**ADDITIONAL PROVISIONS**

# **Loan Agreement:** This Charge/Mortgage is granted pursuant to the Loan Agreement (as hereinafter defined).

# **Definitions:** In this Charge, unless otherwise defined herein, capitalized terms which are defined in the Loan Agreement shall have the meanings ascribed thereto in the Loan Agreement. In addition, in this Charge, unless there is something in the subject matter or text that is inconsistent therewith or unless the context otherwise specifies or requires, the following terms shall have the meanings herein specified:

## “**Applicable Laws**” means any statutes, laws, by-laws, regulations, ordinances and requirements of governmental and other public authorities having jurisdiction over or in respect of this Charge and the transaction contemplated by the Loan Agreement, and all amendments thereto at any time and from time to time, which Applicable Laws, includes without limitation, the *National Housing Act* (Canada) and the *Ontario New Home Warranties Plan Act* (Ontario).

## “**Charge**”, “**this Charge**”, “**hereto**”, “**hereof**”, “**herein**”, “**hereby**”, “**hereunder**” and similar expressions mean or refer to this Charge, as the same may be amended, restated, modified, supplemented, augmented, assigned, assumed and/or replaced from time to time, and any agreement or instrument supplemental or ancillary hereto or in implementation hereof and the expressions “**Section**” and “**Schedule**” followed by a number or letter mean and refer to the specified Section or Schedule of this Charge;

## “**Chargee**” means Meridian Credit Union Limited and its successors and assigns;

## “**Chargor**” means INSERT NAME OF BORROWER(S);

## “**Charged Premises**” means, collectively, the undertaking, property and assets of the Chargor mortgaged, hypothecated, charged, assigned or subjected to a security interest pursuant to Section 8;

## “**Consent**” means, with respect to any Contractual Right in respect of which a default would arise or a right of termination could be triggered by another party thereto as a result of the creation of or any registration or filing of this Charge, any agreement, waiver, acknowledgment, consent, approval or similar document that: (i) a party to such Contractual Right; or (ii) an encumbrancer of the Chargor’s interest in such Contractual Right or any undertaking, property or asset that is the subject matter of such Contractual Right, is required to be obtained from any other party to such Contractual Right in order that the creation of or any registration or filing in respect of this Charge will not give rise to such default or trigger such right of termination;

## “**Contractual Rights**” has the meaning ascribed thereto in Section 8;

## “**Freehold Lands**” means each and every parcel of land described in the property section of the Charge to which this schedule is attached, which for greater certainty includes all licences, air, lateral support, drainage and oil and gas rights, easements, rights-of-way and rights in the nature of easements, in each case appurtenant or appertaining thereto;

## “**Improvements**” means, with respect to the Property, all improvements, buildings, structures on or under the applicable lands and includes all fixed machinery, plant, equipment, apparatus and fittings and other fixtures incorporated into the Property (as constituted from time to time), but excluding any fixed machinery, plant, equipment, apparatus and fittings and other fixtures which are removable by any lessees pursuant to their Leases;

## “**Indebtedness**” means, collectively, all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by theChargor to the Secured Party or remaining unpaid by the Chargor to the Secured Party under or in connection with the Loan Documents, and whether incurred by the Chargor alone or with another or others and whether as principal or surety and all interest, fees, legal and other costs, charges and expenses relating thereto or under or in connection with this Charge;

## “**Lands**” means, collectively, the Freehold Lands and the Leasehold Lands;

## “**Leasehold** **Lands**” means the leasehold estate of the Chargor in each and every parcel of the lands described in the property section to which this Schedule is attached, if any, which for greater certainty includes (i) all licences, air, lateral support, drainage and oil and gas rights, easements, rights-of-way and rights in the nature of easements, in each case appurtenant or appertaining to such leasehold estate, (ii) all Leasehold Estate Agreements, and (iii) all Leasehold Option Rights;

## “**Leasehold Estate Agreements**” means, collectively, all present and future leases, offers to lease, letter agreements, occupancy or tenancy agreements, lease proposals and lease amending agreements pursuant to which the Chargor has acquired a right or estate in and to any Leasehold Lands, as the same may be amended, restated, modified, supplemented, augmented, renewed, extended, assigned, assumed and/or replaced from time to time;

## “**Leasehold Option Rights**” means all rights of first refusal, rights of renewal and options to purchase and other real property interests appurtenant or relating to any Leasehold Lands, as the same may be amended, restated, modified, supplemented, augmented, renewed, extended, assigned, assumed and/or replaced from time to time;

## “**Lien**” means: (i) a lien, charge, mortgage, pledge, security interest or conditional sale agreement; (ii) an assignment, lease, consignment, trust or deemed trust that secures payment or performance of an obligation; (iii) a garnishment; (iv) any other encumbrance of any kind; and (v) any commitment or agreement to enter into or grant any of the foregoing;

## “**Loan**” has the meaning ascribed thereto in Section 6;

## “**Loan Agreement**” means the credit agreement dated as of *INSERT DATE* among the Chargor, as borrower, *INSERT GUARANTOR(S) NAME*, as guarantor and the Chargee, as lender, as the Loan Agreement may be amended, restated, replaced and extended from time to time *AMEND THIS DEFINITION AS APPLICABLE TO IN*;

## “**Loan Documents**” means the Loan Agreement, this Charge, the Security and all other agreements, instruments and assurances required or contemplated herein to be provided by the Borrower, any other credit party (including all guarantors) or any other Person to the Lender from time to time as security for the payment and performance of the obligations under the Loan Agreement, and the mortgages, charges, security interests, assignments and Liens constituted by the foregoing;

## “**Person(s)**” if the context allows, includes any person, firm, partnership or corporation, or any group of persons, firms, partnerships or corporations or any combination of them.

