefits of this Indenture.

2.7 Certification by the Trustee

- (a) No Bond shall be issued or, if issued, shall be valid for any purpose or entitle the holder to the benefit hereof until it has been certified by manual signature by the Trustee and such certification by the Trustee upon any Bond shall be conclusive evidence as against the Issuer that the Bond so certified has been duly issued hereunder and that the holder is entitled to the benefits hereof.
- (b) The certification of the Trustee on Bonds issued hereunder shall not be construed as a representation or warranty by the Trustee as to the validity of the Bond Documents (except the due certification thereof) and the Trustee shall in no respect be liable or answerable for the use made of the Bonds or any of them or of the consideration therefor except as otherwise specified herein.

2.8 Registration of Bonds

- (a) The Issuer shall, at all times while Bonds are outstanding, cause to be kept:
 - (i) by and at the principal offices of the Trustee in Calgary and in such other place or places, if any, as the Issuer, with the approval of the Trustee, may designate, a register of holders in which shall be entered the names and addresses of the holders of Bonds and particulars of the Bonds held by them respectively; and
 - (ii) by and at the principal offices of the Trustee in Calgary and in such other place or places, if any, as the Issuer, with the approval of the Trustee, may designate, registers of transfers of Bonds.

Subject to Section 2.12, no transfer of a Bond shall be valid unless made by the holder or his, her or its executors or administrators or other legal representatives or his, her or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustee, upon compliance with such requirements as the Trustee may prescribe, and unless such transfer shall have been duly entered on one of the registers of transfers. The Trustee may charge a reasonable fee for its services and this payment is payable by the party requesting such transfer.

- (b) The registers referred to in this Section 2.8 shall at all reasonable times be open for inspection by the Issuer, by the Trustee and by any Bondholder.
- (c) Subject to the provisions of this Indenture, including Section 2.12 hereof, the holder of a Bond may have such Bond transferred at any of the places at which a register of transfers is kept pursuant to the provisions of this Section 2.8 in accordance with such requirements as the Trustee may prescribe.
- (d) The Trustee and/or the Issuer shall not be charged with notice of or be bound to see the execution of any trust, whether expressed, implied or constructive, in respect of any Bond and may transfer any Bond on the direction of the holder thereof, whether named as trustee or otherwise as though that Person were the beneficial owner thereof.
- (e) The Issuer shall have power at any time to close any register of transfers and to transfer the records thereof to another existing register or to a new register and thereafter the Bonds previously registered on such closed register shall be deemed to be registered on such other existing register or new register.

2.9 Ownership and Transfer of Bonds

The Issuer and the Trustee may deem and treat the registered holder of any Bond as the absolute owner of the Bonds represented thereby for all purposes, and the Issuer and the Trustee shall not be affected by any notice or knowledge to the contrary nor bound to inquire into the title of any such holder except where the Issuer or the Trustee is required to take notice by statute or by order of a court of competent jurisdiction. A Bondholder shall be entitled to the rights evidenced by such Bond free from all equities or rights of set off or counterclaim between the Issuer and the original or any intermediate holder thereof and all Persons may act accordingly.

2.10 Issue in Substitution for Bonds Lost, Etc.

- (a) In case any of the Bonds shall become mutilated or be lost, destroyed or stolen, the Issuer, subject to applicable law, shall issue and thereupon the Trustee shall certify and deliver, a new Bond of like tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such lost, destroyed or stolen Bond, and the substituted Bond shall be in a form approved by the Trustee and shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Bonds issued or to be issued hereunder.
- (b) The applicant for the issue of a new Bond pursuant to this Section 2.10 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Issuer and to the Trustee such evidence of ownership and of the loss, destruction or theft of the Bond so lost, destroyed or stolen as shall be satisfactory to the Issuer and to the Trustee in their sole discretion, and such applicant shall also be required to furnish an indemnity and a surety bond in an amount and form satisfactory to the Issuer and

the Trustee in their sole discretion and shall pay the reasonable charges of the Issuer and the Trustee in connection therewith.

2.11 Exchange of Bonds

- (a) Bonds representing any specified principal amount may, upon compliance with the reasonable requirements of the Trustee, including the payment of a reasonable fee payable by the party requesting such exchange, be exchanged for another Bond or Bonds entitling the holder thereof to the same principal amount as under the Bond or Bonds so exchanged.
- (b) Bonds may be exchanged only at any of the places at which a register of transfers is kept pursuant to the provisions of Section 2.8 hereof. Any Bond tendered for exchange shall be cancelled by the Trustee.

2.12 Transfer, Disposition and Assignment

No Bonds shall be transferred by any Bondholder to any other Person without the prior written approval of the Issuer.

2.13 Force Majeure

The Issuer and the Trustee shall not be deemed to be in default in respect of non-performance of its obligations hereunder, so long as its non-performance is due to strike, lockout, industrial disturbance, storm, fire, flood, explosion, lightning, tempest, act of god, governmental restraint, war, invasion, act of foreign enemies, hostilities, civil war, rebellion, revolution, insurrection, terrorist activities, material disruption to the global financial system or any other cause whether similar or dissimilar to those enumerated, beyond its control; provided that lack of finances shall in no event be deemed to be a cause beyond the Issuer's control.

2.14 Rights and Remedies of the Bondholders

- (a) The parties hereto acknowledge and agree that the Trustee, who shall incur no liabilities hereunder to any Bondholders, shall be entitled to the benefits of and to enforce all of the provisions of this Indenture against the Issuer for and on behalf of the Bondholders.
- (b) The Bondholders shall not be entitled to directly enforce the benefits and obligations of this Indenture except as specifically provided in this Indenture.

2.15 Rank of Bond Obligations

The Bonds certified and issued under this Indenture rank *pari passu* with one another, in accordance with their tenor without discrimination, preference or priority, and the Bond Obligations shall rank equally, as of the Registration Date, with the PN Debt and the Syndicated Mortgage, if any.

2.16 Security

As continuing security for the Bond Obligations, the Guarantor and the Issuer shall provide to the Trustee for and on behalf of the Trustee and the Bondholders on or before the Registration Date the Security Documents as set out in Article 5 and in accordance with the terms of Article 5.

ARTICLE 3 **REDEMPTION OF BONDS**

3.1 Redemption of Bonds

The Issuer shall have the right, at its option, to redeem the whole, or from time to time, any portion of the Bonds following the initial Issue Date and prior to maturity (in the manner hereinafter provided and in accordance with and subject to the provisions hereinafter set forth) at prices equal to the principal amount thereof to be redeemed, together with accrued and unpaid interest on the principal amount of said Bond, or part thereof, so redeemed to the date fixed for redemption (the "**Redemption Date**") (the applicable price, including accrued and unpaid interest, at which Bonds may be redeemed being hereinafter referred to in this Article 3 as the "**Redemption Price**").

3.2 Notice of Redemption

Notice of intention to redeem the Bonds shall be given by or on behalf of the Issuer to the Trustee and the Bondholders, not more than sixty (60) days and not less than twenty (20) days prior to the Redemption Date. The notice of redemption shall, in case the Bonds are to be redeemed in part only, specify that part of the principal amount of said Bonds so to be redeemed, and shall specify the Redemption Date, the Redemption Price and places of payment and shall state that all interest thereon shall cease from and after such Redemption Date.

3.3 Bonds Due on Redemption Dates

Upon notice having been given as aforesaid, the Bonds so called for redemption or the applicable portion thereof shall thereupon be and become due and payable at the Redemption Price, on the Redemption Date, in the same manner and with the same effect as if it were the date of maturity specified in the Bonds, anything therein or herein to the contrary notwithstanding. In the case of redemption in whole of the Bonds, from and after such redemption, if the moneys necessary to redeem the Bonds shall have been deposited as hereinafter provided, such Bonds shall not be considered as outstanding hereunder and interest upon the Bonds shall cease to accrue after said date.

3.4 Payment of Redemption Moneys

The Issuer shall deposit with the Trustee or any paying agent to the order of the Trustee, on or before 11:00 a.m. (Calgary time) on the Business Day immediately prior to the Redemption Date, a certified cheque, bank draft or an electronic transfer of funds in such sums as may be sufficient to pay the Redemption Price of the Bonds so to be redeemed together with the estimated charges and expenses to be incurred in connection with such redemption. From the

sums so deposited, pursuant to a Written Direction, the Trustee shall pay or cause to be paid to the holders of such Bonds so called for redemption, upon surrender of such Bonds on and after the Redemption Date, the principal and interest to which they are respectively entitled on redemption.

3.5 Failure To Surrender Bonds Called for Redemption

In case the holder or holders of a Bond or Bonds called for redemption shall, within thirty (30) days from the Redemption Date, fail so to surrender the Bond or Bonds in question, or shall not within such time accept payment of the redemption moneys payable in respect thereof or give such receipt therefor, such redemption moneys shall be set aside in trust for such holder or holders and shall be held in a non-interest bearing account with the Trustee, and such setting aside shall for all purposes be deemed a payment to the Bondholder of the sum so set aside, and to that extent the Bond or Bonds in question shall thereafter not be considered as outstanding hereunder and the Bondholder shall have no right except to receive payment out of the moneys so paid and deposited upon surrender and delivery of the Bond or Bonds in question, of the Redemption Price of such Bond.

3.6 Cancellation and Destruction of Bonds

All Bonds completely redeemed under this Article shall forthwith be cancelled by the Trustee and no Bond shall be issued in substitution therefor.

3.7 Surrender of Bonds for Cancellation

If the principal moneys due upon a Bond shall become partially or fully payable by redemption or otherwise before the Maturity Date, the Person presenting the Bond for payment must present the Bond to the Trustee:

- (a) for cancellation in the case of complete repayment; and
- (b) cancellation and replacement by a replacement Bond in a reduced principal amount reflecting the partial redemption of the original Bond,

the Issuer nevertheless paying or causing to be paid the interest accrued and unpaid thereon (computed on a per diem basis if the date fixed for payment is not an Interest Payment Date).

ARTICLE 4 **SUBORDINATION OF BONDS**

4.1 Agreement to Subordinate

The Issuer covenants and agrees, and each holder of a Bond, by his acceptance thereof likewise agrees, that the payment of the principal of, premium, if any, and interest on the Bonds is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all Senior Indebtedness.

