

THE KING'S BENCH
WINNIPEG CENTRE

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER
PURSUANT TO SECTION 243 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C.
1985, c. B-3, AS AMENDED, AND SECTION 55
OF *THE COURT OF KING'S BENCH ACT*,
C.C.S.M. c. C280

BETWEEN:

PEOPLES TRUST COMPANY,

Applicant,

- and -

BOKHARI DEVELOPMENT INC.,

Respondent.

AFFIDAVIT OF BRIAN JAHOOOR
SWORN: AUGUST 23, 2023

Thompson Dorfman Sweatman LLP
1700 – 242 Hargrave Street
Winnipeg MB R3C 0V1
(Matter No. 0203716 MAC)
(Ross A. McFadyen, Tel: 204-934-2378)
(Mel M. LaBossiere, Tel: 204-934-2508)
(Email: ram@tdslaw.com / mml@tdslaw.com)

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BETWEEN:

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- and -

BOKHARI DEVELOPMENT INC.,

Respondent.

AFFIDAVIT OF BRIAN JAHOOR

I, BRIAN JAHOOR, of the City of Toronto, in the Province of
Ontario, Manager, Credit and Default,

MAKE OATH AND SAY THAT:

1. I am employed in the position of Manager, Credit and Default, with the Applicant, Peoples Trust Company. In that role, I have had primary responsibility for the Applicant's dealings with the Respondent, Bokhari Development Inc. ("**BDI**"), in connection with the mortgage of the property commonly known as 1801-1825 Park Drive in Portage la Prairie, Manitoba (the "**Portage Property**"). As such, I have personal knowledge of the matters herein deposed to by me save and except where any of the same are stated to be based on information and belief, in which case, I believe them to be true.

Parties and Background

2. The Applicant is a federally regulated trust company incorporated pursuant to the provisions of the *Trust and Loan Companies Act*, S.C. 1991, c. 45, as amended, which carries on business as a provider of financial services, including mortgage lending. The Applicant operates business across Canada, including Manitoba, out of its head office located in Vancouver, British Columbia, and regional offices located in Calgary, Alberta, and Toronto, Ontario.

3. BDI is a corporation duly incorporated under the laws of the Province of Manitoba and at all material times has carried on business as a property developer in connection with the development and construction of a multi-building affordable housing complex consisting of 208 rental units (the “**Project**”) located at the Portage Property. At all material times, Darcy Shaver (“**Shaver**”) and Syed Bokhari (“**Bokhari**”) have been directors and officers of BDI.

4. Attached hereto as **Exhibit “A”** is a true copy of a Companies Office (Manitoba) search for BDI dated August 22, 2023, 2023.

The Loan and Security

5. On July 2, 2021, a Commitment Letter was executed on behalf of BDI in respect of a multi-family construction loan to be provided by the Applicant in connection with the Project and the Portage Property (the “**Loan**”). The Loan was in an amount of up to \$32,815,800.00, to be secured by way of a first mortgage against the Portage Property. Attached hereto and marked as **Exhibit “B”** is a true copy of the Commitment Letter executed on behalf of BDI that was provided to the

Applicant's office, including the Certificate of Insurance from Canada Mortgage and Housing Corporation ("**CMHC**") referenced therein.

6. The security provided by BDI in support of the Loan included the following:

- (a) A Mortgage of the Portage Property in favour of the Applicant dated August 30, 2021 (the "**Mortgage**"). Attached hereto and marked as **Exhibit "C"** is a true copy of the Mortgage along with Schedule "A" and the Standard Charge Mortgage Terms (No. 1028245) of CMHC as incorporated into the Mortgage;
- (b) A General Security Agreement dated August 30, 2021 creating a security interest in favour of the Applicant over all present and future undertaking and property, both real and personal, of BDI, comprising, located at, arising from, or in any way relating to the Portage Property. Attached hereto and marked as **Exhibit "D"** is a true copy of the General Security Agreement; and

- (c) A General Assignment of Rents and Leases dated August 30, 2021 in favour of the Applicant pursuant to which BDI assigned and granted a security interest to the Applicant in all benefits and advantage of leases relating to the Portage Property and all rents arising from, payable under or related to such leases. Attached hereto and marked as **Exhibit “E”** is a true copy of the General Assignment of Rents and Leases

7. Attached hereto and marked as **Exhibit “F”** is a true copy of Status of Title No. 3015541/3 obtained from a search of the Manitoba Land Titles Registry with respect to the Portage Property dated August 15, 2023. The registrations against the Portage Property as disclosed on the Status of Title are as follows:

- (a) Caveat No. 33684/3 in favour of The Manitoba Telephone System;
- (b) Caveat No. 38556/3 in favour of Manitoba Hydro;

- (c) Caveat No. 39479/3 in favour of Manitoba Telephone System;
- (d) Easement No. 1164848/3 in favour of MTS Inc.;
- (e) Caveat No. 1202806/3 in favour of The City of Portage la Prairie in connection with a development agreement;
- (f) The Mortgage in favour of the Applicant (being Mortgage No. 1217450/3);
- (g) Caveat No. 1217451/3 in favour of the Applicant, relating to the General Assignment of Rents and Leases;
- (h) Personal Property Security Notice No. 1217452/3 in favour of the Applicant, relating to the General Security Agreement;
- (i) Builders' Lien No. 1229156/3 in favour of 6332189 Manitoba Ltd. operating as Gateway Projects ("**Gateway Projects**") in the amount of \$2,573,550.00;

- (j) Builders' Lien No. 1229581/3 in favour of Golden Heating and Cooling Ltd. ("**Golden HC**") in the amount of \$223,898.00.; and
- (k) Builders' Lien No. 1229706/3 in favour of Raycan Exteriors Inc. ("**Raycan**") in the amount of \$116,340.00.

8. The Caveats and the Easement registered against the Portage Property in priority to the Mortgage do not appear to be encumbrances of a financial nature. True copies of the Builders' Liens registered in favour of Gateway Projects, Golden HC and Raycan are attached hereto and marked as **Exhibit "G"**.

9. Attached hereto and marked as **Exhibit "H"** is a true copy of the Manitoba Personal Property Security Registry ("**PPSR**") search dated August 15, 2023 with respect to BDI. The only registration in the PPSR relating to BDI is in favour of the Applicant, in respect of the security agreements referenced above.

Default and Current Status

10. Between October 6, 2021 and May 26, 2023, the Applicant advanced a total of \$20,561,138.10 to BDI by way of twenty-one approved draws on the Loan in accordance with the terms of the Loan and the Mortgage.

11. The construction phase of Project was initially intended to be completed by March 30, 2023. However, in or about November, 2022, the Applicant was advised by the Alexander Durand, a mortgage broker with MCommercial, that BDI was experiencing delays with the Project. Between November of 2022 and March of 2023, the Applicant worked with BDI, through Mr. Durand, to set a revised schedule for the completion of the Project. In or around March of 2023, the completion date of the Project was confirmed as September 30, 2023. Due to recent developments more particularly described at paragraphs 12-17 and 21-28 below, it is unclear when the Project is now scheduled be completed, if at all. Attached hereto and marked as **Exhibit "I"** is a true copy of e-mail correspondence between Mr. Durand and Darryl Morley of the Applicant dated between November 9, 2022, and March 23, 2023, regarding the completion date for the Project.

12. On or about August 1, 2023, the Applicant was advised by Ben Weishaupt, a representative of BTY Group, that BDI had not provided BTY Group with updated bonding information as the Project had progressed and that certain contractors had been attempting to put bonds in place, but had stopped doing so when they were instructed by BDI to stop work on the Project. It now appears that while certain bonding was obtained by BDI at the commencement of the Project, BDI had failed to ensure that sufficient bonding was in place as the Project progressed. Attached hereto and marked as **Exhibit "J"** is a true copy of an e-mail dated August 1, 2023 from Mr. Weishaupt to Mr. Morley concerning the bonding issues.

13. In or about July, 2023, BDI defaulted on the monthly interest payments due under the Loan and Mortgage during the construction phase of the Project.

14. Also in July, 2023, BDI refused to approve a further draw on the Loan and Mortgage, which was required to facilitate payment of contractors and sub-contractors working at, and providing services and materials in connection with, the Project.