## “**Property**” means, collectively, each parcel comprising the Lands and the Improvements related thereto;

## “**Receiver**” means a receiver and/or receiver and manager appointed pursuant to Section 14(a);

## “**Receiver’s Certificates**” has the meaning ascribed thereto in Section 15(k);

## “**Secured Obligations**” means all obligations of the Chargor to the Chargee under or in connection with the Loan Documents, including but not limited to the Indebtedness; and

## “**Secured Party**” means the Chargee, being the chargee hereunder, together with all Persons from time to time defined as “**Lender**” or “**Service Provider**” under the Loan Agreement in their various capacities, as creditors under the Loan Documents. In this definition, the “**Secured Party**” shall be interpreted as “**the Secured Party or any of them**”.

# **Interpretation Not Affected by Headings, etc**.: In this Charge:

## the division of this Charge into separate Sections and the insertion of headings and marginal notes and references are for convenience of reference only and shall not affect the construction or interpretation of this Charge;

## words importing the singular number shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders;

## grammatical variations of any terms defined herein have similar meanings;

## the word “**including**” shall mean “**including**, **without limitation**,”;

## any reference to a statute shall mean the statute in force as of the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor statute thereto;

## any reference to the Loan Documents, including this Charge, shall include all amendments, restatements, modifications, supplements, augmentations, renewals, extensions, assignments, assumptions and replacements thereto from time to time;

## all dollar amounts are expressed in Canadian dollars and the principal, interest and other moneys payable hereunder shall be paid in lawful money of Canada;

## any defined term or other provision incorporated by reference to any other Loan Document shall continue to apply and be effective notwithstanding any full or partial release, termination or discharge of such other Loan Document or any security constituted thereby;

## this Charge is the result of negotiations between the parties hereto and shall not be construed in favour of or against any party by reason of the extent to which any party or its legal counsel participated in its preparation;

## if more than one Person is named as or otherwise becomes or assumes the obligations and liabilities of the Chargor, then all such obligations and liabilities of such Person shall be joint and several and solidarily;

## all of the obligations of the Chargor will be deemed to be covenants by the Chargor in favour of the Chargee;

## all provisions of this Charge shall have full force and effect notwithstanding any applicable laws to the contrary unless specifically provided by such Applicable Laws; and

## if any term, covenant, obligation or agreement contained in this Charge or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Charge or the application of such term, covenant, obligation or agreement to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, obligation or agreement herein contained shall be separately valid and enforceable to the fullest extent permitted by law.

# **Extended Meaning**: A reference to any one or more of the Chargor or the Chargee shall be deemed to be a reference to the respective heirs, executors, administrators, legal representatives, successors and assigns of such party.

# **Time of Essence**: Time shall be of the essence in this Charge.

# **Promise to Pay:** The Chargor, for value received,hereby acknowledges itself indebted and promises to pay on demand to, or to the order of, the Chargee for and on behalf of the Chargee, the lesser of (i) the principal sum of MILLION DOLLARS ($ ) (the “**Loan**”), and (ii) the amount of the Indebtedness, in lawful money of Canada at the offices of the Chargee at the address for service noted in the Charge to which this Schedule is attached, or at such other place in Canada as the Chargee may designate by notice in writing to the Chargor, and to pay interest thereon from the date hereof at the rate of twenty five percent (25%) per annum (or such lesser rate as may be payable pursuant to the Loan Agreement), calculated and compounded semi-annually, not in advance, in like money at the same place **ON DEMAND** after an Event of Default (as this term is defined in the Loan Agreement) has occurred and is continuing; and, if the Chargor should at any time make default in the payment of any principal or interest, to pay interest on the amount in default at the same rate in lawful money of Canada at the same place.

# **Continuing and Additional Security:** This Charge shall not be considered as satisfied or discharged by any intermediate payment of a part of the principal sum herein stipulated but shall constitute and be a continuing security to the Chargee and shall be in addition to and not in substitution for any other security now or hereafter held by the Chargee in respect of the Secured Obligations.