4.2 Distribution on Insolvency or Winding-up

In the event that proceedings are commenced by or against the Issuer as a result of its insolvency or bankruptcy or any receivership, liquidation, reorganization or other similar proceedings relative to the Issuer, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Issuer, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of the Issuer:

- (a) the holders of all Senior Indebtedness shall be entitled to receive payment in full of the principal thereof, the premium, if any, and the interest due thereon before the Bondholders are entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Bonds;
- (b) any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, to which the Bondholders or the Trustee would be entitled except for the provisions of this Article 4, shall be paid by the Person making such payment or distribution, whether the liquidator, agent or other agent or a trustee in bankruptcy or a receiver or otherwise, directly to the holders of Senior Indebtedness or their representative or to the trustee under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, as their respective interests may appear, to the extent necessary to pay in full all Senior Indebtedness remaining unpaid after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness in respect thereof;
- (c) in the event that, notwithstanding the foregoing, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, shall be received by the Trustee or the Bondholders before all Senior Indebtedness is paid in full, such payment or distribution shall be held in trust for the benefit of, and shall be paid over to, the holders of such Senior Indebtedness or their representative or to the trustee under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, as their respective interests may appear, for application to the payment of all Senior Indebtedness remaining unpaid until all such Senior Indebtedness shall have been paid in full after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness in respect thereof; and
- (d) any payments or distributions paid over to the holders of Senior Indebtedness pursuant to Section 4.2(c) and not applied in reduction of the amounts owing to the Bondholders hereunder shall be deemed not to have discharged any of the obligations of the Issuer hereunder (and, to the extent that by operation of applicable law they are treated as doing so, the Issuer covenants to indemnify the Bondholders on demand from and against any loss suffered or incurred by them in consequence thereof).

Upon any payment or distribution of assets of the Issuer referred to in this Article 4, the Trustee and the Bondholders shall be entitled to call for and rely upon a certificate, addressed to the Trustee or to the Bondholders, of the Person making any such payment or distribution for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other Indebtedness of the Issuer, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 4.

4.3 Subrogation of Bonds

Subject to the payment in full of all Senior Indebtedness, the Bondholders shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments and distributions of assets of the Issuer in respect of and on account of Senior Indebtedness, to the extent of the application thereto of monies or other assets which would have been received by the Bondholders but for the provisions of this Article 4, until the principal of, premium, if any, and interest on the Bonds shall be paid in full. No payment or distribution of assets of the Issuer to the Bondholders which would be payable or distributable to the holders of Senior Indebtedness pursuant to this Article 4 shall, as between the Issuer, its creditors (other than the holders of Senior Indebtedness) and the Bondholders, be deemed to be a payment by the Issuer to or on account of the Bondholders, it being understood that the provisions of this Article 4 are, and are intended, solely for the purpose of defining the relative rights of the Bondholders, on the one hand, and the holders of the Senior Indebtedness, on the other hand.

4.4 Rights of Bondholders Reserved

Nothing contained in this Article 4 or elsewhere in this Indenture or in the Bonds is intended to or shall impair, as between the Issuer and its creditors (other than the holders of Senior Indebtedness and the Bondholders), the obligation of the Issuer, which is unconditional and absolute, to pay to the Bondholders the principal of, premium, if any, and interest on the Bonds as and when the same shall become due and payable in accordance with their terms, or to affect the relative rights of the Bondholders and creditors of the Issuer other than the holders of the Senior Indebtedness, nor shall anything herein or therein prevent the Trustee or the Bondholder of any Bond from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article 4, of the holders of Senior Indebtedness upon the exercise of any such remedy.

4.5 No Payment to Bondholders if Senior Indebtedness Due or in Default

- (a) The Issuer shall not make any payment, and the Trustee and the Bondholders shall not be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including without limitation by set-off, combination of accounts or realization of security or otherwise in any manner whatsoever) on account of indebtedness represented by the Bonds (i) in a manner that is inconsistent with the terms (as they exist on the date hereof) of the Bonds, or (ii) at any time when an event of default as defined in any Senior Indebtedness or any instrument evidencing the same, has occurred and the payment of all principal, interest and any other amounts owing in connection with such Senior

Indebtedness, or any part thereof, has been accelerated so as to be immediately due and payable to the holder of such Senior Indebtedness, unless such Senior Indebtedness have been repaid in full.

- (b) The fact that any payment which is required to be made pursuant to the Bond Documents is prohibited by this Section 4.5 shall not prevent the failure to make such payment from being an Event of Default hereunder.

4.6 Payment of Bonds Permitted

- (a) Nothing contained in this Indenture or in any of the Bonds shall prevent the Issuer at any time, except under the conditions described in Section 4.5 or during the pendency of any insolvency or winding-up as referred to in Section 4.2(a), from making payments at any time of the principal of, premium, if any, or interest on the Bonds.
- (b) Until written notice shall be given to the Trustee by or on behalf of any holder of any Senior Indebtedness of the occurrence of any default with respect to such Senior Indebtedness or of the existence of any other facts which would have the result that any payment with respect to the Bonds would be in contravention of the provisions of this Article 4, the Trustee shall be entitled to assume that no such default has occurred, or that no such facts exist; and nothing in this Indenture shall prevent the Trustee from applying any monies received by it pursuant to this Indenture prior to the receipt by it of such written notice, to the purposes for which the same were received, notwithstanding the occurrence or continuance of a default with respect to, or the existence of such facts with respect to, such Senior Indebtedness.

4.7 Subordination Not to be Impaired

No right of any present or future holder of any Senior Indebtedness of the Issuer to enforce the subordination provided for in this Article 4 shall at any time be prejudiced or impaired by any act or failure to act on the part of the Issuer or by any act or failure to act, in good faith, by any such holder, or by any non-compliance by the Issuer with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof which any such holder may have or be otherwise charged with.

4.8 Obligations Created by Article 4

Each of the Issuer and the Trustee agrees, and each holder of a Bond, by its acceptance thereof, likewise agrees, that:

- (a) the provisions of this Article 4 are an inducement and consideration to each holder of Senior Indebtedness to give or continue credit to the Issuer or others or to acquire Senior Indebtedness;
- (b) each holder of Senior Indebtedness may accept the benefit of this Article 4 on the terms and conditions set forth in this Article 4 by giving or continuing credit to

the Issuer or others or by acquiring Senior Indebtedness, in each case without notice to the Trustee or any Bondholder and without establishing actual reliance on this Article 4; and

- (c) each obligation created by this Article 4 is created for the benefit of the holders of Senior Indebtedness and is hereby declared to be created in trust for those holders by the Issuer, the Trustee and each Bondholder and shall be binding on the Issuer, the Trustee and each Bondholder whether or not the confirmation described in Section 4.10 is requested, executed or delivered.

4.9 No Set-off

Each of the Issuer and the Trustee agrees, and each Bondholder, by its acceptance thereof, likewise agrees, that it shall have no rights of set-off or counterclaim with respect to the principal of, premium, if any, and interest on the Bonds at any time when any payment of, or in respect of, such amounts to the Trustee or the Bondholders is prohibited by this Article 4 or is otherwise required to be paid to the holders of Senior Indebtedness or their representative or to the trustee under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, as their respective interests may appear.

4.10 Amendments to Article 4

Each of the Issuer and the Trustee agrees, and each holder of a Bond, by its acceptance thereof, likewise agrees, not to make any changes to the Bond Documents, including this Article 4, and the definition of Senior Indebtedness, which materially prejudice the rights of the holders of Senior Indebtedness under this Article 4 without the consent of each such affected holder of Senior Indebtedness, or their representative or the trustee under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued.

4.11 Authorization of Bondholders to Trustee to Effect Subordination

Each Bondholder, by its acceptance thereof, authorizes and directs the Trustee on its behalf to take such action as may be necessary or appropriate to effect the subordination provided for in this Article 4 and appoints the Trustee its attorney-in-fact for any and all such purposes.

ARTICLE 5 **SECURITY DOCUMENTS**

5.1 Security Documents

- (a) As continuing security for the Bond Obligations, the Issuer and the Guarantor shall provide, to the Trustee for and on behalf of the Trustee and the Bondholders **on or before the Registration Date** the following guarantee and security documents, in form and substance satisfactory to the Trustee (collectively, the **“Security Documents”**):
 - (i) a guarantee of all of the Bond Obligations, executed by the Guarantor;

- (ii) a registered mortgage and charge on the Project Lands granted by the Guarantor in the amount equal to the aggregate principal amount of the Bonds outstanding on the Interest Payment Date directly preceding the date of registration, but in any event such amount shall not be more than \$10,800,000.00;
 - (iii) a registered general security agreement from the Guarantor creating a security interest in the personal property and undertaking of the Guarantor and all goods, chattel paper, documents of title, intangibles, securities and proceeds therefrom, present and future, arising from or exclusively relating to and/or used in connection with the operation of the Project Lands and the Project; and
 - (iv) such further and/or other reasonable security as shall be requested prior to the first issuance of the Bonds hereunder.
- (b) The Issuer shall be solely responsible for preparing and circulating to the Trustee and the Guarantor preliminary drafts of the Security Documents. The Trustee shall be obligated to execute and deliver the Security Documents in the form presented by the Issuer, following its receipt of an irrevocable direction from the Issuer, with copies of the Security Documents attached thereto. For greater certainty, the Trustee shall not be responsible for negotiating or otherwise determining the terms of the Security Documents and the Trustee shall be entitled to rely solely on the direction of the Issuer in executing the Security Documents.
- (c) The Security Interests created by the Security Documents shall, subject only to Senior Indebtedness which under Applicable Law rank in priority thereto, create first ranking Security Interests against the Property to which such Security Interests attach.

5.2 Registration of Security Documents

The Guarantor shall **on or before the Registration Date**:

- (a) register, record and file the Security Documents and the Security Interests created thereby in all places where such registration, recording or filing is necessary or desirable in order to give the Trustee and the Bondholders the benefit of the Security Documents and the Security Interests created thereby;
- (b) register, record and file any and all renewals of such registrations, recordings and filings; and
- (c) do all such other things as are reasonably necessary or desirable to maintain for the Trustee and the Bondholders the rights, benefits and priority of the Security Documents and the Security Interests created thereby.

5.3 Dealing with Security Documents

The Trustee may grant extensions, take and give up any Security Documents, accept compositions, grant releases and discharges of or from any Security Interests or Security Documents in whole or in part and otherwise deal with the Issuer, the Guarantor or any other Persons, sureties or Security Documents, as the Bondholders may see fit, all without prejudice to the Bond Obligations and any Indebtedness of the Guarantor under any agreement to which it is party. The taking of any Security Documents under this Indenture shall not operate by way of merger of any of the Bond Obligations.

5.4 Additional Security

Prior to the Registration Date, the Guarantor may, but is not obligated to, provide security for the Bond Obligations, in its sole discretion, to the Trustee for and on behalf of the Trustee and the Bondholders, provided that such security is either supplemented, amended or replaced on or before the Registration Date with the Security Documents as set out in Section 5.1.

5.5 Partial Discharge of Security Documents

- (a) The Guarantor shall be entitled to a partial discharge of the Security Documents as they relate to the sale of each of the condominium units and commercial and parking components in the Project to third parties, without compensation, provided that the full proceeds thereof shall be used immediately to first pay down the Senior Indebtedness, on the terms thereof, then to pay down other Project trade creditors, and then towards any amounts payable to the Bondholders.
- (b) The Guarantor shall be entitled to a partial discharge of the Security Documents in respect of any part of the Project that is not material to the Project and/or the market value of the Project or that is required to be discharged by any Governmental Authority, without compensation.