15. As a result, the Applicant has been made aware that certain contractors and sub-contractors claim to have not been paid in connection with services and materials provided in respect of the Project. Certain of those contractors and sub-contractors have filed builders' liens against the Portage Property, as referenced in paragraphs 7 and 8 above, and as shown at Exhibit "G".

16. The Applicant has not assessed the validity of the liens, or the quantum claimed by each lienholder. However, the failure of BDI to approve draws resulting in a stoppage of work on the Project and the financial deterioration of BDI and the Project, and the filing of liens against the Portage Property are defaults under the Loan and the Mortgage.

17. On July 13, 2023, the Applicant received a letter (the "**July 13 Letter**") from Shaver's lawyers, Holloway Thliveris LLP, setting out various concerns of Shaver in connection with the Project. Certain of the allegations made by Shaver in the July 13 Letter were concerning to the Applicant. In particular, the July 13 Letter indicates that:

- (a) The portion of the Project deemed complete by the quantity surveyor, BTY Group, is not consistent with amounts paid by BDI to contractors;
- (b) No labour or material bonds were secured by the general contractor, BDI, or Shaver and/or Bokhari on behalf of BDI, prior to the commencement of work on the Project;
- (c) The Project has been continuously delayed and at 18 months past anticipated completion date no sufficient reason has been provided for the delay;
- (d) Shaver has a significant lack of confidence that the Project can be completed within the current budget or that funds beyond the remaining advances from the Applicant will be available to BDI;
- (e) Shaver does not believe that the Project can be finished without further funds; and

- (f) Shaver is unsure whether any bonding can be secured for the remaining portion of the Project.

Attached hereto and marked as **Exhibit “K”** is a true copy of the July 13 Letter.

18. As a result of the July 13 Letter and the defaults under the Loan and Mortgage set out at paragraphs 12-16 herein, the Applicant retained the law firm of Thompson Dorfman Sweatman LLP (“**TDS**”) in July of 2023 to assist with this matter.

19. On August 3, 2023, given the continuing defaults under the Loan and Mortgage, TDS issued, on behalf of the Applicant, a Notice of Intention to Enforce Security to BDI pursuant to section 244 of the *Bankruptcy and Insolvency Act* (a “**NITES**”). Attached hereto and marked as **Exhibit “L”** is a true copy of the NITES dated August 3, 2023 and the covering letter that was delivered with it.

20. The records of the Applicant disclose that as of August 18, 2023, the total amount of indebtedness owing by BDI pursuant to the Loan and Mortgage was \$21,677,008.06, inclusive and interest and

costs. Interest has continued to accrue thereafter at 2.45% per annum. Further costs have also continued to accrue in accordance with the provisions of the Loan and the Mortgage.

21. I am advised by Melanie LaBossiere, a lawyer with TDS, that after the issuance of the NITES, on or about August 9, 2023, she received a call from Hill Sokalski Walsh LLP, counsel for Bokhari, indicating that an Order of the Manitoba Court of King's Bench (the "**Order**") had been granted against Shaver in King's Bench File No. CI 23-01-42219 (the "**Bokhari Action**") compelling him to transfer certain shares in BDI to Bohkari pursuant to a Bare Trust and Agency Agreement dated February 1, 2021 between Shaver and Bokhari whereby Shaver agreed to hold certain shares of BDI in trust for Bohkari. Attached hereto and marked as **Exhibit "M"** is a copy of the Order, consented to as to form by counsel for Shaver and counsel for Bohkari, which was submitted to the Court for execution by the Honourable Mr. Justice Harris.

22. Neither the Applicant nor TDS were advised of the Bokhari Action until Wednesday, August 9, 2023, which is the same day the Order was granted.

23. On August 9, 2023, Hill Sokalski Walsh LLP provided TDS with copies of the materials filed in the Bokhari Action, including:

- (a) Statement of Claim dated July 28, 2023 (the “**Statement of Claim**”). Attached hereto and marked as **Exhibit “N”** is a true copy of the Statement of Claim;
- (b) Affidavit of Syed Bokhari sworn August 7, 2023 (the “**Bokhari Affidavit**”). Attached hereto and marked as **Exhibit “O”** is a true copy of the Bokhari Affidavit; and
- (c) Affidavit of Scott Cannon sworn August 8, 2023 (the “**Cannon Affidavit**”, and together with the Statement of Claim and the Bokhari Affidavit, the “**Bokhari Action Materials**”). Attached hereto and marked as **Exhibit “P”** is a true copy of the Cannon Affidavit.

24. The Applicant has serious concerns about the allegations made in the Bokhari Action Materials. In particular, the Bokhari Action Materials indicate that:

- (a) The Applicant may have been intentionally misled as to the ownership structure of BDI from the outset in order to induce the Applicant and CMHC into entering into the Loan and the Mortgage;
- (b) The Portage Property has been abandoned by BDI and work has ceased on the Project;
- (c) The abandonment of the Portage Property has left it and possibly surrounding property in Portage la Prairie at risk of fire;
- (d) Funds advanced by the Applicant to BDI in connection of the Loan and the Mortgage may have been misappropriated by one or more persons;
- (e) The Project may have been grossly mismanaged;
- (f) Contractors may be unwilling to continue work on the Project if it remains in the control of BDI, Shaver and/or Bokhari; and

- (g) The status of the Project and anticipated completion is unclear.

25. As at the date of this Affidavit, the Applicant has no knowledge as to whether any shares in BDI have been transferred to Bokhari in accordance with the Order.

26. Due to the evidence pertaining to the immediate fire risk to the Portage Property as set out in the Bokhari Action Materials, TDS wrote a letter dated August 15, 2023 indicating that the Applicant had serious concerns about the security of the Portage Property, given that TDS had not been able to receive assurance from BDI, Shaver and/or Bokhari that the Portage Property had not been abandoned and did not constitute a fire risk. Attached hereto and marked as **Exhibit "Q"** is a true copy of the letter dated August 15, 2023 and covering e-mail attached thereto.

27. I am advised by Ms. LaBossiere of TDS that subsequently:

- (a) On August 16, 2023, she received a telephone call from Russell Sawatzky ("**Sawatzky**") with Gateway Projects,

the general contractor for the Project, indicating concerns that individuals were attending at the Portage Property without his knowledge, and advising that the Royal Canadian Mounted Police had been called to attend at the Portage Property;

- (b) On August 17, 2023, the lawyers for Shaver advised TDS and Bokhari's lawyers by email that Shaver had arranged for Bulldog Security Services to monitor the Portage Property;
- (c) Notwithstanding the notice provided by Shaver, on August 17, 2023, TDS received a copy of letter from the lawyers for Bokhari on August 18, 2023, addressed to an individual named Colin Durward (apparently a representative of the entity that Shaver had arranged security services through) advising that "any further trespass" at the Portage Property "will not be tolerated"; and

- (d) On August 21, 2023, Sawatzky advised TDS by email that Shaver and “his security” were preventing Sawatzky from accessing the Portage Property to remove certain equipment owned by Gateway Projects. Sawatzky further expressed concern that Shaver might remove such equipment without the consent of Gateway Projects which he stated would “amount to theft”.

Attached hereto and marked as **Exhibit “R”** are true copies of the correspondence referred to in subparagraphs (b) to (d) above.

28. On August 16, 2023, Shaver, through his lawyers, provided TDS with:

- (a) a Notice of Past Due Taxes issued by the City of Portage la Prairie to BDI showing property tax arrears owing in respect of the Portage Property in the amount of \$2,249.22. Attached hereto and marked as **Exhibit “S”** is a copy of the Notice of Past Due dated August 1, 2023; and

- (b) a notice issued to BDI by TD Canada Trust Canadian Collections Branch in respect of certain overdrawn amounts relating to a Business Chequing Account of BDI. Attached hereto and marked as **Exhibit “T”** is a copy of the notification issued by TD Canada Trust dated August 4, 2023.