# **Mortgage and Charge:** As continuing security for the due payment of all Indebtedness and the performance by the Chargor of all of its covenants comprising the Secured Obligations, subject only to the reservation as to leaseholds contained in Section 9 and Permitted Encumbrances (as this term is defined in the Loan Agreement) to the extent that there are any:

## the Chargor hereby grants, mortgages and charges in favour of the Chargee, as and by way of a fixed and specific charge and a grant of a security interest, all of the Chargor’s undertaking, property (including all present and after acquired personal property of the Chargor) and assets, both present and future, now owned or hereafter acquired by it, of whatsoever nature and kind and wheresoever situate, now or any time hereafter located at, placed, installed upon, used primarily in connection with, derived from or arising out of the Lands, including in and to the following:

### (A) the Freehold Lands; and

#### (B) as by way of a sublease or assignment, the Leasehold Lands;

### all leases and all rents and other monies payable thereunder to the Chargor relating to the Property and all benefits, advantages and powers to be derived therefrom and the benefit of any existing and future guarantees or indemnities with respect to any lease relating to the Property, with full power and authority to demand, sue for, recover, receive and give receipts for all rents and other monies payable thereunder to the Chargor and otherwise to enforce the rights of the landlord thereunder in the name of the Chargor;

### all chattels, machinery, equipment, apparatus and fittings and other fixtures situated on or within the Property or used in connection therewith that are owned or leased by the Chargor, including all washing machines, stoves, dryers, refrigerators, dishwashers, heating, lighting, incinerating, loading, unloading and power equipment, boilers, dynamos, stokers, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire prevention, fire extinguishing, ventilating and communications apparatus, air cooling and air conditioning apparatus and building materials;

### all debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Chargor relating to the Property and all monies owned or acquired by the Chargor relating to the Property and all claims at any time which the Chargor now has or may hereafter have relating to the Property;

### with respect to the personal property described in paragraphs (ii), (iii) and (iv), above, all books, accounts, invoices, letters, papers, documents and other records in any form (including computer tapes and disks) evidencing or relating thereto and all contracts, securities, instruments and other rights and benefits in respect thereof to the extent assignable;

### all goodwill, patents, trademarks, copyrights and other intellectual property and all other intangibles now or hereafter owned by the Chargor in relation to the Property, to the extent assignable;

### all contracts, permits and approvals to which the Chargor is a party pertaining to the use, operation and ownership of the Property or the construction of any improvements thereon, to the extent assignable;

### all insurance proceeds pertaining to the Property and payable to the Chargor;

### all monies and/or investments from time to time held by the Chargee or any other Secured Party and all collateral for the Secured Obligations from time to time held by the Chargee (or any other Secured Party) and which, in each case, under the Loan Agreement, are to be held as part of the Charged Premises, including any account established pursuant to the Loan Documents and, subject to the foregoing, all monies and investments comprising all such accounts;

### any and all expropriation awards or payments to which the Chargor is entitled, including interest paid or payable thereon, and the right to receive the same which may be made with respect to the Property, or any part thereof;

### the fee simple estate in and to any Leasehold Lands should such estate be acquired by the Chargor; and

### all materials, supplies, inventories, machinery, implements, furniture, equipment and apparatus of every kind not constituting part of, affixed on or situate at the Property but ordered or acquired or intended to be affixed thereto, situate thereon or incorporated therein or used exclusively in connection therewith; and

## the Chargor hereby grants, mortgages and charges, as and by way of a floating charge and security interest in favour of the Chargee, all of the Chargor’s undertaking, property and assets, both present and future, now owned or hereafter acquired by it, of whatsoever nature and kind and wheresoever situate, relating to the Property (other than such property and assets as are effectively and validly subject to the fixed and specific charge and security interest contained in Subsection (a) hereof).

## **TO HAVE AND TO HOLD** the Charged Premises, the mortgages, pledges, charges, assignments and security interests hereunder and all rights hereby conferred unto the Chargee forever, but in trust, nevertheless, and for the uses and purposes and with the powers and authorities and subject to the terms and conditions herein set forth.

## For greater certainty and notwithstanding anything else herein to the contrary: (i) subject to subparagraph (ii) immediately below and Section 9, the security constituted hereby shall extend to, and the Charged Premises shall include, all present and future undertaking, property and assets described in this Section 8 of the Person resulting from any merger, consolidation or amalgamation of the Chargor into or with any other Person, and so on from time to time; and (ii) the security constituted hereby does not and shall not extend or attach to, and the Charged Premises shall not include, any agreement, right, franchise, licence, lease, sublease, sub-sublease, permit or other obligation of whatever nature or kind (the “**Contractual Rights**”) to which the Chargor is a party, is bound by, or has the benefit of, to the extent that a Consent is required with respect thereto; however, the Chargor shall hold its interest in such Contractual Rights in trust, to the extent permitted, for the Chargee, and shall upon the request of the Chargee, assign such interest to the Chargee forthwith upon obtaining the Consent.

## For greater certainty and notwithstanding anything else herein to the contrary, if the Property is located in the Province of Ontario, the security constituted hereby shall extend to and the Charged Premises (subject to subparagraph (ii) in the previous paragraph and Section 9) shall include, and the Chargor hereby grants the Chargee a security interest in, to the extent not already included, all present and future acquired personal property (as such terms are defined in the Personal Property Security Act (Ontario)) of the Chargor relating to or forming part of the Property;

# **Reservation of Last Day of Term**: Provided always that the last day of the term of any lease, sublease or sub-sublease, including the Chargor’s interest as lessee under any Leasehold Estate Agreement, is hereby and shall be excepted out of the security constituted by this Charge or by any other instrument supplemental hereto, and does not and shall not form part of the Charged Premises, but the Chargor shall stand possessed of the last day of any lease, sublease, sub-sublease or agreement therefor relating to the Property, including the Chargor’s interest as lessee under any Leasehold Estate Agreement, and forming part of the Charged Premises in trust for the Chargee for the purpose of these presents to assign and dispose thereof as the Chargee shall, for such purpose, direct and, in the case of any such lease, sublease, sub-sublease or agreement therefor, including the Chargor’s interest as lessee under any such Leasehold Estate Agreement, now or hereafter acquired by the Chargor as lessee, upon any sale or sales of any such leasehold interest or any part thereof, the Chargee, for the purpose of vesting the aforesaid residue of any such term or any renewal thereof in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other Person or Persons, a new holder or holders of the aforesaid residue of any such term or renewal thereof in the place of the Chargor and to vest the same accordingly in the new holder or holders so appointed, freed and discharged from any obligation respecting the same.