ARTICLE 6 **REPRESENTATIONS AND WARRANTIES OF THE ISSUER**

The Issuer represents and warrants to the Trustee and the Bondholders that:

6.1 Organization; Powers

The Issuer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now and formerly conducted is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

6.2 Authorization; Enforceability

The issuance of Bonds and performance of the obligations of the Issuer in connection with the Bond Documents are within the Issuer's corporate powers and have been duly authorized by all necessary corporate and, if required, shareholder action. This Indenture has been duly executed

and delivered by the Issuer and the Bond Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

6.3 Governmental Approvals; No Conflicts

The transactions in connection with the Bond Documents (a) will not violate any Applicable Law or the charter, by-laws or other organizational documents of the Issuer or any order of any Governmental Authority, (b) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Issuer or its respective assets, or give rise to a right thereunder to require any payment to be made by the Issuer, and (c) will not result in the creation or imposition of any Lien on any asset of the Issuer, except for any Lien arising in favour of the Trustee, for the benefit of the Bondholders.

6.4 Litigation

There are no actions, suits or proceedings (including any Tax-related matter) by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Issuer, threatened against or affecting the Issuer (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, or (ii) that involve the Bond Documents, any other document, or the transactions contemplated hereby.

6.5 Compliance with Laws and Agreements

The Issuer is in compliance with all Applicable Laws to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

6.6 Taxes

The Issuer has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it (including all installments with respect to the current period) and has made adequate provision for Taxes for the current period, except Taxes that are being contested in good faith by appropriate proceedings and for which the Issuer has set aside on its books adequate reserves.

6.7 Title to Real Property

The Issuer has indefeasible fee simple title to its owned real properties, and with respect to leased real properties, indefeasible title to the leasehold estate with respect thereto, pursuant to valid and enforceable leases, free and clear of all Liens except (i) Liens disclosed to the Bondholders in writing, (ii) other Liens and minor irregularities in title which do not materially interfere with the occupation, use and enjoyment by the Issuer of any of its properties in the

normal course of business as presently conducted or materially impair the value thereof for such business.

6.8 Title to Personal Property

The Issuer has title to its owned personal properties, and with respect to leased personal properties, title to the leasehold estate with respect thereto, pursuant to valid and enforceable leases, free and clear of all Liens except (i) Liens disclosed to the Bondholders in writing, (ii) other Liens and minor irregularities in title which do not materially interfere with the occupation, use and enjoyment by the Issuer of any of their respective properties in the normal course of business as presently conducted or materially impair the value thereof for such business, and (iii) Liens otherwise permitted or contemplated by this Indenture.

6.9 Disclosure

The Issuer has disclosed to the Trustee all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

6.10 Defaults

The Issuer is not in default nor has any event or circumstance occurred which, but for the passage of time or the giving of notice, or both, would constitute a default (in any respect that would have a Material Adverse Effect) under any loan or credit agreement, indenture, mortgage, deed of trust, security agreement or other instrument or agreement evidencing or pertaining to any Indebtedness of the Issuer, or under any material agreement or instrument to which the Issuer is a party or by which the Issuer is bound. No Event of Default has occurred or is continuing.

6.11 Casualties; Taking of Properties

Neither the business nor the properties of the Issuer have been affected in a manner that has had, or could reasonably be expected to have, a Material Adverse Effect as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of property or cancellation of contracts, permits or concessions by any domestic or foreign Governmental Authority, riot, activities of armed forces, or acts of God or of any public enemy.

6.12 Solvency

The Issuer and each Subsidiary is not an "insolvent Person" within the meaning of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c.B-3.

ARTICLE 7 **REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR**

The Guarantor represents and warrants to the Trustee and the Bondholders that:

7.1 Organization; Powers

The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now and formerly conducted is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

7.2 Authorization; Enforceability

The performance of the obligations of the Guarantor in connection with the Bond Documents are within the Guarantor's corporate powers and have been duly authorized by all necessary corporate and, if required, shareholder action. This Indenture has been duly executed and delivered by the Guarantor and the Bond Documents constitute legal, valid and binding obligations of the Guarantor, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

7.3 Governmental Approvals; No Conflicts

The transactions in connection with the Bond Documents (a) will not violate any Applicable Law or the charter, by-laws or other organizational documents of the Guarantor or any order of any Governmental Authority, (b) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Guarantor or its respective assets, or give rise to a right thereunder to require any payment to be made by the Guarantor, and (c) will not result in the creation or imposition of any Lien on any asset of the Guarantor, except for any Lien arising in favour of the Trustee, for the benefit of the Bondholders.

7.4 Litigation

There are no actions, suits or proceedings (including any Tax-related matter) by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Guarantor, threatened against or affecting the Guarantor (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, or (ii) that involve the Bond Documents, any other document, or the transactions contemplated hereby.

7.5 Compliance with Laws and Agreements

The Guarantor is in compliance with all Applicable Laws to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

7.6 Taxes

The Guarantor has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it (including

all installments with respect to the current period) and has made adequate provision for Taxes for the current period, except Taxes that are being contested in good faith by appropriate proceedings and for which the Guarantor has set aside on its books adequate reserves.

7.7 Title to Real Property

The Guarantor has an indefeasible fee simple title to its owned real properties, including the Project Lands, and with respect to leased real properties, indefeasible title to the leasehold estate with respect thereto, pursuant to valid and enforceable leases, free and clear of all Liens except (i) Liens disclosed to the Bondholders in writing, (ii) other Liens and minor irregularities in title which do not materially interfere with the occupation, use and enjoyment by the Guarantor of any of its properties in the normal course of business as presently conducted or materially impair the value thereof for such business.

7.8 Title to Personal Property

The Guarantor has title to its owned personal properties, and with respect to leased personal properties, title to the leasehold estate with respect thereto, pursuant to valid and enforceable leases, free and clear of all Liens except (i) Liens disclosed to the Bondholders in writing, (ii) other Liens and minor irregularities in title which do not materially interfere with the occupation, use and enjoyment by the Guarantor of any of their respective properties in the normal course of business as presently conducted or materially impair the value thereof for such business, and (iii) Liens otherwise permitted or contemplated by this Indenture.

7.9 Disclosure

The Guarantor has disclosed to the Trustee all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

7.10 Defaults

The Guarantor is not in default nor has any event or circumstance occurred which, but for the passage of time or the giving of notice, or both, would constitute a default (in any respect that would have a Material Adverse Effect) under any loan or credit agreement, indenture, mortgage, deed of trust, security agreement or other instrument or agreement evidencing or pertaining to any Indebtedness of the Guarantor, or under any material agreement or instrument to which the Guarantor is a party or by which the Guarantor is bound. No Event of Default has occurred or is continuing.

7.11 Casualties; Taking of Properties

Neither the business nor the properties of the Guarantor have been affected in a manner that has had, or could reasonably be expected to have, a Material Adverse Effect as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of property or cancellation of contracts, permits or concessions by any domestic or foreign Governmental Authority, riot, activities of armed forces, or acts of God or of any public enemy.

7.12 Solvency

The Guarantor and each Subsidiary is not an "insolvent Person" within the meaning of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c.B-3.

ARTICLE 8 **COVENANTS OF THE ISSUER AND THE GUARANTOR**

8.1 Positive Covenants of the Issuer

The Issuer hereby covenants with the Trustee for the benefit of the Trustee and the Bondholders that, so long as any Bonds remain outstanding, the Issuer will:

- (a) do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and rights provided that this Section 8.1 shall not restrict the Issuer from completing a transaction in accordance with Article 11;
- (b) duly and punctually pay or cause to be paid any and all amounts of principal and interest due and owing pursuant to the Bonds to the holders thereof;
- (c) at all reasonable times it will furnish or cause to be furnished to the Trustee or its duly authorized agent or attorney such information relating to the business of the Issuer as the Trustee may reasonably require;
- (d) it shall furnish to the Bondholders, upon written request, a copy of this Indenture;
- (e) it shall forward to the Bondholders who have received interest payments during the preceding calendar year, on a calendar year and cash basis, such income tax information as may be reasonably necessary in respect of the Bonds and the filing of Bondholders' income tax returns. If the Issuer directs the Trustee to handle the payment of interest, the Trustee will issue tax slips directly to the Bondholders;
- (f) it will promptly notify the Trustee and the Bondholders in writing of any Event of Default which remains unrectified for more than 15 days following its occurrence; and
- (g) generally, it will well and truly perform and carry out all of the acts or things to be done.

8.2 Positive Covenants of the Guarantor

The Guarantor hereby covenants with the Trustee for the benefit of the Trustee and the Bondholders that, so long as any Bonds remain outstanding, the Guarantor will:

- (a) do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and rights;

- (b) at all reasonable times it will furnish or cause to be furnished to the Trustee or its duly authorized agent or attorney such information relating to the business of the Guarantor as the Trustee may reasonably require;
- (c) it will promptly notify the Trustee and the Bondholders in writing of any Event of Default which remains unrectified for more than 15 days following its occurrence; and
- (d) generally, it will well and truly perform and carry out all of the acts or things to be done.

8.3 Performance of Covenants

If the Issuer or the Guarantor fail to perform any of their respective covenants contained in the Bond Documents, the Trustee may, but shall not be obligated to, notify the Bondholders of such failure on the part of the Issuer or the Guarantor or may, in its discretion, perform any of the said covenants capable of being performed by it, but shall be under no obligation to perform said covenants or to notify the Bondholders of such performance by it. All sums expended by the Trustee in so doing shall be repayable. No such performance or expenditure by the Trustee shall relieve the Issuer or the Guarantor of any default hereunder or of their continuing obligations under the covenants herein contained. Notwithstanding the foregoing, the Trustee shall not borrow money, guarantee obligations or pledge property pursuant hereto.

8.4 To Pay Trustee's Remuneration

- (a) The Issuer covenants that it will pay to the Trustee reasonable remuneration for its services as Trustee and will pay all costs, charges and expenses properly incurred by the Trustee in connection with the trusts hereof, on demand by the Trustee, and also (in addition to any right of indemnity given to the Trustee by law) will at all times keep indemnified the Trustee against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted by the Trustee (other than through gross negligence, wilful misconduct or fraud of the Trustee) in any way relating to this Indenture.
- (b) Any amount due under this Section 8.4, and unpaid 30 days after demand for such payment, shall bear interest at a rate of 2% per month on any unpaid balances over 30 days. After default all amounts so payable and the interest thereon shall be payable out of any funds coming into possession of the Trustee in priority to any payment of the principal of, premium, if any, and interest on the Bonds.
- (c) The provisions of this Section 8.4 shall survive the termination of this Indenture or the removal or resignation of the Trustee.