29. On August 14, 2023, TDS wrote to counsels for BDI, Bokhari and, Shaver, respectively, by email and indicated that in order for the Applicant to seriously consider any plan to refinance or resume the Project, the parties would need to present a plan that provides for, at a minimum:

- (a) immediate payment of all arrears owing. As at the date of this Affidavit, the Applicant’s records show arrears of \$249,724.75 owing by BDI, on account of the missed interest payments on the Mortgage for July and August of 2023;
- (b) proof of BDI’s ability to make payments in accordance with the Loan and the Mortgage prior to any re-financing;

- (c) strict compliance with the terms of the Loan and Mortgage on a go-forward basis;
- (d) proof of funds sufficient to discharge the builders' liens registered against the Portage Property and a plan to pay contractors and discharge the said liens;
- (e) regular status updates on the ongoing litigation between Bokhari and Shaver;
- (f) immediate approval of necessary draws to fund the resumption of work at the Project;
- (g) immediate placement of appropriate bonding; and
- (h) a plan, including a timeline, to have a new lender in place to payout the Loan and the Mortgage.

Attached hereto and marked as **Exhibit "U"** is a true copy of the email from TDS dated August 14, 2023.

30. As at the date of this Affidavit, none of Bokhari, Shaver and/or BDI have presented any plan to the Applicant that would bring the Loan and Mortgage back in good standing and have work on the Project resumed, or provide for the repayment of the indebtedness owing to the Applicant.

31. As at the date of this Affidavit, the defaults under the Loan and Mortgage have not been cured by BDI.

Appointment of a Receiver

32. Despite issuance of the demands as referenced above, the amount outstanding and owing by BDI to the Applicant under the Loan and Mortgage remains unpaid. In the circumstances, the Applicant is at liberty to exercise all of its rights under the security agreements as described above, including but not limited to applying to this Honourable Court for a Receivership Order relating to the Portage Property.

33. On August 15, 2023, Shaver, through his lawyers, advised that he would consent to the appointment of a receiver with respect to the Portage Property. Attached hereto and marked as **Exhibit "V"** is a copy

of the e-mail from Shaver's lawyer dated August 15, 2023 indicating that Shaver would consent to the appointment of a receiver.

34. Aside from the failure of BDI to pay the amounts required under the Loan and Mortgage, the Applicant is also concerned about the alleged abandonment of the Portage Property and the apparent failure of BDI to make payment to contractors at the Project.

35. Moreover, the Bokhari Action Materials suggest that contractors may not be willing to continue work on the Project if it remains in the control of BDI.

36. The Applicant is also concerned that the dispute between Bokhari and Shaver, who each now apparently hold 50% of the shares in BDI, and the nature of the allegations made by Bokhari and Shaver against each other, will prevent another lender from agreeing to payout the indebtedness owing to the Applicant and providing the funds needed to complete the Project.

37. In addition, the Applicant has lost faith in the management of BDI and their ability to get the Project back on schedule. The Applicant is

concerned that if Bokhari and/or Shaver are permitted to remain in control of BDI and the Project, it will only result in additional litigation, further risk to the Portage Property and the Project, and substantial costs to the Applicant and other stakeholders.

38. The conduct of the parties after demand was issued, as evidenced in the correspondence attached to this Affidavit, seems to indicate that Bokhari and Shaver are unable and/or unwilling to work together cooperatively and effectively in respect of the Project.

39. The Applicant is also extremely concerned with the overall state of the Project, and the failure by management of BDI to ensure the progress of the Project and keep it on budget. This has likely had a negative impact on the value of the Portage Property and the ability of the Applicant to recover on its security. The Applicant believes that unless a receiver is appointed to take control of the Portage Property, the value of its security in the Portage Property will continue to deteriorate.

40. Additionally, the Applicant is concerned about the apparent lack of transparency from Bokhari and Shaver with respect to the ownership of BDI and the Project. The Applicant is also concerned that

funds advanced to BDI pursuant to the Loan and Mortgage may not have been used appropriately or will not be used appropriately, and may be difficult to recover if misapplied or misused.

41. For the reasons as set out above, the Applicant has lost confidence in the management of BDI as it relates to the Portage Property.

42. Accordingly, I believe that the Applicant is entitled to its remedies pursuant to the security agreements described above including, *inter alia*, the appointment of a receiver-manager over the Property.

43. I believe that KPMG Inc. is qualified to act as Receiver in this proceeding, and has consented to act in that capacity.

44. I make this Affidavit in good faith, and in support of Peoples' application to appoint a Receiver over the Property.

SWORN BEFORE ME by)
videoconference on this ___ day)
of August, 2023, at which time I)
saw and heard the deponent)
swear this document and sign it.)



BRIAN JAHOOR

The deponent proved their)
identity by means of one piece of)
government-issued photo)
identification.)

On this ___ day of August, 2023,
having received this originally
executed document, I signed it.

A Barrister-at-law entitled to practice
in and for the Province of Manitoba

**This is Exhibit "A" referred to in the
Affidavit of BRIAN JAHOOOR
annexed hereto sworn before me by videoconference
on the ____ day of _____, 2023, at which time I watched
the deponent swear this document and sign it.**

**On this ____ day of _____, 2023, having received
this original executed document, I signed it.**

**A Barrister-At-Law in and for
the Province of Manitoba**

File Summary

Registry No : 6945148
Entity Name : BOKHARI DEVELOPMENT INC.

As of : 22-Aug-2023

Entity Name : BOKHARI DEVELOPMENT INC.
Registry No : 6945148
Business No : 806491775MC0001
Current Status : Active (Revived)

Entity Type : BUSINESS CORPORATION
Entity Sub Type : MB SHARE CORPORATION

Incorp/Amalg Date : 18-Jun-2014
Home Jurisdiction : MANITOBA
Annual Return/Renewal Date : 31-Jul-2024
Year of Last A/R - Renewal : 2023
Nature of Business : CONSTRUCTION
NAICS Code : 23

Registered Office Address :
Effective date, if changing address : 01-Feb-2021
Address : KNIGHT LAW OFFICE, 202 - 900 HARROW ST. E.
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3M 3Y7

Mailing Address :
Name :
Address : KNIGHT LAW OFFICE, 202 - 900 HARROW ST. E.
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3M 3Y7
Attention : DONALD R. KNIGHT

Director Information :
Name : BOKHARI, MOHAMMED
Address : PO BOX 238, 60121 BRIARCLIFF ROAD
City/Province : DUGALD, MB
Country/Postal Code : CANADA, R0E 0K0
Name : BOKHARI, SYED
Address : 40 ART MIKI WAY
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3W 1P9
Date Became : 24-Dec-2020
Name : SHAVER, DARCY
Address : 87 LAKESHORE ROAD
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3T 4A6

Officer Information :

Name : BOKHARI, MOHAMMED
Address : PO BOX 238, 60121 BRIARCLIFF ROAD
City/Province : DUGALD, MB
Country/Postal Code : CANADA, R0E 0K0
Position Held as Officer : VICE-PRESIDENT

Name : BOKHARI, SYED
Address : 40 ART MIKI WAY
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3W 1P9
Position Held as Officer : PRESIDENT

Name : SHAVER, DARCY
Address : 87 LAKESHORE ROAD
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3T 4A6
Position Held as Officer : SECRETARY

Shareholders Information (holders of 10% or more of Issued Voting Shares) :

Name : SHAVER, DARCY
Class Name : COMMON
Shares Held : 200.00

Share Structure :

Class	Authorized Number
COMMON	UNLIMITED

Shares are distributed to the public : No

Event History :

<u>Event</u>	<u>Date :</u>	<u>Filing Year :</u>
DIS BY BRANCH	21-Oct-2016	
FILINGS RECORDED IN THE PREVIOUS SYSTEM ARE NOT INCLUDED		
REVIVAL	18-May-2018	
ANNUAL RETURN	18-May-2018	2015
ANNUAL RETURN	18-May-2018	2016
ANNUAL RETURN	18-May-2018	2017
CHANGE OF REGISTERED OFFICE	18-May-2018	
ANNUAL RETURN (Filed on the Web)	28-May-2019	2018
ANNUAL RETURN (Filed on the Web)	10-Jul-2019	2019
COMPLIANCE STATUS - DEFAULT	24-Aug-2020	
CHANGE OF SHAREHOLDERS (Filed on the Web)	06-Jan-2021	
CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)	08-Jan-2021	
ANNUAL RETURN (Filed on the Web)	15-Jan-2021	2020
CHANGE OF SHAREHOLDERS (Filed on the Web)	15-Jan-2021	
CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)	15-Jan-2021	
CHANGE OF SHAREHOLDERS (Filed on the Web)	09-Feb-2021	
CHANGE OF SHAREHOLDERS (Filed on the Web)	25-Feb-2021	
CHANGE OF REGISTERED OFFICE (Filed on the Web)	25-Feb-2021	
CHANGE OF MAILING ADDRESS (Filed on the Web)	25-Feb-2021	
COMPLIANCE STATUS - DEFAULT	23-Aug-2021	
ANNUAL RETURN (Filed on the Web)	23-Sep-2021	2021
ANNUAL RETURN (Filed on the Web)	19-Jul-2022	2022
ANNUAL RETURN (Filed on the Web)	21-Jul-2023	2023

The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.