# **Transferable**: This Charge shall be transferable by the Chargee without regard to any set-off, counterclaim or equities between the Chargor and any Secured Party.

# **Chargor to Notify**: The Chargor hereby agrees that, upon the reasonable request of the Chargee, the Chargor shall promptly notify each lessee under a lease of the assignment of rentals to the Chargee.

# **General Covenants**:

## The Chargor hereby agrees that if it acquires the fee simple estate to the Leasehold Lands, it shall execute and deliver to the Chargee, contemporaneously with the execution and delivery of the conveyances of the Leasehold Lands to the Chargor, a freehold charge having priority to any Encumbrances upon the Leasehold Lands, save and except Permitted Encumbrances affecting the freehold, substantially upon the terms and conditions of this Charge or as otherwise agreed upon between the Chargor and the Secured Party, of the Leasehold Lands acquired pursuant to such conveyance together with all Improvements then or thereafter constructed, erected or placed thereon with all their appurtenances in favour of the Chargee, for an amount equal to the principal sum, hereby secured accrued interest, any additional payments, together with any costs, charges and other moneys then outstanding under this charge at the time of such conveyance.

## The Chargor hereby agrees to develop, construct and operate the project contemplated to be constructed on the Lands in accordance with the commitments set forth in Schedule “A”.

# **Default**: Upon the occurrence of an Event of Default which is continuing, without the necessity of any further act or formality, the security hereby created will become enforceable.

# **Remedies**: Whenever the security constituted hereby has become enforceable, the Chargee may realize upon the Charged Premises and enforce its rights by any one or more of the following remedies, which remedies may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights the Chargee may have under the Loan Agreement, the other Loan Documents, at law or in equity:

## appointment by instrument in writing of a Receiver of all or any part of the Charged Premises and removal or replacement from time to time of any such Receiver;

## proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Charged Premises;

## take possession of all of the Charged Premises or any part or parts thereof with power, among other things, to exclude the Chargor therefrom, to preserve and maintain the Charged Premises and make additions and replacements thereto, to receive rents, income and profits of all kinds and pay therefrom all expenses of maintaining, preserving, constructing, completing, improving and protecting and operating the Charged Premises and all charges, payment of which may be necessary to preserve or protect the Charged Premises, and enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including power to advance its own moneys at the rate provided herein (or such lesser rate as may be payable pursuant to the Loan Agreement, as applicable) and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof;

## proceedings in any court of competent jurisdiction for foreclosure and/or sale of all or any part of the Charged Premises;

## with or without taking possession, take any action or proceedings to enforce the performance of any covenant in favour of the Chargor in respect of the Charged Premises;

## amend, negotiate, terminate or modify any agreement forming part of the Charged Premises;

## whether or not the Chargee has taken possession of the Charged Premises or any part thereof, sell, lease or otherwise dispose of, or concur in selling, leasing or otherwise disposing of, all or any part of the Charged Premises by public auction, by public tender or by private contract, either for cash or on credit, on such terms as to credit and otherwise and subject to such conditions as the Chargee shall determine; in connection therewith, the Chargee may buy in or at an auction or rescind or vary any contract for sale without being answerable for any loss occasioned thereby, in the case of a sale on credit, the Chargee shall be bound to account to subsequent encumbrancers and to the Chargor only for such money as has been actually received by the Chargee and then only after satisfaction of the Secured Obligations;

## filing of proofs of claim and other documents to establish claims in respect of the Secured Obligations in any proceeding relating to the Chargor; and

## any other remedy or proceeding authorized or permitted hereby, by the other Loan Documents or by law or equity.

# **Powers of Receiver**: Any Receiver appointed by instrument in writing shall have power to:

## take possession of, collect and get in all or any part of the Charged Premises and, for that purpose, to take proceedings in the name of the Chargor or otherwise;

## carry on or concur in carrying on all or any part of the business of the Chargor with respect to the Charged Premises;

## construct, improve, maintain, manage, operate, repair, renew, amend, replace and restore the Charged Premises or any part thereof;

## carry out negotiations for leases and grant options to lease, agree to lease and lease the whole or any part of the Charged Premises until the same is fully sold or leased, without notice and in such manner as may seem advisable to the Receiver and to effect any such negotiation, option to lease, agreement to lease or lease in the name and on behalf of the Chargor or otherwise;