8.5 Indebtedness

The Issuer and the Guarantor will not create, incur, assume or permit to exist any Indebtedness, except:

- (a) any Indebtedness created hereunder;
- (b) any Senior Indebtedness;
- (c) any PN Debt;
- (d) any Indebtedness related to the Syndicated Mortgage; and
- (e) any Indebtedness in respect of accounts payable incurred in the ordinary course of business;

8.6 *Pari Passu* Ranking

The Issuer and/or the Guarantor shall ensure that the Bond Obligations rank at least *pari passu*, as of the Registration Date, with the claims of the PN Debt and the Syndicated Mortgage, if any.

8.7 Fundamental Changes

Except as permitted by Article 11 of this Indenture:

- (a) the Issuer will not merge into or amalgamate or consolidate with any other Person, or permit any other Person to merge into or amalgamate or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets, or liquidate or dissolve; and
- (b) the Issuer will not engage to any material extent in any material business other than businesses of the type conducted by the Issuer on the date of execution of this Indenture and businesses reasonably related thereto.

8.8 Restrictive Agreements

Except pursuant to any Senior Indebtedness, the Issuer and/or the Guarantor will not directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Issuer and/or the Guarantor to create, incur or permit to exist any Lien upon any of their respective property or assets, (b) the ability of the Issuer and/or the Guarantor to make any loan or advance to the Issuer, or (c) the ability of the Issuer and/or the Guarantor to sell, lease or transfer any of its property to the Issuer; provided that the foregoing shall not apply to restrictions and conditions imposed by Applicable Law or by the Bond Documents.

8.9 Registration and Maintenance of Security

The Issuer and/or the Guarantor, as applicable, shall, at the their own expense, ensure that the Security Documents and all documents, caveats, security notices, financing statements and financing change statements in respect thereof, are, or cause these to be, promptly filed and re-filed and registered as often as may be required by applicable law or as may be necessary or desirable to perfect and preserve the interests created by the Security Documents and to ensure

that such security interests are first ranking, subject only to Permitted Encumbrances, and the Senior Indebtedness, and will promptly provide the Trustee with evidence (satisfactory to the Trustee) of such filing, registration and deposit after the making thereof. The Issuer and/or the Guarantor, as applicable, shall, if and when requested to do so by the Trustee, furnish to the Trustee an opinion of its legal counsel to establish compliance with the provisions of this section.

8.10 Insurance Requirements

- (a) It is agreed that all policies of insurance on the collateral granted pursuant to the Security Documents, if any, shall name the Trustee as first loss payee, with respect to property and operations, and named insured with respect to liability policies, and that all policies of insurance, including renewals, will provide that such insurance shall not be cancelled or changed in any way without the insurer providing the Trustee at least 30 days prior written notice and will (if requested by the Trustee) be lodged with the Trustee. The Guarantor shall at all times during the currency of this Bond pay all premiums for policies of insurance required pursuant to the terms of this Bond as the same become due and payable in respect thereof.
- (b) If the insurance hereinbefore referred to is not effected or not kept duly renewed, the Trustee may effect or renew such insurance and, if default be made in payment of premiums or sums of money by the Guarantor, the Trustee may pay the same, and such sums of money shall be added to the obligations hereby secured and shall bear interest at the highest rate provided herein from the date of such payment and shall be repayable forthwith upon demand made by the Trustee.
- (c) Except as set forth below, in the event of loss, the Trustee shall release said proceeds to the Issuer to repair, replace, rebuild or otherwise rectify the loss. If an Event of Default has occurred, then upon receipt of an instrument in writing executed by Bondholders who own at least 51% of the outstanding principal amount of Bonds, then the Trustee shall hold the insurance proceeds as security for the obligations or apply the insurance proceeds received by it against the obligations hereunder, as directed by such Bondholders. Nothing done hereunder shall operate as payment or novation or in any way affect the security hereof or any other security for the amount hereby secured.

ARTICLE 9 **DEFAULT**

9.1 Events of Default

Upon the happening of any one or more of the following events, namely:

- (a) if the Issuer makes default in payment of principal or interest due under any Bond when the same becomes due and payable under any provision thereof;
- (b) a decree or order by a court having jurisdiction is entered resulting from the commencement of proceedings against the Issuer by a third party and adjudging

the Issuer a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement or winding up of the Issuer under any bankruptcy, insolvency or analogous laws, including, without limitation, the *Companies' Creditors Arrangement Act* (Canada), or appointing a receiver of the Issuer or ordering the dissolution or liquidation of its affairs, and such decree or order continues unstayed, undischarged and in effect for a period of sixty (60) days from the date thereof;

- (c) a resolution is passed for the winding-up or liquidation of the Issuer or if the Issuer institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it, or files a petition, answer or consent seeking reorganizational relief under any bankruptcy, insolvency or analogous laws, including, without limitation, the *Companies' Creditors Arrangement Act* (Canada), or consents to the filing of any such petition or to the appointment of a receiver of or of any substantial part of the property of the Issuer or makes a general assignment for the benefit of creditors, or the Issuer admits in writing its inability to pay its debts generally as they become due, or a resolution is passed by the directors or shareholders of the Issuer authorizing the Issuer to do any of the foregoing, unless such resolution is rescinded prior to the taking of any irrevocable actions thereunder; or
- (d) if the Issuer shall neglect to observe or perform any other covenant or obligation herein contained on its part to be observed or performed and, after notice in writing has been given to the Issuer specifying such default and requiring the Issuer to put an end to same, the Issuer shall fail to make good such default within a period of sixty (60) days

(each such event being referred to herein individually as an "**Event of Default**" and collectively as "**Events of Default**");

then the principal amount and interest on the Bond or Bonds then outstanding and all other moneys outstanding thereunder shall forthwith become immediately due and payable to the Bondholders, anything therein or herein to the contrary notwithstanding.

9.2 Notice of Events of Default

If an Event of Default occurs and is continuing, the Trustee will, within in a reasonable time, but in any event within thirty (30) days after it becomes aware of the occurrence of such Event of Default, give notice of such Event of Default to the Bondholders unless the Trustee reasonably believes that it is in the best interests of the Bondholders to withhold such notice and so informs the Issuer in writing. Where such notice of an occurrence of an Event of Default has been given and the Event of Default is thereafter cured, the Trustee will, within a reasonable period of time, but in any event within thirty (30) days after it becomes aware that the Event of Default has been cured, give notice to that effect to the Bondholders.

9.3 Acceleration on Default

If any Event of Default has occurred and is continuing, the Trustee may, in its discretion and subject to Section 9.4, and shall upon receipt of a Bondholders' Request, funding or an indemnity, by notice in writing to the Issuer, declare the principal of and the interest on the Bonds then outstanding and any other moneys payable hereunder, to be due and payable and the same shall forthwith become immediately due and payable to the Trustee, notwithstanding anything contained therein or herein to the contrary, and the Issuer shall then pay forthwith to the Trustee all indebtedness due hereunder. Such payments when made shall be deemed to have been made in discharge of the Issuer's obligations hereunder and any moneys so received by the Trustee shall be applied as provided in Section 9.7.

9.4 Waiver of Default

- (a) Upon the happening of any Event of Default, the holders of more than 50% of the principal amount of the Bonds then outstanding will have power (in addition to the powers exercisable by Extraordinary Resolution) by notice in writing to instruct the Trustee to waive any Event of Default and/or to cancel any declaration made by the Trustee pursuant to Section 9.3 and the Trustee will thereupon waive the Event of Default and/or cancel such declaration upon such terms and conditions as shall be prescribed in such requisition. No act or omission of the Bondholders or the Trustee shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom. The Trustee shall as soon as practicable give notice of such waiver to the Issuer.
- (b) To the extent permitted by applicable law, the respective rights and remedies of the Bondholders under the Bonds and this Indenture, shall be exercised for their collective, and not several, benefit and shall be exercised not severally, but collectively, by the Trustee on behalf of the Bondholders as provided in this Indenture. It is acknowledged that, notwithstanding any other provision of this Indenture, where any indebtedness under or in respect of this Indenture is owed to, or primarily to, the Trustee in its capacity as trustee for the benefit of the Bondholders such indebtedness shall be enforceable by the Trustee for the benefit of the Bondholders and shall be enforceable by the Bondholders only to the extent that, or in the circumstances in which, they may enforce such indebtedness under or in respect of this Indenture.

9.5 Enforcement by the Trustee

Subject to Section 9.4 and Article 14 and to the provisions of any Extraordinary Resolution that may be passed by the Bondholders as hereinafter provided, if an Event of Default shall have occurred:

- (a) subject to Section 9.3, the Trustee may in its discretion proceed to enforce the rights of the Trustee and/or of the Bondholders by any action, suit, remedy or proceeding authorized or permitted by this Indenture or by law or equity; may

appoint a receiver of the property secured hereby and of the rents, issues, profits, revenues and income thereof, and may file such proofs of claim and other papers or document as may be necessary or advisable in order to have the claims of the Trustee and/or of the Bondholders filed in any bankruptcy, insolvency, winding-up or other judicial proceedings relating to the Issuer;

- (b) no such remedy for the enforcement of the rights of the Trustee or the Bondholders shall be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercised independently or in combination;
- (c) all rights of action hereunder may be enforced by the Trustee without the possession of any of the Bonds or the production thereof on the trial or other proceedings relating thereto, and
- (d) upon receipt of a Bondholders' Request, the Trustee shall exercise or take one or more of such remedies as the Bondholders' Request may direct or, if the Bondholders' Request contains no direction, as the Trustee may consider expedient, provided that if any such Bondholders' Request directs the Trustee to take proceedings out of court, the Trustee may in its discretion take judicial proceedings in lieu thereof.

9.6 No Suits by Bondholder

No holder of any Bond has any right to institute any action, suit or proceeding at law or in equity or to exercise any other remedy authorized by this Indenture for the purpose of enforcing any rights (including payment of the principal of or interest on the Bonds) or for the execution of any trust or power hereunder in respect of the Bonds or this Indenture against the Issuer or for the appointment of a liquidator or receiver or for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have the Issuer wound up or to file or prove a claim in any liquidation or bankruptcy preceding for any other remedy hereunder.

9.7 Application of Moneys

Except as otherwise provided herein, any moneys arising from any enforcement hereof, whether by the Trustee, shall be held by the Trustee and applied by it, together with any moneys then or thereafter in the hands of the Trustee available for the purpose, as follows:

- (a) first, in payment or reimbursement to the Trustee of the remuneration, expenses, disbursements and advances of the Trustee earned, incurred or made in the administration or execution of the trusts hereunder or otherwise in relation to this Indenture with interest thereon as herein provided;
- (b) second, in or towards payment of the principal of all of the Bonds then outstanding and thereafter in or towards payment of the accrued and unpaid interest and interest on overdue interest on such Bonds, and

- (c) third, the surplus (if any) of such moneys shall be paid to the Issuer or as it may direct;

provided however, that no payments shall be made in respect of the principal or interest on any Bond which is certified to the Trustee as being held by or for the benefit of the Issuer (other than any Bond pledged for value and in good faith to a Person other than the Issuer, but only to the extent of such Person's interest therein) except subject to the prior payment in full of the principal of and interest on all Bonds which are not so held.