**This is Exhibit “B” referred to in the
Affidavit of BRIAN JAHOOOR
annexed hereto sworn before me by videoconference
on the ____ day of _____, 2023, at which time I watched
the deponent swear this document and sign it.**

**On this ____ day of _____, 2023, having received
this original executed document, I signed it.**

**A Barrister-At-Law in and for
the Province of Manitoba**



Name:	Bokhari Development Inc (Bare Trustee/Agent) DS
Address:	
Business Tel. No.:	
Mobile No.:	
Email:	
Fax. No.:	
Loan No.	52686
Agent / Broker:	Name: Alex Durand Business Tel. No.: 514-240-2716 Email: adurand@mcommercial.ca

Eastern Office
 Fax: (416) 368-3328
 Email: darrylm@peoplestrust.com

**COMMITMENT LETTER
 MULTI-FAMILY CONSTRUCTION
 (CMHC Insured)**

Date of Commitment: June 29, 2021

Peoples Trust is pleased to confirm that a FIRST mortgage loan has been approved on the terms set out in this Commitment Letter and on any attached schedules or forms.

Borrower(s)		Bokhari Development Inc (Bare Trustee/Agent)					
Covenantor(s) / Guarantor(s)		Darcy Shaver					
Loan Amount	\$31,600,000.00	Annual Interest Rate	See Part "A" Definitions	Monthly Payment	See Part "B" General Conditions	First Payment Date	Sep-1-2021
CMHC Premium	\$1,185,000.00	Term	Construction 20 months (no later than March 30, 2023)	Estimated Annual Taxes	TBD	Balance Due Date Maturity	Mar-30-2023
CMHC Application Fee	\$30,800.00						
Gross Loan Amount	\$32,815,800.00	Interest Adjustment Date	August 1, 2021				
COI No.	23270175	COI Expiry	December 16, 2021				
Lands to be Mortgaged (the Lands)	Civic Address				Legal Description		
	1801 - 1825 Park Drive, Portage la Prairie, Manitoba				Lots 1&2, Block 1, Plan 1810		
Loan Purpose	To assist with the construction of an apartment complex.			Funding Date (Estimate)		July 30, 2021	
				Expiry Date of Commitment Letter		December 16, 2021	

peoplesgroup.com

HEAD OFFICE
 Suite 1400 - 888 Dunsmuir St.
 Vancouver, BC V6C 3K4
 Tel: 604-683-2881

PRAIRIE OFFICE
 Suite 955 - 808-4th Ave. SW
 Calgary, AB T2P 3E8
 Tel: 403-237-8975

EASTERN OFFICE
 Suite 1310 - 95 Wellington St. W
 Toronto, ON M5J 2N7
 Tel: 416-368-3266

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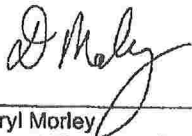
ACCEPTANCE AND COMMITMENT:

This Commitment, at the option of the Lender shall be null and void unless:

- a) The Borrower and each Covenantor(s) accept the terms of this Commitment and pay all required fees to the Lender's office by July 6, 2021; and
- b) The Borrower has complied with all conditions of this Commitment, to the satisfaction of the Lender and its appointed legal counsel, all Security Documents have been executed and where necessary, registered, and the first advance made by the Expiry Date; and
- c) **Benefit of Loan Funds:**
The Borrower represents, warrants and covenants that all advances (or re-advances if applicable) under this Loan will be for the sole account, benefit and use of the Borrower for the purposes stipulated in this Commitment Letter, unless the Lender provides its approval in writing that advances (or re-advances if applicable) may be for the account, benefit and use of a party other than the Borrower, which approval may be unreasonably withheld at the Lender's sole discretion.

Yours truly,

PEOPLES TRUST COMPANY




Darryl Morley
Account Manager, Commercial Banking - Eastern Canada

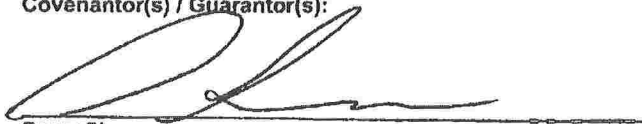
The Borrower(s) and Covenantor(s) / Guarantor(s) accept the terms of this Commitment this 2ND day of July 20 21 and pay the Commitment Fee in the sum of \$82,040 to the Lender.

We also authorize Peoples Trust Company to obtain credit information on the borrower and guarantors from sources they deem necessary and covenant to promptly provide such further information requested by Peoples Trust Company to process this loan.

Borrower(s):


Bokhari Development Inc (Bare Trustee/Agent) *DS*

Covenantor(s) / Guarantor(s):


Darcy Shaver

Borrower's Initials DS
Borrower's Initials _____

PART "A" – DEFINITIONS

For the purposes of this Commitment Letter the following terms, when capitalized, have the meanings assigned thereto:

Commitment Fee means the sum of \$82,040 paid to the Lender pursuant to Part D of this Commitment Letter.

Commitment Letter means this letter and includes any amendments and attachments.

Business Day means every day of the week except Saturdays, Sundays and statutory holidays.

CMHC means Canada Mortgage and Housing Corporation.

CMHC Certificate of Insurance means the certificate and special conditions issued by CMHC setting out the terms and conditions under which the Loan is insured.

Credit Bureau means a report prepared by a credit reporting agency. The borrower(s), guarantor(s) and covenantor(s) hereby consent that the Lender may verify or reverify any information contained in the loan application at any time during the term of this loan or any subsequent renewals, and if applicable, both before and after default, and after judgement, request and receive a Credit Bureau from a reporting agency.

Discharge Fee means the Lender will charge a discharge fee of \$250.00 for each unit being paid out of sale proceeds.

Inspection Fee means \$0.00.

Letter of Credit Setup Fee means the Lender will charge the Borrower an annual fee equal to 1% of the dollar value of the Letter of Credit. Any subsequent amendment to the Letter of Credit will be subject to \$250.00 amendment fee.

Interest Rate During Construction means an annual interest rate equal to the prime rate of the Bank of Montreal in effect from time to time during the term of the Loan plus 0.00% per annum. The minimum Annual Interest Rate is 2.45%.

Long Term (Takeout) Interest Rate means a competitive spread over the CMB TBD, based on prevailing market rates at time of takeout.

Amortization means 40 years from the Interest Adjustment Date for Long Term (Takeout) financing

Lands means all of the lands described in the box entitled "Lands To Be Mortgaged" on page 1 of this Commitment Letter and all improvements thereon.

Loan means the loan to the Borrower as described in this Commitment Letter.

Lender means Peoples Trust Company.

Payment Deferral Program means where the borrower and lender agreed to a deferral of Principal and Interest payments for a specified period of time.

Permitted Prior Mortgage: NIL.

Prime Rate means the rate of interest per annum designated from time to time during the currency of the Loan by the Bank of Montreal ("the bank") as being the prime commercial lending rate charged by the Bank for demand loans in Canadian funds. If the Prime rate changes and so often as the same occurs at any time until the amounts

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owing under this Loan have been paid in full, the Interest Rate under this Loan shall also change by the same amount, on the same day.

Security Documents means the security documents referred to in Part C of this Commitment Letter.

Survey means, in Manitoba a Surveyor's Building Location Certificate.