## surrender or accept the surrender of any Lease forming part of the Charged Premises;

## amend, negotiate, terminate or modify any agreement forming part of the Charged Premises;

## sell, lease, grant options to purchase or otherwise dispose of, or concur in selling, leasing or otherwise disposing of, all or any part of the Charged Premises by public auction, by public tender or by private contract, either for cash or on credit without notice and in such manner as may seem advisable to the Receiver and on such terms as to credit and otherwise and subject to such conditions as the Receiver shall determine; in connection therewith, the Receiver may effect any such sale, lease, option or other disposition by conveying the Charged Premises or part thereof in the name and on behalf of the Chargor or otherwise and buy in or at an auction or rescind or vary any contract for sale without being answerable for any loss occasioned thereby; in the case of a sale on credit, the Receiver shall be bound to account to subsequent encumbrancers and to the Chargor only for such money as has been actually received by the Chargee from purchasers after satisfaction of the Secured Obligations;

## resell or re-lease the whole or any part of the Charged Premises without being answerable for any loss occasioned thereby, subject to the last paragraph of this Section 15;

## rescind or vary any contract or agreement of sale or lease in respect of the whole or any part of the Charged Premises;

## make any stipulation as to title or conveyance or commencement of title;

## borrow or raise money on the security of all or any part of the Charged Premises in priority to this Charge or otherwise for such purposes as may be approved by the Chargee, including the power to borrow money for the purpose of carrying on the business of the Chargor in respect of the Charged Premises or constructing, improving, maintaining, managing, operating, repairing, renewing, amending, replacing or restoring the Charged Premises or otherwise in such amount and in such manner as will, in the opinion of the Receiver, be sufficient for obtaining upon the security of the Charged Premises or part thereof the amounts from time to time required, and in so doing the Receiver may issue certificates (“**Receiver’s Certificates**”) which may be payable at such time or times as the Receiver may think expedient and may bear interest as shall be stated therein and the amounts from time to time payable by virtue of such Receiver’s Certificates shall form a mortgage, security interest and charge upon the Charged Premises in priority to the mortgages, security interests and charges constituted by this Charge;

## make any arrangement or compromise which the Receiver considers expedient, acting reasonably, in the interests of the Chargee in relation to the Charged Premises, or release in whole or in part the Charged Premises and exchange any part or parts of the Charged Premises for any other property upon such terms as the Receiver considers expedient, acting reasonably, either with or without payment of money for equality of exchange or otherwise;

## execute and prosecute all suits, proceedings and actions in the name of the Chargor or otherwise in relation to the Charged Premises, defend all suits, proceedings and actions against the Chargor or the Receiver in relation to the Charged Premises, appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and appeal any suit, proceeding or action in relation to the Charged Premises, which the Receiver considers necessary, acting reasonably, for the reasonable and proper protection of the Charged Premises; and

## engage and retain accountants, lenders, appraisers, assistants, lawyers, managers and other experts.

The Receiver shall be vested with such other powers and discretion of the Chargee as are granted in the instrument of appointment and any supplement thereto. The Receiver shall, subject to Applicable Law, for all purposes be deemed to be the agent of the Chargor and not of the Chargee, and the Chargor shall be solely responsible for the Receiver’s acts, omissions or defaults (other than those resulting from the Receiver’s gross negligence or wilful misconduct) and for his remuneration. Proceeds from time to time received by the Receiver shall be applied in accordance with the applicable provisions of the Loan Agreement. Unless required by law, neither the Chargee nor any Receiver appointed by it will be required to give the Chargorany notice of any sale, lease or other disposition of the Charged Premises or any part thereof or the date after which any private disposition of the Charged Premises or any part thereof is to be made.

# **Chargee and Receiver as Attorney**: To enable the Chargee and the Receiver to exercise the powers granted to them pursuant to Sections 14 and 15, the Chargor hereby irrevocably appoints each of the Chargee and the Receiver following the occurrence of any Event of Default and for so long as such Event of Default is continuing, to be an attorney of the Chargor (such power of attorney, being coupled with an interest, shall not be revoked by the dissolution, surrender of charter, winding-up, bankruptcy or insolvency of the Chargor) in relation to the Charged Premises, including: to carry out any sale, lease or other disposition of the Charged Premises or any part thereof following the occurrence of an Event of Default which is continuing, by conveying the same in the name and on behalf of the Chargor but under the seal of the Chargee or the Receiver, as the case may be, and any deed, transfer or other document signed by the Chargee or the Receiver under the seal of the Chargee or the Receiver, as the case may be, pursuant hereto shall have the same effect as if it had been executed under the common seal of the Chargor in the presence of the Chargor’s duly authorized officers in that behalf, and for the purposes hereof the Chargor hereby irrevocably appoints each of the Chargee and Receiver as authorized signatory of the Chargor.

# **Persons Dealing with Chargee or Receiver**: The Chargor agrees that no Person dealing with the Chargee or the Receiver shall be required to inquire whether the security constituted hereby has become enforceable, or whether the powers which the Chargee or the Receiver are purporting to exercise have become exercisable, or whether any amount remains owing in respect of the Secured Obligations, or as to the necessity or expediency of the stipulations and conditions subject to which any sale, lease or other disposition or any other dealing is to be made, or otherwise as to the propriety or regularity of any sale, lease or other disposition or of any other dealing by the Chargee or the Receiver with the Charged Premises or any part thereof, or to see to the application of any amount paid to the Chargee or the Receiver, and the Chargor hereby waives each and every claim it may have against any Person dealing with the Chargee or the Receiver; and, in the absence of fraud on the part of such Person, such dealings shall be deemed, in so far as regards the safety and protection of such Person, to be within the powers hereby and by the Loan Agreement conferred and to be valid and effectual accordingly.