9.8 Distribution of Moneys

Payments to holders pursuant to subsection 9.7(b) shall be made as follows:

- (a) at least twenty-one (21) days' notice of every such payment shall be given in the manner provided in Article 13 specifying the date and time when and the place or places where such payments are to be made and the amount of the payment and the application thereof as between principal and interest;
- (b) payment of any Bond shall be made upon presentation thereof at any one of the places specified in such notice and any such Bond thereby paid in full shall be surrendered, otherwise a notation of such payment shall be endorsed thereon; but the Trustee may in its discretion dispense with presentation and surrender or endorsement in any special case upon receipt by it of such indemnity as it shall consider sufficient;
- (c) from and after the date of payment specified in the notice, interest shall accrue only on the amount owing on each Bond after giving credit for the amount of the payment specified in such notice unless the Bond in respect of which such amount is owing is duly presented on or after the date so specified and payment of such amount is not made; and
- (d) the Trustee shall not be required to make any partial or interim payment to Bondholders unless the moneys in its hands, after reserving therefrom such amount as the Trustee may think necessary to provide for the payments mentioned in subsection 9.7(b), exceed 5% of the aggregate principal amount of the outstanding Bonds, but it may retain the moneys so received by it until the money or investments representing the same, with the income derived therefrom, together with any other moneys for the time being under its control, shall be sufficient for such purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth.

9.9 Persons Dealing with Trustee

No Person dealing with the Trustee or any of its agents shall be concerned to enquire whether an Event of Default has occurred, or whether the powers which the Trustee is purporting to exercise have become exercisable, or whether any moneys remain due under this Indenture or on the Bonds, or to see to the application of any moneys paid to the Trustee, and in the absence of fraud

on the part of such Person, such dealing shall be deemed to be within the powers hereby conferred and to be valid and effective accordingly.

9.10 Trustee Appointed Attorney

For purposes of enforcing the rights of the Bondholders and of the Trustee hereunder, the Issuer, subject to Article 14, irrevocably appoints the Trustee to be the attorney of the Issuer in the name and on behalf of the Issuer to execute any instruments and do any things which the Issuer ought to execute and do, and has not executed or done, under the covenants and provisions contained in this Indenture and generally to use the name of the Issuer in the exercise of all or any of the powers hereby conferred on the Trustee with full powers of substitution and revocation.

ARTICLE 10 **SATISFACTION AND DISCHARGE**

10.1 Cancellation and Destruction

All Bonds cancelled or required to be cancelled under this Indenture will be destroyed by the Trustee.

10.2 Non-presentation of Bonds

If any Bonds remain outstanding on the Maturity Date and if the holder of any such Bonds fails to present such Bonds for payment on the Maturity Date, or will not accept payment on account thereof and give such receipt therefor, if any, as the Trustee may require the Issuer will be entitled to pay to the Trustee and direct it to set aside in an account established by the Trustee for such purpose in a non-interest bearing account any interest and the principal then payable or deliverable in respect of or on the Bonds in trust to be paid or delivered to the holder of such Bonds upon due presentation or surrender thereof in accordance with the provisions hereof. Thereupon such interest and principal in respect of which such moneys have been set aside, will be deemed to have been paid and the holder thereof will thereafter have no right in respect of such Bonds except that of receiving such payment of the moneys so set aside by the Trustee upon due presentation and surrender thereof.

10.3 Repayment of Unclaimed Moneys

Any moneys set aside under Section 10.2 and not claimed by and paid to holders of Bonds as provided in Section 10.2 within four (4) years after the date of such setting aside (together with any accretions thereto) will be repaid to the Issuer by the Trustee on demand and thereupon the Trustee shall be released from all further liability with respect to such moneys and thereafter the holders of the Bonds in respect of which such moneys were so repaid to the Issuer will have no rights in respect thereof except to obtain payment of the moneys due thereon from the Issuer up to such time as the right to proceed against the Issuer for recovery of such moneys has become statute-barred under the laws of the Province of Alberta.

10.4 Discharge

- (a) The Trustee will, upon receipt by it of a Written Direction and at the expense of the Issuer, release and discharge this Indenture and execute and deliver such instruments as it shall be advised by legal counsel are required for that purpose and to release the Issuer from its covenants under this Indenture (other than the provisions relating to the indemnification or limitation of liability of the Trustee), upon proof being given to the reasonable satisfaction of the Trustee that the principal of and interest (including interest on amounts in default, if any) on all the Bonds and all other moneys payable hereunder have been paid or satisfied or that all the Bonds having matured, payment of the principal of and interest (including interest on amounts in default, if any) on such Bonds and of all other moneys payable under this Indenture has been provided for in accordance with the provisions of this Indenture and no Bonds remain outstanding.
- (b) Upon payment of all costs, charges and expenses reasonably and properly incurred by the Trustee in relation to this Indenture and such remuneration and any other amounts properly owing and all interest thereon, or upon provision satisfactory to the Trustee being made therefor, the Trustee shall, at the request and at the expense of the Issuer, execute and deliver to the Issuer such deeds or other instruments as shall be necessary to evidence the satisfaction and discharge of this Indenture and to release the Issuer from its covenants contained therein except those relating to the indemnification of the Trustee.

ARTICLE 11 **SUCCESSOR**

11.1 Certain Requirements

The Issuer shall not, directly or indirectly, sell, lease, transfer or otherwise dispose of all or substantially all of its property and assets as an entirety to any other corporation, and shall not amalgamate or merge with or into any other corporation (any such other corporation being herein referred to as a "successor corporation") unless:

- (a) the successor corporation shall execute, prior to or contemporaneously with the consummation of any such transaction, an indenture supplemental hereto together with such other instruments as are satisfactory to the Trustee and in the opinion of Counsel are necessary or advisable to evidence the assumption by the successor corporation of the due and punctual performance and observation of each and every covenant and condition of this Indenture to be observed and performed by the Issuer and the covenant of the successor corporation to observe and perform all the covenants and obligations of the Issuer under this Indenture; and
- (b) such transaction shall, to the satisfaction of the Trustee and in the opinion of Counsel, be upon such terms as will substantially preserve and not impair any of the rights or powers of the Trustee or of the Bondholders hereunder and upon such terms as are in no way prejudicial to the interest of the Bondholders.

11.2 Vesting of Powers in Successor

Whenever the conditions of Section 11.1 have been duly observed and performed, the successor corporation shall possess and from time to time may exercise each and every right and power of the Issuer under this Indenture in the name of the Issuer or otherwise and any act or proceeding by any provision of this Indenture required to be done or performed by any directors or officers of the Issuer may be done and performed with like force and effect by the directors or officers of such successor corporation.

ARTICLE 12 **MEETINGS OF BONDHOLDERS**

12.1 Conduct of Meetings

Meetings of Bondholders shall be convened, held and conducted in the manner following:

- (a) Calling of Meetings. The Trustee may at any time and from time to time, and shall on receipt of a Written Request of the Issuer or a Bondholders' Request, and upon receiving sufficient funds or being indemnified to its reasonable satisfaction by the Issuer or by the Bondholders signing such request against the costs, charges, expenses and liabilities which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Bondholders. In the event of the Trustee failing to so convene a meeting within thirty (30) days after receipt of any such Written Request of the Issuer or the Bondholders' Request and sufficient funds or indemnity given as aforesaid, the Issuer or such Bondholders, as the case may be, may call such meeting. Every such meeting shall be held in the City of Calgary or at such other place as may be approved or determined by the Trustee.
- (b) Notice of Meetings. At least twenty-one (21) days' prior notice of any meeting of Bondholders shall be given to the Bondholders in the manner provided for in Section 13.2 and a copy of such notice shall be sent by mail to the Trustee (unless the meeting has been called by the Trustee) and to the Issuer (unless the meeting has been called by the Issuer). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Bondholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 12. The accidental omission to give notice of a meeting to any Bondholder shall not invalidate any resolution passed at any such meeting.
- (c) Quorum. No business other than the adjournment of the meeting shall be transacted at any meeting unless a quorum is present at the commencement of business. Subject to the provisions of Section 12.3, at any meeting of the Bondholders a quorum shall consist of Bondholders present in person or by proxy and representing at least 50% of the principal amount of all outstanding Bonds,

provided that at least two Persons entitled to vote thereat are personally present. If a quorum of the Bondholders shall not be present within 30 minutes from the time fixed for holding of any meeting, the meeting, if summoned by the Bondholders or pursuant to a request of the Bondholders, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. At the adjourned meeting the Bondholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may represent less than 50% of the principal amount of all outstanding Bonds.

- (d) Chairman. An individual (who need not be a Bondholder) designated in writing by the Trustee or the Issuer with the approval of the Trustee shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within 15 minutes from the time fixed for the holding of the meeting, the Bondholders present in person or by proxy shall choose some individual present to be chairman.
- (e) Power to Adjourn. The chairman of any meeting at which a quorum of the Bondholders is present may, with the consent of the holders of more than 50% of the principal amount of all outstanding Bonds represented thereat, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.
- (f) Show of Hands. Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on an Extraordinary Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.
- (g) Poll and Voting.
 - (i) On every Extraordinary Resolution, and on any other question submitted to a meeting, when demanded by the chairman of the meeting or by one or more Bondholders acting in person or by proxy and holding at least 50% of the principal amount of all outstanding Bonds, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolution shall, if a poll be taken, be decided by a majority of the votes cast on the poll.

- (ii) On a show of hands, every Person who is present and entitled to vote, whether as a Bondholder or as proxy for one or more absent Bondholders, or both, shall have one vote. On a poll, each Bondholder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each \$1,000 principal amount of all outstanding Bonds then held or represented by it. A proxy need not be a Bondholder. In the case of joint registered holders of a Bond, any one of them present in person or by proxy at the meeting may vote in the absence of other or others; but in case more than one of them be present in person or by proxy, only one of them may vote in respect of the Bonds of which they are the joint registered holders. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Bonds, if any, held or represented by him.
- (h) Regulations. The Trustee or the Issuer with the approval of the Trustee, may from time to time make, vary or revoke such regulations as it shall think fit providing for and governing:
 - (i) voting by proxy and the form of the instrument appointing a proxy (which shall be in writing) and the manner in which the same shall be executed and for the production of the authority of any Person signing on behalf of a Bondholder;
 - (ii) the deposit of instruments appointing proxies at such place as the Trustee, the Issuer or the Bondholders convening a particular meeting, as the case may be, may in the notice convening the meeting direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same shall be deposited; and
 - (iii) the deposit of instruments appointing proxies at some approved place or places other than the place at which a particular meeting is to be held and enabling particulars of instruments appointing proxies to be mailed, telecopied or sent by e-mail before the meeting to the Issuer or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as Bondholders or be entitled to vote or be present at the meeting in respect thereof (subject to subsection 12.1(i)) shall be Bondholders and persons whom Bondholders have by instrument in writing duly appointed as their proxies.