Lender's Solicitors means: Thompson Dorfman Sweatman LLP
Mailing Address: 242 Hargrave Street, Suite 1700
Winnipeg, MB, R3C 0V1
Attention: Michael Choisetat / Jennifer McKinnon
Telephone: 204-934-2557 / 204-934-2491
Fax: 204-934-0557
Email: mac@tdslaw.com / jmm@tdslaw.com
Website: www.tdslaw.com

Borrower's Solicitor means:

Law Firm Name: KNIGHT LAW OFFICE
Contact Name - Attention: DONALD R KNIGHT Q.C.
Mailing Address: 202-900 HARRLOW ST. EAST
WPG MB R3M3Y7
Telephone: 204 9481-0404
Fax: _____
Email: DON.KNIGHT@KNIGHTLAW.CA

Borrower's Insurance Broker/Agent means:

Insurance Broker
Company Name: MATTHEW KREITZ CAIB
Contact Name - Attention: AS ABOVE
Mailing Address: 2533 VICTORIA AVE
BRANDON MB R7B0M6
Telephone: 204-505-6890
Fax: _____
Email: MATTHEW.KREITZ@ANDREW
AGENTRS.COM

Borrower's Initials DS
Borrower's Initials _____

Quantity Surveyor means:

Firm Name: BTY
Contact Name - Attention: BEN WEISHAUP - SENIOR
Mailing Address: PROJECT CONSULTANT
410 - 135 AIST E, SASKATOON SK
S7K0B4
Telephone: 306 242 9210
Fax:
Email: BEN WEISHAUP@BTY.COM

Draw Processing Fee means the Lender will charge a draw processing fee of \$500.00 per construction progress draw. If the number of advances exceeds two, a CMHC progress advance fee of \$350.00 per advance will apply and deducted from each advance.

Pre-Funding Conditions means the Lender shall not be obliged to make any advance under the Loan unless the following conditions have been complied with and the Lender has received and approved the following documents and matters in form and substance satisfactory to the Lender and its solicitors:

1. Security documentation duly executed, delivered and, where applicable, registered.
2. Compliance with CMHC's Certificate of Insurance # 23270175 and all Special Conditions attached thereto.
3. Satisfactory credit reports and financial statements of the Borrower and each Covenantor and each Guarantor.
4. Confirmation of major net worth items as represented in the covenantors net worth statements.
5. Compliance with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations.
6. This commitment to finance is based on the building and property being legal uses under the existing zoning and other municipal by-laws with all development and building permits having been issued for a 208 unit rental apartment. It is the applicant's responsibility to provide written confirmation that the property conforms. If the property does not meet all required municipal regulations this commitment may be declined, or loan amount reduced.
7. Fourteen days prior to funding, the borrower will provide a current signed rent roll that shows unit #, tenant name, lease commencement and expiry date, rent amount, and any rents that are in arrears. The rent roll must be fully satisfactory to the Lender.
8. Satisfactory Phase 1 Environmental Site Assessment Report, for the subject property, prepared by an environmental firm having a minimum liability coverage of \$2,000,000 with a maximum deductible of \$25,000. The report(s) are to conform to CSA standards. A Letter of Transmittal stating that Peoples Trust and CMHC can rely on the report for mortgage lending purposes will be required.
9. Confirmation that the sum of \$1,668,900 borrower equity is in place.
10. Return of completed Profile Forms.

Borrower's Initials PS
Borrower's Initials _____

Replacement Reserve Fund:

11. The Approved Lender, as part of its monthly payment collection process shall collect an amount equal to 2.0% of the estimated monthly effective gross income for applicable fiscal year (to be adjusted at the end of each fiscal year to reflect actual effective gross income) Funding of the reserve is required during the full amortization period of the Housing Loan.
12. Prior to each advance, the Approved Lender must obtain from the project architect certification that the work to-date is in compliance with plans and specifications, as approved by the regulatory authority having jurisdiction.
13. Prior to the start of construction, CMHC may request that the Approved Lender provide a complete set of working drawings to CMHC including: a site plan; architectural specifications; site services plan; landscape plan and structural, mechanical and electrical plans (including ventilation details).
14. Prior to the start of construction, the Approved Lender is to ensure that the project budget cost is reviewed and approved by a third-party project monitor. The project monitor is to confirm that the project budget, at an amount no greater than the anticipated \$33,268,900.00 is sufficient to complete the project, given the development schedule and the final project specifications. The project monitor will recommend the amount of each progress advance and holdback requirements in accordance with applicable construction lien legislation, with verification of cost of work-in-place and cost to complete on every advance. In addition, the project monitor shall provide suitable certification that all monies advanced have been used for the Property in accordance with the approved budget and that invoice and contractors have been paid.
15. Project Monitor confirmation.
16. Proof of equity injection prior to funding.
17. Current Tax Certificate/or search indicating that all property taxes have been paid in full.
18. Confirmation that the Lands are compliant under existing zoning bylaws and covenants in favour of public authorities and that there are no outstanding work order.
19. All municipal and regulatory permits and approvals required for the construction of the project, including but not limited to the Development Permit and Building Permit having been issued for the 208 unit rental apartment development.
20. Survey Certificate with compliance from the City of Portage la Prairie, Manitoba.
21. Confirmation of Borrower ownership structure (as per CMHC COI # 23270175)

Quantity Surveyor to Provide:

22. A budget review by the Lender's Cost Consultant and final budget approval by the Lender.
23. A fully executed copy of the Fixed Price Contract for construction of the subject property.
24. Construction advances will be on a work-in-place and cost to complete basis, with receipt of an inspection report by a cost consultant approved by the Lender for each advance.


Draw Reports to confirm:

25. Confirmation that required equity is in place.
26. The project architect certification that the work to date is in compliance with plans and specifications, as

Borrower's Initials
Borrower's Initials

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approved by the regulatory authority having jurisdiction.

27. Any cost overruns or increases are to be funded by the Borrower.
28. The Borrower complies with all applicable Federal, Provincial and Municipal Laws, regulation and codes in the construction of this project.
29. All advances based on work in place/cost to complete certifications from the Lenders cost consultant.
30. The cost consultant's report is to confirm compliance with plans and specifications, indicated acceptable construction standards and progress to date, the percentage work completed and costs to complete. All costs associated with the cost consultant shall be paid by the Borrower.
31. Enclosures on initial draw report to also include: architectural drawings, civil drawings, structural drawings, mechanical drawings, electrical drawings, fully executed copies of all third party reports (ie. Geotechnical, Environmental and Appraisal) and fully executed copy of the Fixed Price Contract or the Construction Management Contract for construction of the subject property, if applicable. QS to include commentary on these reports.
32. The Project must be built under a construction management/general contractor agreement within a budget no great than \$33,268,900, where no less than two thirds (2/3) of hard costs (all major contracts including structural, mechanical, electrical, forming and concrete) are at fixed price contracts. Bonding requirements include 50% labor/material and 50% performance on all major contracts, with the Lender designated as beneficiary of the bond.
33. QS report to confirm that all applicable development permits, building permits and approvals are in place.
34. All advances under this loan shall be advanced by the Lender on a cost to complete basis as certified by a quantity surveyor or architect retained by the Lender (at the Borrower's expense) and all construction draws shall be approved by Canada Mortgage and Housing Corporation, prior to funding. The Lender reserves the right to advance funds under the loan at its discretion and apply all or any part of the funds against payment of any accrued interest.
35. Insurance review by an Insurance Consultant is required as condition of this loan commitment. The cost of review is for the account of the borrower.
36. Should at any time the estimated cost of completion exceed the un-disbursed balance of the loan, at the Lender's option, all further advances shall be postponed until financial arrangements satisfactory to the Lender have been made to meet such excess costs.
37. Prior to the initial advance of funds, the Borrower shall provide the Lender with confirmation that the Project is registered under an ~~Approved Home Warranty Program~~. 
38. Other documents satisfactory to the Lender and CMHC.
39. All borrower(s) and covenantor(s) are required to sign a statutory declaration confirming that all applicable holding payments and remittances required to be made under provincial and federal legislation, including all remittances of GST/HST and Payroll Source deductions, have been made to date and will be made on time going forward.
40. Return of Profile Form(s) to this Commitment letter.