# **Surrender by the Chargor**: Upon the occurrence of an Event of Default that is continuing, the Chargor will yield up possession of the Charged Premises to the Chargee or to any Receiver upon demand in writing and agrees to put no obstacle in the way of, but to facilitate by all means, the action of the Chargee or the Receiver hereunder and not to interfere with the carrying out of the powers hereby granted by the Chargor and, if an Event of Default occurs and is continuing, the Chargor will and hereby does consent to the appointment of the Receiver with such powers as the Chargee is hereby vested with if so required by the Chargee. The Chargor shall not, after receiving notice from the Chargee or the Receiver that it has taken possession of the Charged Premises, continue in possession thereof, unless with the express written consent and authority of the Chargee or the Receiver, and shall forthwith, by and through the authorized representatives of the Chargor, execute such documents and transfers as may be necessary to place the Chargee or the Receiver, as the case may be, in legal possession of the Charged Premises. After receipt of such notice, all the rights, powers, privileges and functions of each of the directors and officers of the Chargor shall cease and determine with respect to the Charged Premises unless specifically continued in writing by the Chargee or unless the same shall have been restored to the Chargor.

# **Further Encumbrances; Sales**: The Chargor shall not create or suffer to exist any Encumbrance upon the Charged Premises or any part thereof, or interest therein, whether ranking in priority over, *pari* *passu* with or subordinate to the security constituted by this Charge, except in accordance with, and subject to, the applicable terms of the Loan Agreement. The Chargor shall not permit any sale, lease or other disposition of the whole or any part of the Property or any rights or interest therein, except in accordance with, and subject to, the applicable terms of the Loan Agreement.

# **No Release**: This Charge shall remain in full force and effect without regard to:

## any amendment, modification or replacement of or addition or supplement to any Loan Document, any other agreement between the Chargor and the Chargee or any other Security (which term shall include any guarantee or indemnity) provided to the Chargee;

## any exercise or non-exercise of any right, remedy, power or privilege in respect of this Charge, any Loan Document, any other agreement between the Chargor and the Chargee or any other Security (which term shall include any guarantee or indemnity) provided to the Chargee;

## any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Charge, any Loan Document, any other agreement between the Chargor and the Chargee or any other Security;

## any default by the Chargor under, or any invalidity or unenforceability of, or any limitation on the liability of the Chargor or on the method or terms of payment under, or any irregularity or other defect in any Loan Document, any other agreement between the Chargor and the Chargee or any other Security;

## any merger, consolidation or amalgamation of the Chargor into or with any other Person; or

## any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Chargor or any other Person.

# **Chargee’s Rights Generally**: The Chargor covenants and agrees with the Chargee that:

## all powers, privileges, remedies and rights of the Chargee hereunder are cumulative and no such power, privilege, remedy or right is exhaustive but is in addition to each other power, privilege, remedy and right of the Chargee hereunder or under any other agreement or document now or hereafter existing at law or in equity or by statute; and

## the Chargee may realize upon or enforce all or any part of any mortgage, charge or security interest which the Chargee now or from time to time may hold from the Chargor or any other Person in respect of the Secured Obligations including the mortgages, charges and security interests created hereby in any order the Chargee may desire and any realization or enforcement by any means upon any such charge or security interest shall not bar realization or enforcement upon any other such charge or security interest, notwithstanding any rule of law or equity or statute.

# **Application of Money**: The money arising from the enforcement of the security created by this Charge as a result of the possession by the Chargee or the Receiver of the Charged Premises, or any part thereof or from any sale, lease or other disposition of, or realization of security on, the Charged Premises or any part thereof (except following foreclosure or other acceptance of the Charged Premises or part thereof in satisfaction of the Secured Obligations) will be applied by the Chargee or the Receiver in the manner contemplated in the Loan Agreement.

# **Discharge**: The Chargor will not be discharged from this Charge except by a release or discharge signed in writing by the Chargee. Upon due payment in full of all Indebtedness and the full and final satisfaction by the Chargor of all of the Secured Obligations, the Chargor may request in writing that the Chargee provide the Chargor with a registrable discharge of this Charge and the Chargee shall execute and deliver such registrable discharge within a reasonable time.

# **Waiver**: The Chargee may, subject to the terms, if any, of the Loan Agreement, waive any default by the Chargor in the observance or performance of any of the terms hereof and of any other agreement or document of which the Chargee has the benefit and may, subject to the terms, if any, of the Loan Agreement, waive its rights arising from the occurrence of any Event of Default; provided that each such waiver shall be effective against the Chargee only if given by the Chargee in writing; and no such waiver and no act or omission of the Chargee shall extend to or be taken in any manner whatsoever to affect any other or subsequent default or occurrence or the rights arising therefrom or to effect a waiver thereof. The inspection or approval by the Chargee of any document or matter or thing done by the Chargor shall not be deemed to be a warranty or holding out of the adequacy, effectiveness or binding effect of such document, matter or thing or a waiver of the Chargor’s obligations hereunder.