- (i) Issuer and Trustee May Be Represented. The Issuer and the Trustee, by their respective directors, officers and employees, and the counsel for the Issuer, and

the counsel for the Trustee, may attend any meeting of the Bondholders, but shall have no right to vote in their respective capacities as such.

12.2 Powers Exercisable by Extraordinary Resolution

In addition to the powers conferred upon them by any other provisions of this Indenture or by law, Bondholders shall by Extraordinary Resolution have the power:

- (a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Bondholders and/or the Trustee in its capacity as trustee hereunder or on behalf of the Bondholders against the Issuer whether such rights arise under the Bond Documents or otherwise;
- (b) to assent to any modification of or change in or addition to or omission from the provisions contained in this Indenture or any Bond which shall be agreed to by the Issuer and to authorize the Trustee to concur in and execute any indenture supplemental hereto or any other document embodying any such modification, change, addition or omission;
- (c) waive and direct the Trustee to waive any Event of Default hereunder and/or cancel any declaration made by the Trustee pursuant to Section 9.3 either unconditionally or upon any condition specified in such Extraordinary Resolution;
- (d) to sanction any scheme for the reconstruction or reorganization of the Issuer or for the consolidation, amalgamation or merger of the Issuer with any other corporation or for the sale, lease, transfer or other disposition of the undertaking, property and assets of the Issuer or any part thereof, provided that no such sanction shall be necessary in respect of any such transaction if the provisions of Article 11 shall have been complied with;
- (e) to direct or authorize the Trustee to enforce any of the covenants on the part of the Issuer or the Guarantor contained in this Indenture or to exercise any power, right, remedy or authority given to it by this Indenture in any manner specified in any such Extraordinary Resolution or to refrain from enforcing any such covenant or exercising any such power, right, remedy or authority;
- (f) to waive, and to direct the Trustee to waive, any default on the part of the Issuer or the Guarantor in complying with any provisions of the Bond Documents, either unconditionally or upon any condition specified in such Extraordinary Resolution;
- (g) to restrain any Bondholder from taking or instituting any suit, action or proceeding against the Issuer or the Guarantor for the purpose of enforcing any of the covenants on the part of the Issuer or the Guarantor contained in the Bond Documents or to enforce any of the rights of the Bondholders;
- (h) to direct any Bondholder who, as such, has brought any action, suit or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the

costs, charges and expenses reasonably and properly incurred by such Bondholder in connection therewith;

- (i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Issuer;
- (j) to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Trustee to exercise, on behalf of the Bondholders, such of the powers of the Bondholders as are exercisable by extraordinary or other resolution as shall be included in the resolution appointing the committee. The resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it and the members need not be themselves Bondholders. Every such committee may elect its chairman and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Bondholders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith;
- (k) to authorize the distribution in specie of any cash or other consideration received hereunder or the use or disposal of the whole or any part of such cash or other consideration in such manner and for such purpose as may be deemed advisable and specified in such Extraordinary Resolution;
- (l) to remove the Trustee from office and to appoint a new trustee or trustees;
- (m) to sanction the exchange of the Bonds for or the conversion thereof into other securities or obligations of the Issuer or of any company formed or to be formed; and
- (n) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Bondholders or by any committee appointed pursuant to subsection 12.2(j).

12.3 Meaning of "Extraordinary Resolution"

- (a) The expression "**Extraordinary Resolution**" when used in this Indenture means, subject as hereinafter in this Section provided, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Bondholders (including an adjourned meeting) duly convened for the purpose and held in accordance with the provisions of this Article at which the holders of at least 51% of the principal amount of all outstanding Bonds then outstanding are present in person or by

proxy and passed by the affirmative votes of the holders of not less than 66⅔% of the principal amount of all outstanding Bonds represented at the meeting, in person or by proxy, and voted on a poll upon such resolution.

- (b) If, at any such meeting, the holders of 51% of the principal amount of all outstanding Bonds outstanding are not present in person or by proxy within thirty (30) minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Bondholders, shall be dissolved; but in any other case it shall stand adjourned to such date, being not less than twenty-one (21) nor more than sixty (60) days later, and to such place and time as may be appointed by the chairman. Not less than ten (10) days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided in subsection 12.1(b). Such notice shall state that at the adjourned meeting the Bondholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Bondholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in subsection 12.3(a) shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that the holders of less than 51% of the principal amount of all outstanding Bonds then outstanding are present in person or by proxy at such adjourned meeting.
- (c) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

12.4 Powers Cumulative

It is hereby declared and agreed that any one or more of the powers and/or any combination of the powers in this Indenture stated to be exercisable by the Bondholders by Extraordinary Resolution or that otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the rights of the Bondholders to exercise the same or any other such power or powers or combination of powers thereafter from time to time.

12.5 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be provided from time to time for that purpose by the Secretary of the meeting at the expense of the Issuer, and any such minutes as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting of the Bondholders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly convened and held and all resolutions passed thereat or proceedings taken thereat shall be deemed to have been duly passed and taken.

12.6 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Bondholders at a meeting held as hereinbefore in this Article provided may also be taken and exercised by the holders of 66 $\frac{2}{3}$ % of the principal amount of all outstanding Bonds outstanding by an instrument in writing signed in one or more counterparts by such Bondholders and the expression "Extraordinary Resolution" when used in this Indenture shall include an instrument so signed.

12.7 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article at a meeting of Bondholders shall be binding upon all the Bondholders, whether present at or absent from such meeting, and every instrument in writing signed by Bondholders in accordance with Section 12.6 shall be binding upon all the Bondholders, whether signatories thereto or not, and each and every Bondholder and the Trustee subject to the provisions for its indemnity herein contained shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

12.8 Evidence of Rights of Bondholders

- (a) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by attorney duly appointed in writing. Proof of the execution of any such request or other instrument or of a writing appointing any such attorney or (subject to the provisions of this Article with regard to voting at meetings of Bondholders) of the holding by any Person of Bonds shall be sufficient for any purpose of this Indenture if made in the following manner, namely, the fact and date of execution by any Person of such request or other instrument or writing may be proved by the certificate of any notary public or other officer authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made that the Person signing such request or other instrument in writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution or in any other manner which the Trustee may consider adequate.
- (b) The Trustee may, nevertheless, in its discretion require further proof in cases where it deems further proof desirable or may accept such other proof as it shall consider proper.

ARTICLE 13 **NOTICES**

13.1 Notice to Issuer

- (a) Any notice to the Issuer under the provisions of this Indenture shall be valid and effective if delivered or if given by first class mail, postage prepaid, addressed to the Issuer at

Brookdale Realty Corporation
8791 Woodbine Avenue, Suite 100
Markham, Ontario L3R 0P4

Attention: Greg Puklicz
Email: gpuklicz@mady.com
Telephone: (905) 944-0907
Facsimile: (905) 944-0916

with a copy to:

Gowling Lafleur Henderson LLP
1400, 700 – 2nd Street SW
Calgary, Alberta T2P 4V5

Attention: Lorie Wheeler
Email: Lorie.Wheeler@gowlings.com
Fax No.: (403) 298-1805

and shall be deemed to have been effectively given on the date of delivery or, if mailed, from the time when in the ordinary course of post the said letter should have reached its destination, which for the purpose of this Indenture shall be deemed to be five days after posting.

- (b) The Issuer may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Issuer for all purposes of this Indenture.

13.2 Notice to Bondholders

- (a) All notices to be given hereunder with respect to the Bonds shall be deemed to be validly given to the holders thereof if sent by first class mail, postage prepaid, by letter or circular addressed to such holders at their post office addresses appearing in any of the registers hereinbefore mentioned and shall be deemed to have been given on the fifth (5th) day of mailing. Accidental error or omission in giving notice or accidental failure to mail notice to any Bondholder or the inability of the Issuer to give or mail any notice due to anything beyond the reasonable control of the Issuer shall not invalidate any action or proceeding found thereon.
- (b) All notices with respect to any Bond may be given to whichever one of the holders thereof (if more than one) is named first in the register hereinbefore mentioned, and any notice so given shall be sufficient notice to all holders of and/or Persons interested in such Bond.

13.3 Notice to Trustee

Any notice to the Trustee under the provisions of this Indenture shall be valid and effective if delivered or if given by first class mail, postage prepaid, addressed to:

Olympia Trust Company
2300, 125 - 9th Avenue S.E.
Calgary, AB T2G 0P6

Attention: Manager, Corporate and Shareholder Services
Email: cssinquiries@olympiatrust.com
Fax number: (403) 265-1455

effectively given on the date of delivery or, if mailed from the time when in the ordinary course of post the said letter should have reached its destination, which for the purpose of this Indenture shall be deemed to be five days after posting.

13.4 Notice to Guarantor

Any notice to the Guarantor under the provisions of this Indenture shall be valid and effective if delivered or if given by first class mail, postage prepaid, addressed to:

Mady Avenue Road Ltd.
8791 Woodbine Avenue, Suite 100
Markham, Ontario L3R 0P4

Attention: Greg Puklicz
Email: gpuklicz@mady.com
Telephone: (905) 944-0907
Facsimile: (905) 944-0916

effectively given on the date of delivery or, if mailed from the time when in the ordinary course of post the said letter should have reached its destination, which for the purpose of this Indenture shall be deemed to be five days after posting.

If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Issuer or the Trustee, as the case may be, hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the Issuer or the Trustee, as the case may be, or, if it is delivered to such party at the appropriate address provided in subsection 13.1(a) or 13.3, as the case may be, by facsimile, electronic mail or other means of prepaid, transmitted and recorded communication

ARTICLE 14 **CONCERNING THE TRUSTEE**

14.1 Rights and Duties of Trustee

- (a) In the exercise of its rights, duties and obligations contained in this Indenture, the Trustee shall comply with all laws, shall act honestly and in good faith with a view to the best interests of the Bondholders and shall exercise a degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. For greater certainty, the Trustee shall not be liable for any failure

by the Issuer and/or the Guarantor to maintain adequate insurance coverage, for any loss arising from any defect or insufficiency in any insurance policy or any failure of any insurer to pay the full amount of any loss insured against.

- (b) The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Trustee or the Bondholders hereunder shall be conditional upon the Bondholders providing, when requested by notice in writing from the Trustee, sufficient funds to commence or continue the act, action or proceeding and an indemnity satisfactory to the Trustee, acting reasonably, by which the Trustee shall be indemnified and saved harmless against all costs, charges and expenses and all liabilities to be incurred in connection therewith and against all losses and damages it may suffer resulting therefrom.
- (c) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or obligations or in the exercise of any of its rights or powers, unless indemnified as aforesaid.
- (d) The Trustee may, before commencing or at any time during the continuance of any act, action or proceeding, require the Bondholders, at whose instance it is acting, to deposit with the Trustee the Bonds held by them, for which Bonds the Trustee shall issue receipts.