Prior to disbursing funds, the Borrower shall deliver and/or fulfill the following conditions, satisfactory to the Lender:

Borrower's Initials
Borrower's Initials



The Borrower acknowledges and agrees that the mortgage is subject to a satisfactory site inspection of the subject property by CMHC and Peoples Trust Company or its representative. All costs associated with this inspection are the responsibility of the Borrower and will be either deducted from the advance of funds or added to your mortgage.

PART "B" GENERAL CONDITIONS

Interest Rate During Construction

The Annual Interest Rate will be calculated daily, compounded monthly, not in advance, both before and after maturity, until paid on the Principal Amount owing from time to time.

Long Term Interest Rate

For the purposes of this Mortgage Loan Commitment, "Long Term Rate" means the Annual Interest Rate, compounded semi-annually, not in advance, both before and after maturity, charged by the Lender on the Principal Amount from the Interest Adjustment Date until such time as the Principal Amount is paid in full.

The Interest Adjustment Date is defined as the first day on the month following the date on which the final advance has been made.

The Borrower shall pay interest on the portion of the Principal Amount advanced from time to time, calculated from the date of advance to the day preceding the Interest Adjustment Date.

Interest Rate

The Annual Interest Rate will be calculated on a semi-annual basis, not in advance, both before and after maturity until paid.

Payment Deferral Program

Be advised that this loan will not qualify under the Payment Deferral Program, as administered by the Lender, for the term of the loan

Property Taxes and Other Charges

The Borrower will pay all taxes, assessment, utilities, condominium fees and all other amounts charged or levied against the lands when the same are due and payable. The Lender reserves the right to deduct monies from the mortgage advance proceeds to pay all property taxes (including penalties, interest, unpaid utilities and any other charges) and all Property Purchase Tax, Land Transfer Tax, where applicable. By accepting this Commitment Letter, the Borrower also consents to the release by the city of all personal information including name and address of property owner and amount of monthly payment if property taxes are paid through the tax installment plan. This authorization is granted in accordance with the applicable provincial privacy act.

For the province of Quebec, the payment of school taxes is the borrower's responsibility. The borrower shall provide the lender confirmation of paid school taxes annually.

Mutation Duties – Province of Quebec

By accepting this Commitment Letter, the Borrower(s) consents to The Lender's legal representative or the presiding notary withholding from the net mortgage proceeds an amount sufficient to pay the estimated mutation duties when they become due. The Borrower shall be responsible for and shall pay any shortfall immediately. Proof of payment of mutation duties shall be forwarded to the Lender by the Lender's legal counsel or by the presiding notary, as the case may be. In the event the taxing authority has not levied the mutation duties, the Lender's legal representative will withhold an estimated amount of monies from the net mortgage proceeds, which will be held in trust, and the mutation duties paid when the due. The borrower will be responsible for any shortfall in payment of the mutation duties.

Survey

When footings and /or foundations are in place, the Borrower shall provide the Lender with an up-to-date building location survey, satisfactory to the Lender and prepared by a qualified provincial land surveyor, confirming that "the Lands" are free from unacceptable encroachments and conform to all municipal and provincial requirements.

Borrower's Initials
Borrower's Initials

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Insurance Requirements

The Borrower shall provide the Lender with evidence of insurance in compliance with the Lender's requirements. The Borrower's terms of coverage and their insuring companies must be entirely acceptable to the Lender and its insurance consultants. The Borrowers and any Beneficial Owners shall be Named Insureds on all policies and the Borrower's policies shall provide:

- a) **All-Risk Course of Construction Insurance** (including earthquake, flood, sewer back-up and such insurance shall be in an amount equal to 100% of the hard and soft costs for the project. The policy shall be extended to include permission for partial or complete occupancy.
- b) **Boiler and Machinery Insurance:**
To be written on a "Comprehensive" Machinery Breakdown Form, also incorporating the perils, extensions and stipulations of the property insurance conditions as stated in the foregoing. Coverage shall be extended to include testing and commissioning.
- c) **Delayed Opening or Delayed Income Insurance:**
To be written on a Gross Rentals Broad Form as part of the foregoing property and boiler policies, also incorporating the perils, extensions and stipulations of those policies as they are described above. The rental insurance coverage shall contain a waiting period deemed acceptable to the Lender, and the period of indemnity shall be for a term of no less than twelve (12) months. Such Delayed Income coverage is to be based upon the amount of gross rentals assuming 100% occupancy for the intended date of opening.
- d) **Commercial General Liability Insurance:**
To be written in the amount of at least Two Million dollars (\$2,000,000) with respect to each occurrence. The commercial general liability policy and any excess or umbrella policies shall include Peoples Trust Company as an Additional Insured, but only with regard to the operations of the Borrower. For loans of \$10 million or greater, the borrower will maintain liability insurance in an amount of Five Million dollars (\$5,000,000) or greater.
- e) **IBC Standard Mortgage Clause and Boiler & Machinery Mortgage Clause:**
All fire, boiler, and rental insurance policies shall contain the Insurance Bureau of Canada Standard Mortgage Clause, and shall name Peoples Trust Company as First Mortgagee and as Loss Payee. The boiler policy may also include a provision for suspension of coverage in accordance with the Canadian Boiler and Machinery Underwriters' Association Mortgage Clause.
- f) **Cancellation or Amendment to any Policy:**
Each policy shall provide for thirty (30) days prior written notice to the Lender of termination of the policy, or of alteration of the policy to the prejudice of the Lender. If the Borrower suspends, cancels or lets lapse any part of the insurance, the Lender has the right to obtain equivalent insurance on its own behalf and the insurance premium shall be paid by the Borrower within ten days after having received the Lender's notice of obtaining such insurance, with interest at the current mortgage interest rate. This right is in addition to any other right the Lender may have.

The Lender will engage an insurance consultant to review the Borrower's insurance policies to determine their compliance with the Lender's insurance requirements. The Lender's insurance consultant will be paid through the loan proceeds at the time of disbursement.

By accepting this Commitment Letter, the Borrower also authorizes and consents to the release, by its insurance provider, of all personal information related in any way to the property described within their insurance coverage to the lender or any of its agents or employees, or to the Lender's insurance consultant. The Borrower will be responsible for all costs incurred for the insurance coverage and its review as described herein.

Borrower's Initials
Borrower's Initials

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The insurance conditions established by the Lender and / or the Lender's insurance consultant do not constitute complete coverage for the Borrower, and the Borrower and their insurance provider must independently determine what insurance coverage is appropriate for the Borrower's purposes.

Independent Engineering Reports (where required)

The Borrower acknowledges and agrees that the Lender, where required, shall enlist the services of a Consultant/Engineer to provide a current a site inspection of the subject property. All costs incurred for the inspections will be for the account of the Borrower, and said fees shall be deducted from the advance of funds.

Solicitors' Approval

The loan disbursement shall take place only when the title to and all security in connection with the property secured and all other documents and matters with respect to the loan being necessary or advisable to our solicitors are complete, satisfactory and acceptable to our solicitors.

Costs

The Borrower and each Covenantor and each Guarantor shall pay whether or not all or any part of the Principal Amount is advanced all legal costs incurred by the Lender in connection with the Loan billed to it by the Lender's Solicitors, all registration fees, appraisal fees, consulting fees (if any) and all out-of-pocket expenses usually incurred by the Lender relating to the Loan in the preparation for and completion of the transaction contemplated by the Commitment Letter which fees may be deducted out of the funds to be disbursed, and this Commitment Letter shall constitute an irrevocable direction by the Borrower and each Covenantor in that regard. All fees paid by the Lender which are the responsibility of the Borrower, shall bear interest at the mortgage rate until the lender is reimbursed.

Environmental Audit and Borrower's Liability

The Lender shall require an environmental audit of "the Lands" and improvements, satisfactory to the Lender and Canada Mortgage and Housing Corporation as a condition to advancing funds. In addition to any liability imposed on the Borrower and Covenantor(s) under the Security Documents, the Borrower and Covenantor(s) shall be liable for all expenses, damages or liabilities of the Lender, its directors and officers (including, without limitation, all reasonable legal fees, disbursements and applicable taxes) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about "the Lands" and all improvements of any hazardous or noxious substances and such liability shall survive foreclosure of the mortgage and any other existing obligations of the Borrower and Covenantor(s) to the Lender in respect of the loan and any other exercise by the Lender of any remedies available to it for any default under the loan.