# **Compromise or Release**: The Chargee may, at any time and from time to time, at its option, compound, compromise or release any one or more Persons, including the Chargor, of all or any part of the Secured Obligations, or all or any part of the Charged Premises or any other mortgage, charge or security interest held by the Chargee in respect of the Secured Obligations, either with or without consideration therefor, without being accountable to any Person for the value thereof or any amount except the amount actually received by the Chargee and without releasing the Chargor from this Charge or from the performance of the covenants contained herein and no such compounding, compromise or release shall diminish the charges and security interests created hereby against the Charged Premises remaining unreleased or any other charges and security interests held by the Chargee.

# **No Merger**: The terms and conditions contained in the Loan Agreement shall survive the execution and delivery of this Charge. This Charge shall not operate so as to create any merger or discharge of any of the Secured Obligations, or any assignment, transfer, agreement, lien, contract, promissory note, bill of exchange or security interest of any form now held or which may hereafter be held by the Chargee from the Chargor or from any other Person whomsoever. Neither the taking of a judgment nor the exercise of any power of seizure and sale with respect to any of the Secured Obligations will operate as a merger of any of the covenants contained in this Charge or affect the right of the Chargee to interest at the rate hereinbefore specified or such lesser rate as may be payable pursuant to the Loan Agreement.

# **Expenses**: The Chargor shall pay to the Chargee forthwith upon demand all costs and expenses, including all costs, charges and expenses (including legal fees on a solicitor and his own client basis) incurred by the Chargee or its agents, including a Receiver, in connection with the recovery or enforcement of payment of any of the monies owing hereunder, including all such costs, charges and expenses in connection with taking possession, protecting, preserving, collecting or realizing upon any part of the Charged Premises, or any part thereof, together with interest thereon at the highest interest rate then payable in connection with any Secured Obligations then outstanding from the date of incurring such costs, charges and expenses. All such sums, together with such interest thereon shall be added to the Secured Obligations and shall be secured hereby.

# **Charge Valid Irrespective of Advances**: The charges hereby created shall be deemed to be effective and shall have effect whether or not the moneys hereby secured or any part thereof shall be advanced before or after or at the same time as the issue of this Charge or before or after or upon the date of the execution of this Charge.

# **Liability of Secured Parties**: Subject to the gross negligence or wilful misconduct of the Secured Party, and except as may be required by Applicable Law, a Secured Party shall not be responsible or liable for any debts contracted by it, for damages to Persons or property or for salaries or non-fulfilment of contracts during any period when such Secured Party shall manage the Charged Premises upon entry, nor shall a Secured Party be liable to account as Chargee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which such Secured Party in possession may be liable. Subject to the gross negligence or wilful misconduct of a Secured Party, such Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Chargor of any obligations or covenants imposed upon the Chargor.

# **Continuing Security**: This Charge is given as general and continuing security for the Secured Obligations and not in substitution for or in satisfaction thereof. The terms and conditions of this Charge shall remain binding and effective on the parties hereto until discharged by the Chargee as contemplated in the Loan Agreement hereof and shall not merge in or be extinguished by any other Loan Document or any judgment taken against the Chargor or any other Person for breach of its obligations under this Charge or any other Loan Document. The Secured Obligations will be paid without regard to any equities between the Chargor, and the Chargee or any other Person or any right of set-off or counterclaim.

# **No Obligation to Realize**: The Chargee shall not be liable or accountable for any failure to collect, enforce or realize, sell or obtain payment of the Charged Premises or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Chargee, the Chargor or any other Person in respect of the Charged Premises, and shall have no obligation to take any steps, or cause any steps to be taken, to preserve rights against prior parties to any of the Charged Premises whether or not in the Chargee’s possession. Further, the Chargee shall not be obliged to marshal any of the security held by it in respect of the obligations secured.

# **After Acquired Property:** The Chargor covenants and agrees that if and to the extent that any of its right, title, estate and interest in any of the Charged Premises is not acquired until after delivery of this Charge, this Charge shall nonetheless apply thereto and the security interests of the Chargee hereby created shall attach to any such Charged Premises at the same time as the Chargor acquires rights therein, without the necessity of any further mortgage, charge, pledge, assignment or other assurance and thereafter the security interests created hereby in respect of such Charged Premises shall, subject to any limitation set forth in paragraphs (a)(v), (a)(vi), (a)(vii), (b) and the last paragraph of Section 8 and Section 9, be absolute, fixed and specific.

# **Attachment**: The Chargor hereby acknowledges and agrees that there is no agreement between the parties hereto, express or implied, to postpone the attachment of the security interests created hereby.

# **Copies**: The Chargor acknowledges receipt of a fully executed copy of this Charge and a copy of the financing statement filed in connection therewith. Notwithstanding the foregoing, to the extent permitted by law, the Chargor hereby waives any entitlement to receive any financing statement, financing change statement or verification statement pertaining to a registration of or in respect of this Agreement.

# **Other Security**: The provisions of this Charge shall be in addition to and not in substitution for the provisions of the Security or any other security or evidence of liability in respect of the Secured Obligations, all of which shall be construed as complementary to each other. Nothing contained herein shall prevent the Chargee from enforcing any of the Security, or other security or evidence of liability in accordance with its terms. Payment under this Charge shall not be deemed to constitute payment under any other fixed and/or floating charge Mortgage granted by any other Person pursuant to the Loan Agreement.