14.2 Indenture Legislation

- (a) The term “**Indenture Legislation**” means the provisions, if any, of any statute of Canada, any statute of any province of Canada and any regulations enacted pursuant to those statutes relating to trust indentures, to the rights, duties and obligations of trustees under trust indentures and of trusts issuing debt obligations under trust indentures, to the extent that those provisions are at the time in force and applicable to this Indenture and/or the Bonds.
- (b) Each of the Issuer and the Trustee covenant to observe and comply with the Indenture Legislation throughout the Term. Each of such parties shall also be entitled to the benefits of the Indenture Legislation throughout the Term.
- (c) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with any mandatory requirement of Indenture Legislation, the mandatory requirement shall prevail.

14.3 Evidence

In addition to the reports, certificates, opinions and other evidence required to be delivered to the Trustee pursuant to this Indenture, the Issuer and/or the Guarantor shall provide to the Trustee, upon written request and at the Issuer's expense, additional evidence of compliance with any provision of this Indenture, in such form as may be prescribed pursuant to Indenture Legislation or as the Trustee may require, acting reasonably.

14.4 Experts, Advisors and Agents

The Trustee may:

- (a) in relation to this Indenture, act on the opinion of or advice or information obtained from any solicitor, auditor, valuator, engineer, surveyor or other expert, whether obtained by the Trustee, the Issuer, the Guarantor or otherwise, and may employ such assistants as may be necessary for the proper discharge of its duties hereunder and may pay proper and reasonable compensation for all legal and other advice or assistance, as aforesaid; and
- (b) employ such agents and obtain such other assistance as it may reasonably require for the proper discharge of its duties hereunder, pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of such duties and be reimbursed for all disbursements, costs and expenses made or incurred by it in connection with the above.

14.5 Investment of Monies Held by the Trustee

- (a) Except as otherwise expressly provided herein, all monies held by the Trustee for thirty (30) days or more which, pursuant to the trusts hereof, may or ought to be invested or which may be on deposit with the Trustee or which may be held by the Trustee, shall be held in an interest-bearing trust bank account.
- (b) Unless and until the Trustee shall have declared the principal, interest and other amounts secured hereunder to be due and payable, any interest or other distribution from time to time received by the Trustee upon or in respect of the moneys and investments from time to time held or invested under this Section and any amount realized on the sale of investments in excess of the purchase price thereof plus costs of sale shall be delivered by the Trustee, to or to the order of the Issuer, without any formal application by the Issuer therefor.
- (c) For greater certainty, the Trustee shall not be obligated to pay interest on any amounts held by it for less than thirty (30) days.

14.6 Trustee Not Ordinarily Bound

Except as provided in Section 9.2 hereof and except as otherwise expressly provided herein, the Trustee shall not be bound to provide notice to any Person of the execution of this Indenture, nor to do, observe or perform or monitor the observance or performance by the Issuer of the obligations herein imposed upon the Issuer or the observance or performance by the Guarantor of the obligations herein imposed upon the Guarantor, nor in any way to supervise or interfere with the conduct of the Guarantor's business in respect of the Property, unless the Trustee shall have been required to do so in writing by the holders of not less than 25% of the aggregate principal amount of the Bonds then outstanding pursuant to the provisions of this Indenture or by any Extraordinary Resolution of the Bondholders passed in accordance with Article 12 hereof, and then only after it shall have been indemnified to its satisfaction against all actions, proceedings,

claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

14.7 Trustee Not Required to Give Security

The Trustee shall not be required to provide any bond or security in respect of the execution of its trusts and powers contained in this Indenture or otherwise in respect of the Property.

14.8 Replacement of Trustee

- (a) The Trustee may resign its trusts and be discharged from all further duties and liabilities hereunder by providing to the Issuer not less than ninety (90) days' prior written Notice or such lesser Notice as the Issuer may accept as sufficient. The Bondholders may, by Extraordinary Resolution, remove the Trustee and appoint its replacement from time to time.
- (b) Notwithstanding the foregoing, if at any time a material conflict of interest exists in the Trustee's role as a fiduciary hereunder, the Trustee shall, within ninety (90) days following the Trustee first learning of the existence of the material conflict of interest, either eliminate the material conflict of interest or resign its trust by providing written Notice to the Issuer not less than twenty-one (21) days before the resignation shall become effective and, upon the resignation becoming effective, the Trustee shall be discharged from all further duties and liabilities hereunder, but such discharge shall not apply to then existing liability of the Trustee in respect of the period prior to the effective date of the resignation.
- (c) Any corporation into which the Trustee may be merged or with which it may be consolidated or amalgamated, or any corporation resulting from any merger, consolidation or amalgamation to which the Trustee shall be a party or any corporation purchasing or succeeding to the corporate trust business of the Trustee, shall be the successor Trustee pursuant to this Indenture, without execution of any instrument or further act.
- (d) In the event that the Trustee shall resign, be removed, be dissolved, become bankrupt, go into liquidation or otherwise become incapable of acting hereunder, the Issuer shall forthwith designate a new Trustee . If the Issuer shall fail to designate a new Trustee within ten (10) Business Days, then the retiring Trustee or any Bondholder may apply to a Judge of the Court of Queen's Bench of Alberta, on such notice as such Judge may direct at the Issuer's expense, for the appointment of a new Trustee. Following its appointment the new Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Trustee herein, without further assurance, conveyance or act. Notwithstanding the above, the parties shall, at the Issuer's expense, execute and, if applicable, register/file all instruments necessary or advisable to reflect the appointment of the new Trustee.

14.9 Power of Trustee to Protect Interests

The Trustee shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient, acting reasonably, to prevent any impairment of the Security by any act of the Issuer, Guarantor or others and to preserve and protect the Security, the Property and all income, earnings, rents, issues and profits earned from the Property.

14.10 Acceptance of Trust

The Trustee hereby accepts the trusts declared and set out in this Indenture and agrees to perform such trusts upon the terms contained herein, for and on behalf of the Bondholders.

14.11 No Conflict of Interest

The Trustee hereby represents and warrants to the Issuer that, as at the date of execution and delivery of this Indenture, the Trustee is not aware of any material conflict of interest in its assumption of the role of Trustee pursuant to this Indenture .

14.12 Indemnity

The Issuer and the Guarantor hereby agree to indemnify and save harmless the Trustee, the Bondholders and their respective directors, trustees, officers, employees and agents (as applicable), and all of their successors and assigns (collectively the "**Indemnified Parties**"), from and against all losses, demands, claims, liabilities, damages, costs, actions, penalties, obligations and expenses (including legal fees and disbursements on a solicitor and client basis), howsoever arising, in connection with the Bonds, this Indenture, the Property and/or all assets relating thereto save and except liability arising from the Trustee's gross negligence, fraud or willful misconduct in the performance of its obligations hereunder.

14.13 Environmental Indemnity

In addition to and without limiting any other protection hereunder or otherwise by law of the Trustee and its respective officers, directors, employees, agents, representatives, successors and assigns (collectively, "Representatives"), the Issuer and the Guarantor indemnify, defend and save harmless the Trustee and its respective Representatives from and against any and all liabilities, losses, claims, damages, penalties, fines, actions, suits, demands, levies, assessments, costs, charges, expenses and disbursements (including, without limitation, any and all legal and advisor fees and disbursements) (collectively, "Liabilities") of whatever kind or nature which may at any time be suffered by, imposed upon, incurred by or asserted against the Trustee and its Representatives, whether groundless or otherwise, howsoever arising from or out of any act, omission or error of the Trustee made in connection with its acting as Trustee hereunder. Without limiting the generality of the foregoing, the obligation to indemnify, defend and save harmless in accordance herewith shall apply in respect of Liabilities suffered by, imposed upon, incurred in any way connected with or arising from, directly or indirectly, any Environmental Laws. Notwithstanding any other provision hereof, the obligations provided for in this section shall survive any termination of the trust created hereby, whether by reason of removal or resignation of the Trustee, termination or discharge of this Indenture or otherwise.

14.14 Additional Limitations on Liability

It is expressly declared and agreed that:

- (a) the Trustee shall not be liable for, or by reason of, any failure or defeat of title to, or security interest upon, the Issuer's assets or any part thereof;
- (b) the Trustee shall not be liable for, or by reason of, any statements of fact or representations in this Trust Indenture or in the Bonds or be required to verify the same, but all such statements and representations are and shall be deemed to be made by the Issuer except that the Trustee shall be responsible for the accuracy of the certificate of authentication of the Trustee on any Bond;
- (c) nothing herein contained shall impose any obligation on the Trustee to see to, or require evidence of, the registration or filing or re-registration or re-filing of this Trust Indenture or any instrument ancillary or supplemental hereto or any other deed or writing creating a security interest upon the Issuer's assets or to procure any further, other or additional instrument of further assurance or to do any other act for the continuance of the security interests constituted by this Trust Indenture or for giving notice of the existence of such security interests;
- (d) the Trustee shall not incur any liability or responsibility whatever in consequence of permitting or suffering the Issuer to retain or be in possession of any part of the Issuer's assets and to use and enjoy the same unless herein expressly otherwise provided; nor shall the Trustee be or become responsible or liable for any destruction, deterioration, loss, injury or damage which may be done or occur to the Issuer's assets by the Issuer, its agents or servants, or by any other person or be responsible for the consequence of any breach by the Issuer of any of the covenants herein contained or of any acts of the agents or servants of the Issuer; and
- (e) the Trustee shall not, nor shall the agents or attorneys of the Trustee, be liable by reason of any entry into possession of the Issuer's assets or any part thereof, to account as mortgagee in possession or for anything except actual receipts, or be liable for any loss on realization or for any default or omission for which a mortgagee in possession might be liable save such as may be caused by its gross negligence, willful misconduct or fraud.

14.15 Privacy

Despite any other provision of this Indenture, no party hereto shall take or direct any action that would contravene, or cause the other to contravene, applicable federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "Privacy Laws"). The Issuer shall, prior to transferring or causing to be transferred personal information to the Trustee, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Trustee shall use commercially reasonable efforts to ensure that its

services hereunder comply with Privacy Laws. Specifically, the Trustee agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent of or direction from the Issuer or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

14.16 Acceptance of Duties

The Trustee hereby accepts the trusts and the duties in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various Persons who shall from time to time be Bondholders, subject to all the terms and conditions herein set forth.

14.17 Trustee Not to be Appointed Receiver

The Trustee and any Person related to the Trustee shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Issuer.