The environmental audit firm engaged by the Borrower must carry at least \$2,000,000 in professional liability insurance, with a maximum deductible of \$25,000. The report must confirm that the subject property conforms to CSA Standards.

Time

Time shall be of the essence in this transaction.

Disclosure

This Commitment is conditional upon and subject to full disclosure of all material facts relating to the assets and liabilities of the Borrower and, if applicable, each Covenantor(s) and the accuracy of all information provided and representations made in connection with the application for the Loan, including, without limitation, all information relating to the protection of the environmental and public health and safety concerns. This commitment shall assume the accuracy of the information previously supplied by the Borrower and will presuppose no material adverse change in the Borrower, prior to any disbursement. Any approval or consent required to be made or given by the Lender hereunder must be expressly given by the Lender and is not to be construed by the mere delivery or receipt of documents. Should the Lender discover any facts that, prior to funding, would adversely affect the Lender's security as set forth in this Commitment or discover any misrepresentation made by the Borrower or Covenantor(s) in relation to obtaining this Commitment, then, the Lender, at its discretion, may cancel this commitment. The Borrower represents and warrants that all loans of the Borrower which are insured by Canada Mortgage and Housing Corporation have not been in arrears in the last 12 months and neither the Borrower, the Covenantor(s)(s) nor any

Borrower's Initials
Borrower's Initials

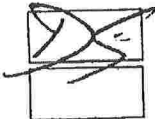
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property manager or agent on behalf of the Borrower are negotiating any special financial arrangement with Canada Mortgage and Housing Corporation.

Representations of the Borrower and Covenantor

The Borrower and each Covenantor jointly and severally covenant that:

- (1) ***The Borrower must initial next to the option that applies:***



The Borrower is the legal and beneficial owner of all the right, title and interest to the Lands and holds no portion of the legal or beneficial interest in the Lands in trust for any parties; or

_____ is the legal owner of the Lands and holds the Lands in trust for _____ who is the beneficial owner of the Lands pursuant to a trust declaration dated _____

- (2) All other mortgage loans of the Borrower with any lender have not been in arrears in the last 12 months and neither the Borrower, any Covenantor nor any property manager or agent on behalf of the Borrower are negotiating any special financial arrangement with Canada Mortgage and Housing Corporation.
- (3) All financial statements and other documents and information delivered by the Borrower or each Covenantor in connection with the Borrower's application for the Loan are true and correct and representative of the financial condition of the Borrower and each Covenantor.
- (4) Neither the Borrower nor any Covenantor is in default under any agreement or instruments to which any of them is a party that materially affects any of their businesses, property, assets or financial condition.
- (5) At the time of the disbursement of any part of the Loan Amount, no default shall have occurred and be continuing, nor any state of affairs or event shall be existing which, with the passage of time or the giving of notice or both, would constitute a default under any of the Security Documents, and neither the Borrower nor any Covenantor (if any) shall be insolvent or be subject to any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding up, dissolution, receivership or material litigation or continuation under laws of any other jurisdiction. Any default herein shall be deemed to be a default under the Mortgage. Any default under the Mortgage shall be deemed to be a default hereunder.
- (6) The Borrower will only use the Loan Proceeds for the Loan Purpose set out on page 1 of this Commitment Letter.

Annual Review

The Borrower shall provide annual operating statements and current rent roll for the subject mortgage property and such other documentation or information as the Lender may require, both in a form satisfactory to the Lender within 90 days of the Borrower's fiscal year-end.

At the option of the Lender, the Borrower(s) shall also provide current net worth statement of the Borrower(s), Covenantor(s) and Guarantor(s).

Repayment

The Lender reserves the right to deduct accrued interest from each mortgage draw. From the Interest Adjustment Date to the Balance Due Date, the Borrower, at the Lender's option shall pay all monthly payments by either post-dated cheque or by pre-authorized chequing arrangement.

Assignment

The Borrower and the Covenantor may only assign the obligations in this Commitment with the express written consent of the Lender and Canada Mortgage and Housing Corporation and such consent is discretionary. The Lender may assign, sell or transfer all or part of its interest in the Commitment Letter or the loan without notice to or consent from the Borrower.

Other Agreements

This commitment letter and all attached schedules, when accepted by the Borrower shall constitute the entire agreement between the Borrower and the Lender with respect to the Loan and shall supercede all other agreements, understandings or commitments, whether oral or written.

Borrower's Initials DS
Borrower's Initials _____

Waiver

Except as otherwise expressly provided, this commitment letter cannot be waived, changed, amended, discharged or terminated, other than by an agreement in writing signed by the party against whom the enforcement of any waiver, change, amendment, discharge or termination is sought.

Survival and Discrepancy

The execution, delivery and registration (where applicable) of the Security Documents shall in no way merge or extinguish the Commitment Letter and any amendments thereto, which shall survive and continue in full force and effect, provided that in the event of a discrepancy between the Commitment Letter and the mortgage document or any other security taken by the Lender to secure the loan, then the Lender, at its discretion shall determine which document shall prevail.

Default

At the time of the disbursement of any part of the Loan Amount, no default shall have occurred and be continuing, nor any state of affairs or event shall be existing which, with the passage of time or the giving of notice or both, would constitute a default under any of the Security Documents, and neither the Borrower nor any Covenantor(s) (if any) shall be deceased, insolvent, or be subject to any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding up, dissolution, receivership or material litigation or continuation under laws of any other jurisdiction. Any default herein shall be deemed to be a default under the Mortgage. Any default under the Mortgage shall be deemed to be a default hereunder.

Photos

The Borrower agrees to allow Peoples Trust to photograph or utilize existing photographs of the subject property for possible use in internal and external marketing programs.

Signage

The Lender shall have the right to install on the Lands, at the Lender's expense, a sign indicating the source of financing, the location of which shall be mutually agreed to by the parties.

Execution by Facsimile/E-Mail

This Commitment Letter may be executed by the parties and transmitted by facsimile or by e-mail (with PDF attachment) and if so executed and transmitted this Commitment Letter shall be for all purposes as effective as if the parties had delivered an executed original copy of this Commitment Letter.

Counterpart

This Commitment Letter may be executed in counterparts and all counterparts so executed will constitute one Commitment Letter.

Severability

Each of the provisions in this Commitment Letter is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision of this Commitment Letter. To the extent permitted by applicable law, the parties waive any provision of law that renders any provision of this Commitment Letter invalid or unenforceable in any respect.

Governing Law

This Commitment Letter and all matters arising under it will be construed in accordance with the applicable laws of Manitoba and Canada.

Material Adverse Change

IN THE EVENT that at any time while any indebtedness remains outstanding pursuant to the provisions of this mortgage loan, the Lender discovers a discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of the Borrower, any Covenantor or any Guarantor concerning the Lands or the financial condition and responsibility of the Borrower, any Covenantor or any Guarantor or in the event of any material adverse change in the value of the Lands or the financial status of the Borrower, any

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Covenantor, any Guarantor, or any lessee on which the Lender relied upon in making any advances hereunder, which material change, discrepancy or inaccuracy cannot be rectified by the Borrower, such Covenantor, or such Guarantor (if applicable) within thirty (30) days after written notification thereof by the Lender to the Borrower, such Covenantor, or such Guarantor, or in the event of material changes in the general state of economic and market conditions in the Province of Manitoba and or Canada, which in the sole unfettered opinion of the Lender create additional risks to the Lender's security and ability to obtain timely repayment of the indebtedness herein secured, and/or in the event of regulatory and/or governmental changes and/or a general deterioration in the Lender's liquidity, which adversely impact on the Lender's compliance requirements and/or ability of the Lender to obtain the intended rate of return on its investment, in all such circumstances the Lender shall be entitled to decline to advance any further funds pursuant hereto and/or to declare any and all amounts advanced pursuant hereto together with interest thereon to be forthwith due and payable.