# **Notices**: Any demand, notice or other communication to be given in connection with this Charge shall be given in accordance with the terms of the Loan Agreement. Notwithstanding the foregoing, if any statute in force in the Province or Territory in which the Property is situated relating to the enforcement of this Charge requires notice to be given in a manner different from that set forth in the Loan Agreement, notice given in the manner prescribed by such statute shall be effectively made hereunder.

# **No Partnership**: Nothing herein contained shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and Chargee or of partnership or of joint venture between the Chargor and the Chargee; it being understood and agreed that none of the provisions herein contained or any acts of the Chargee or of the Chargor, shall be deemed to create any relationship between the Chargee and the Chargor other than the relationship of Chargee and Chargor.

# **Amendments**: No amendment to this Charge will be valid or binding unless set forth in writing and duly executed by each of the parties hereto.

# **Further Assurances**: The Chargor covenants and agrees with the Chargee that the Chargor will, forthwith at any time and from time to time at the request of the Chargee and at the cost of the Chargor, execute and deliver to the Chargee all deeds and documents and do all acts and things which the Chargee may reasonably require for the purpose of granting a fixed and floating charge against and security interest in and assuring, confirming, mortgaging, pledging and transferring to the Chargee the Charged Premises and carrying into effect the purposes of this Charge.

# **Conflict**: In the event of a conflict between the terms and provisions of this Charge and the terms and provisions of the Loan Agreement, the terms and provisions of the Loan Agreement shall prevail, and the terms and conditions of this Charge will be deemed to be amended to the extent necessary to eliminate such conflict, ambiguity or inconsistency. Notwithstanding the foregoing, in the event that this Charge contains remedies which are in addition to or different from the remedies set forth in the Loan Agreement, the existence of such remedies shall not constitute a conflict with the terms of the Loan Agreement.

# **Severability:** The invalidity or unenforceability of any provision of this Charge shall not affect the validity or enforceability of any other provision, but shall be deemed to be severable, except where such invalid or unenforceable provision or covenant is a condition hereof.

# **Governing Law**: This Charge and the rights and obligations of the parties hereunder shall be governed by and be constructed in accordance with the laws of the Province or Territory in which the Property is located and the laws of Canada applicable therein. Each of the Chargor and the Chargee hereby submit and attorn to the jurisdiction of the Courts of the Province or Territory in which the Property is located.

# **No Merger of Estates**: There will not be deemed to be any merger of this Charge, nor of the rights and interests of the Chargee under this Charge, with the estate in the Property or with the reversion or rights and interests of the Chargoror the Chargee under any instrument affecting the Charged Premises by reason only of the fact that the same Person may own or acquire, directly or indirectly, two or more estates, rights or interests in the Charged Premises until all Persons having any interest under this Charge, the estate in the Property or with the reversion or rights and interests of the Chargoror the Chargee under any instrument affecting the Charged Premises, by an appropriate instrument, so declare and provide.

# **Perfection of Security**: The Chargor authorizes the Chargee to file such financing statements and other documents and to complete and add schedules identifying all or any part of the Charged Premises, as the Chargee may consider appropriate to perfect and continue the security created by this Charge, to protect and preserve the interest of the Chargee in the Charged Premises and to realize upon the Mortgage.

# **Binding on Successors, etc**.: This Charge will be binding upon the successors and assigns of the Chargor and the Chargee and shall enure to the benefit of: (a) the Chargee and its successors and its assigns; and (b) to the Chargor and its permitted successors and permitted assigns. The rights and obligations of the Chargee under this Charge may be assigned by the Chargee in accordance with the provisions of the Loan Agreement. The rights and obligations of the Chargor under this Charge may not be assigned except in accordance with the provisions of the Loan Agreement.

# **Ontario Provisions**: If the Property is situated in the Province of Ontario, the implied covenants deemed to be included in a charge under subsection 7(1) of the *Land Registration Reform Act* (Ontario) will be and are hereby expressly excluded from the terms of this Charge.

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**SCHEDULE “A”**

**CHARGOR COMMITMENTS**

*INSERT SPECIFIC CRITERIA LISTED IN THE COI INTO THIS SCHEDULE*

The Chargor hereby agrees to develop, construct and operate the project contemplated to be constructed on the Lands (the “**Project**”) as provided for in the commitment of insure dated (“**COI**”) issued by the Canadian Mortgage and Housing Corporation, as the COI may be amended, restated, replaced or extended from time to time, in accordance with the following requirements:

1. Affordability – ;

2. Social Outcome/Accessibility – ;

3. Energy Efficiency – ; and

4. Environmental – .

The Chargor acknowledges that the foregoing covenants are intended to achieve certain social outcomes during the term of this Charge and after the repayment of the Loan and are of fundamental importance to the federal government of Canada and its agencies, including the Chargee and the Loan would not be made without the Chargor agreeing to the foregoing. Accordingly, this Schedule A shall survive any repayment of the Loan and the discharge of this Charge until the th anniversary of the day first occupancy of the Project is permitted by the relevant governmental authority and the Chargee shall have the right to bring an action against the Chargor for breach of covenant in connection therewith.