ARTICLE 15 **SUPPLEMENTAL INDENTURES**

15.1 Supplemental Indentures

From time to time the Trustee and, when authorized by a resolution of the directors of the Issuer, the Issuer may, and they will, when required by this Indenture, execute, acknowledge and deliver, by their proper officers, deeds or indentures supplemental hereto, which thereafter will form part hereof, for any one or more of the following purposes:

- (a) mortgaging and charging any additions to, replacements of or substitutions for the Project Lands in favour of the Trustee;
- (b) adding to the covenants of the Issuer herein contained for the protection of the holders of the Bonds and/or providing for Events of Default in addition to those herein specified;
- (c) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Bonds which do not affect the substance thereof and which, in the opinion of the Trustee, it may be expedient to make, provided that the Trustee is of the opinion, which opinion the Trustee may form in reliance upon an opinion of legal counsel, that such provisions and modifications will not be prejudicial to the interests of the Bondholders;

- (d) evidencing the succession, or successive successions, of other Persons to the Issuer and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture;
- (e) giving effect to any Extraordinary Resolution, or
- (f) for any other purpose not inconsistent with the terms of this Indenture.

15.2 Correction Of Manifest Errors

The Trustee may also, without the consent or concurrence of the Bondholders, by supplemental indenture or otherwise, concur with the Issuer in making any changes or corrections in this Indenture which it is of the opinion are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or clerical omission or mistake or manifest error contained herein or in any deed or indenture supplemental or ancillary hereto, provided that in the opinion of the Trustee, which opinion the Trustee may form in reliance upon an opinion of Counsel, the rights of the Trustee and of the Bondholders are in no way prejudiced thereby.

ARTICLE 16 **EXECUTION, DELIVERY AND FORMAL DATE**

16.1 Execution

This Indenture may be simultaneously executed in several counterparts, each of which when so executed will be deemed to be an original and such counterparts together will constitute one and the same instrument.

16.2 Delivery

Delivery of this Indenture by facsimile, e-mail or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

16.3 Language

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language.

Les parties aux présentes déclarent avoir requis que la présente de même que tous documents afférents soient rédigés en langue anglaise.

16.4 Formal Date

For the purpose of convenience, this Indenture may be referred to as bearing the formal date of November 26, 2013 irrespective of the actual date of execution hereof.

ARTICLE 17

GENERAL

17.1 Entire Agreement

This Agreement, together with any other agreement or agreements and other documents to be delivered under this Indenture, constitutes the entire agreement between the Parties pertaining to the subject matter of this Indenture 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 in connection with the subject matter of this Indenture except as specifically set out in this Indenture or in any of the other agreements and documents delivered under this Indenture. No Party has been induced to enter into this Indenture 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 Indenture or in any of the other agreements and documents delivered under this Indenture.

17.2 Severability

Each Section of this Indenture is distinct and severable. If any Section of this Indenture, 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 Indenture, in whole or in part; or
- (b) the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.

17.3 Amendment

Subject to Article 14, this Indenture shall not be amended or varied by oral agreement or by representations or otherwise except by instrument in writing executed by the duly authorized representatives of the parties hereto or their respective successors or assigns, provided that the Trustee shall act in accordance with the direction and approval of the board of directors of the Issuer or the direction and approval of the Bondholders, in each case provided in accordance with the terms of this Indenture, with respect to such amendments. Notwithstanding anything else in this Indenture no amendment may be made to Article 14 of this Indenture without the approval of the Trustee in its sole discretion.

17.4 No Waiver

No failure on the part of any party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy, preclude any other or further exercise thereof or the exercise of any other right or remedy of law or in equity or otherwise. No waiver of any provision of this Indenture, including this section, shall be

effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by duly authorized representatives of the party making such waiver.

17.5 Further Assurances

Each party hereto shall, from time to time and at all times hereafter, at the request of the other party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

17.6 No Implied Terms

The terms of this Indenture express and constitute the entire agreement between the parties and no implied covenant or liability of any kind is created or shall arise except by reason of these presents.

17.7 Assignment and Enurement

Except as otherwise specifically contemplated herein, this Indenture shall not be assignable by the Issuer, the Trustee or the Guarantor. This Indenture shall enure to the benefit of and shall be binding upon the Issuer, the Trustee, the Guarantor, the Bondholders and their respective successors and permitted assigns. The Trustee may assign this Indenture to Computershare Corporate Trust as part of a transaction, once completed, contemplated by the Trustee and Computershare Corporate Trust to be completed on or about December 12, 2013.

17.8 No Partnership

It is not the intention of the parties to create, nor will this Indenture be construed as creating, a partnership or to render parties liable as partners.

17.9 Anti-Money Laundering and Anti-Terrorist Legislation

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on ten days' written notice to the Issuer, provided that (i) the Trustee's written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Trustee's satisfaction within such ten day period, then such resignation shall not be effective.

17.10 Annual Certificate of Compliance

The Issuer shall deliver to the Trustee, within 120 days after the end of each calendar year and upon request by the Trustee, an Officer's Certificate as to the knowledge of such officer of the Issuer who executes the Officer's Certificate of the Issuer's compliance with all conditions and

covenants in this Indenture certifying that after reasonable investigation and inquiry, the Issuer has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which could, with the giving of notice, lapse of time or otherwise, constitute an Event of Default hereunder, or if such is not the case, setting forth with reasonable particulars the circumstances of any failure to comply and steps taken or proposed to be taken to eliminate such circumstances and remedy such Event of Default, as the case may be.

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- 60 -

Each of the Parties has executed and delivered this Indenture, as of the date noted at the beginning of the Indenture.

BROOKDALE REALTY CORPORATIONPer: 

Name: GREG PUKLICZ

Title: SECRETARY

Per: _____

Name: _____

Title: _____

OLYMPIA TRUST COMPANY

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

MADY AVENUE ROAD LTD.Per: 

Name: GREG PUKLICZ

Title: SECRETARY

Per: _____

Name: _____

Title: _____

- 60 -

Each of the Parties has executed and delivered this Indenture, as of the date noted at the beginning of the Indenture.

BROOKDALE REALTY CORPORATION

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

OLYMPIA TRUST COMPANY

Per: _____
Name: **W. Anne DeWaele**
Title: **Senior Trust Officer**

Per: _____
Name: _____
Title: **Susan Mak**
Assistant Manager
Client Services

MADY AVENUE ROAD LTD.

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

SCHEDULE "A"
LEGAL DESCRIPTION OF THE PROJECT LANDS

Municipal Description:

- 375 & 377 Fairlawn Avenue
- 1678 – 1704 Avenue Road
- 412 Brookdale Avenue

Legal Description:

PT LT 43A PL 2247 TWP OF YORK AS IN TB953411 S/T & T/W TB953411

PT LT 43A PL 2247 TWP OF YORK AS IN NY806826 S/T & T/W NY806826, TORONTO (N YORK), CITY OF TORONTO;

PT LT 42A, 43A PL 2247 TWP OF YORK AS IN NY791515 S/T NY791515

PT LT 42A, 43A PL 2247 TWP OF YORK AS IN TR39454 S/T & T/W TR39454

PT LT 42A, 43A PL 2247 TWP OF YORK PT 2 & 3 64R14089 S/T & T/W TB940450

PT LT 42A, 43A PL 2247 TWP OF YORK PT 1 64R14089 T/W TB940456 TORONTO (N YORK), CITY OF TORONTO

L T 33 PL 2371 TWP OF YORK; PT L T 34 PL 2371 TWP OF YORK AS IN TB940448, TORONTO (N YORK), CITY OF TORONTO

PT LT 34 PL 2371 TWP OF YORK AS IN TB940447, TORONTO (N YORK), CITY OF TORONTO;

L T 32 PL 2371 TWP OF YORK, TORONTO (N YORK) , CITY OF TORONTO

SCHEDULE "B"
FORM OF BOND CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY

BOND CERTIFICATE

Certificate No. «No»

CUSIP: <<CUSIP_Number>>

BROOKDALE REALTY CORPORATION

Number of Bonds: «Number_of_Bonds»

Aggregate Amount: «Principal_Amount_»

8% BONDS DUE OCTOBER 31, 2017

BROOKDALE REALTY CORPORATION (hereinafter the “**Issuer**”), for value received, hereby promises to pay «**Registered_Name**», the registered holder hereof, the sum of

«Principal_Amount_»

in lawful money of Canada, upon presentation and surrender of this Bond, at maturity on October 31, 2017, at the principal office of Olympia Trust Company (the “**Trustee**”) in the City of Calgary, and to pay interest on the outstanding principal amount of this Bond on the Interest Payment Date for the applicable Interest Period at the rate of 8% per annum, calculated quarterly, not in advance, and, should the Issuer elect to distribute the Premium to the holders of the Bonds, to pay the Premium, if any, no later than thirty (30) days from the date on which the Issuer receives the Deferred Lender Fee from the Guarantor.

This Bond is one of a duly authorized Bonds of the Issuer issued pursuant to a trust indenture (the “**Trust Indenture**”) dated November ●, 2013, between the Issuer, the Trustee and the Guarantor. Unless otherwise defined, words and expressions used in this Bond have the meanings set forth in the Trust Indenture.

Reference is hereby made to the Trust Indenture as to the nature and extent of the security created thereby, the rights of the holder of this Bond, the rights of the holders of Bonds issued and to be issued under the Trust Indenture and indentures supplemental thereto and of the Issuer, and of the Guarantor, and of the Trustee in respect thereof and the terms and conditions upon which this Bond is issued, all to the same effect as if the provisions of the Trust Indenture were herein set forth, to all of which provisions the holder of this Bond assents by acceptance hereof.

- 2 -

This Bond shall not entitle the holder to any right or benefit under the Trust Indenture nor shall it be valid or obligatory for any purpose until a certificate of authentication in respect of this Bond has been duly executed by the Trustee.

This Bond may be redeemed in whole or in part at any time at the option of the Issuer in accordance with the provisions of the Trust Indenture.

IN WITNESS WHEREOF the Issuer has duly executed this Bond as of this ____ day of _____, 20

BROOKDALE REALTY CORPORATION

Per: _____

Name:

Title:

I have the authority to bind the Issuer.

TRUSTEE'S CERTIFICATE

This Bond Certificate is the 8% Bond referred to in and issued under the Trust Indenture within mentioned.

DATED this day of , 20

OLYMPIA TRUST COMPANY

Per: _____

Name:

Title:

THE SUPERINTENDENT OF FINANCIAL SERVICES

- and -

BUILDING & DEVELOPMENT MORTGAGES CANADA INC.

Applicant

Respondent

Court File No. CV-18-596204-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

MOTION RECORD OF
FAAN MORTGAGE ADMINISTRATORS INC.,
in its capacity as Court-appointed Trustee
(November 2022 Comprehensive Update)

OSLER, HOSKIN & HARCOURT LLP
P.O. Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8

Michael De Lellis (LSO# 48038U)
Jeremy Dacks (LSO# 41851R)

Tel: (416) 362-2111
Fax: (416) 862-6666

Lawyers for FAAN Mortgage Administrators Inc.,
in its capacity as Court-appointed Trustee of
Building & Development Mortgages Canada Inc.