PART "C" - SECURITY

This Borrower shall grant the Lender the following security (collectively "the Security Documents") in connection with the Loan, all of which shall be in a form and substance satisfactory to the Lender and its solicitors:

- (a) Mortgage Security: A mortgage charge against the Lands and improvements subject only to the Permitted Prior Mortgage (if any).
- (b) Covenants: The joint and several covenants of each Covenantor.
- (c) Guarantor: The joint and several guarantee of each Guarantor.
- (d) Mortgage of beneficial interest if the Borrower is comprised of a separate legal and beneficial owners.
- (e) General Assignment of rents and/or leases.
- (f) Such other security as required by Canada Mortgage and Housing Corporation as a condition to insuring this Loan.
- (g) General assignment of all insurance proceeds.
- (h) General security agreement charging all chattels and fixtures and appliances attached to or relating to the project to be constructed on "the Lands".
- (i) Assignment of all permits, municipal approvals and construction contracts.
- (j) Other Security as required by our solicitor.
- (k) Title Insurance, when applicable, is acceptable from First Canadian Title, Stewart Title, or Chicago Title.
- (l) Collateral/Deposit Agreement, as approved by CMHC.
- (m) Deposit Agreement for Letters of Credit as required.
- (n) Environmental Indemnity granted by the Borrower(s) and each Covenantor and each Guarantor.
- (o) Cost overrun and completion agreement signed by the covenantors and all other beneficial owners of the borrower.
- (p) Estoppels Agreement.
- (q) All borrower(s) and covenantor(s) are required to sign a statutory declaration confirming that all applicable holding payments and remittances required to be made under provincial and federal legislation, including all remittances of GST/HST and Payroll Source deductions, have been made to date and will be made on time going forward.

PART "D" - LENDER'S FEES

Deposit Fee

Upon acceptance of this Commitment Letter by the Borrower, the Borrower shall pay the Lender the Deposit Fee. If the Borrower complies with all conditions of this Commitment Letter then the Deposit Fee shall be returned to the Borrower. If, for any reason whatsoever:

- (a) the Borrower is unable or unwilling to comply with all conditions required for the advance of any monies under the Loan as set out in this Commitment Letter or otherwise agreed between the Lender and the Borrower by the Expiry Date;
- (b) any of the representations, warranties or covenants made or given by the Borrower or any Covenantor in connection with the Loan are incorrect or not complied with in a material way; or
- (c) in the Lender's opinion, acting reasonably, there has been a material adverse change in the security for the

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then the Lender may, at its sole option, terminate this Commitment Letter and refuse to advance any monies to the Borrower (such event, a "**Borrower Completion Failure**"). Upon a Borrower Completion Failure, the Deposit Fee shall be absolutely forfeited to the Lender as liquidated damages, and not as a penalty, without limiting any other rights or remedies that the Lender may have hereunder or otherwise at law or in equity. The Borrower and all Covenantors agree that the Deposit Fee represents a fair and reasonable assessment of the damages and loss including loss of alternative investment opportunity and loss of profits, that the Lender will incur and suffer upon a Borrower Completion Failure.

In addition, if there occurs a Borrower Completion Failure and the Lender unwinds any hedge obtained by it in anticipation of the Loan, whether or not the Borrower and all Covenantors were aware of such hedge, the Borrower and all Covenantors, jointly and severally shall reimburse the Lender on a full indemnity basis on demand for all costs, fees, expenses and liabilities suffered or incurred by the Lender resulting directly or indirectly from the unwinding of the hedge.

In the event that the Borrowers and all Covenantors do not pay the full indemnity amount in accordance with the above provisions, the indemnity amount shall be automatically added to the principal amount of the Loan and the Peoples Trust Mortgage. To secure the payment of any such outstanding amounts the Borrower hereby mortgages, assigns and grants a security interest to us in and to all of its present and future estate, right, title and interest in and to the property, assets and undertakings now or hereafter mortgaged, assigned or charged by it under the Security Documents, including without limitation the Peoples Trust Mortgage, to which the Borrower is a party.

Lender's Compensation

On acceptance of this Commitment by the Borrower, the Lender shall earn and the Borrower shall pay the Commitment Fee which represents an agreed upon application and commitment fee as well as the Lender's charges for the time and effort required of its employees and agents and its expenses incurred in the review and study of documents pertaining to the transaction, legal specifications, reservation of funds and the loss of opportunity to use the funds elsewhere.

In the event that the Borrower fails to comply with all conditions of this Commitment by the Expiry Date, then the Lender shall be relieved and released from any further duties or obligations to the Borrower and the Covenantor(s) arising out of this Commitment. Notwithstanding the foregoing, the Borrower shall not be released or relieved from payment of the Lender's Commitment Fee if the same has not already been paid.

Inspection Fee

Where applicable, the Borrower will pay the Lender the Inspection Fee which will be deemed to be earned on receipt of the same.

Discharge Fee

Upon the Borrower's repayment in full of the Loan and all interest and other charges owing thereon, the Lender shall provide the Borrower with a discharge of the Mortgage Security registered against the Lands (to be prepared and delivered to the Lender by the Borrower or its solicitors) upon payment to the Lender of the Discharge Fee.

Letter of Credit

Letter of Credit Setup Fee means the Lender will charge the Borrower an annual fee equal to 1% of the dollar value of the Letter of Credit. Any subsequent amendment to the Letter of Credit will be subject to \$250.00 amendment fee.

PART "E" - SPECIAL CONDITIONS

Certificate of Insurance

The obligation of the Lender to fund this loan is conditional on CMHC providing a Certificate of Insurance for this loan. All terms and conditions of the Certificate of Insurance are incorporated into and form part of this Commitment. Where there is a conflict between the terms of the Certificate of Insurance and this Commitment, then the terms of the Certificate of Insurance shall prevail.

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Prepayment Privileges

The Borrower shall have no right to prepay all or any part of this mortgage loan prior to the Balance Due Date.

Due on Sale

In the event of the Borrower selling, conveying, transferring or entering into an agreement for sale or transfer of its legal or beneficial interest in the Lands (including, but not limited to, a sale of shares or other interest or an amalgamation resulting in a transfer of majority ownership or voting control in the Borrower corporation) to a purchaser or transferee not approved in writing by the Lender and CMHC, which approval shall not be unreasonably withheld, then all monies secured, together with accrued interest thereon shall forthwith become due and payable at the Lender and CMHC's option and sole discretion.

Further Mortgaging

The Borrower shall not grant financing subsequent to this Loan secured by a mortgage over "the Lands" and improvements without the express written consent of the Lender.

Extension of Expiry Date - Amendment of Interest Rate

If the Borrower is unable to fulfil all of the pre-funding conditions of this Loan and, as a result, the Loan has not been funded by the Expiry Date, then the Lender, at its option, may extend the Expiry Date for an additional sixty (60) days and the Lender reserves the right to adjust the Interest Rate on the Loan to the current rate charged by the Lender for similar kinds of loans in similar geographic locations and for similar amounts.

Loan Renewal

The Lender shall have the first and last right of renewal of the Loan upon maturity.

The Lender may, at its absolute discretion, choose to offer to renew the Loan by delivering a renewal offer (the "Renewal Offer") to the Borrower no less than 3 days prior to the Balance Due Date and may have varying terms and prepayment privileges. If on the Balance Due Date, the Borrower has not either:

- repaid the Loan in full; or
- accepted the Renewal Offer by delivering a signed copy to the Lender, confirming the Borrower's choice of term, then:

it shall be deemed that the Borrower has, but for the interest rate, accepted the terms and conditions of the Renewal Offer and the Mortgage shall be renewed for a six-month term (the "Auto-Renewal"). The Borrower shall pay all applicable fees under the Renewal Offer or Auto-Renewal, as applicable, within three Business Days of the Balance Due Date. The interest rate for the Auto-Renewal term will be fixed and as disclosed in the Auto Renewal Offer. During the six-month term under the Auto-Renewal, the Loan may be prepaid at any time without penalty.

Notice for Funding Purposes

The Lender requires two (2) days notice from the Lender's Solicitors in order to advance funds under this loan.

Mortgage Advances

The Lender reserves the right to advance funds under the Loan at its discretion and apply all or any part of the funds against payment of any accrued interest. Neither the execution nor registration of the Security Documents will obligate the Lender to advance all or any part of the Loan.

Pre-Conditions to Funding

Prior to disbursing funds, the Borrower shall deliver and/or fulfill the Pre-Funding Conditions, satisfactory to the Lender.

Consent to Disclosure and Privacy Policy

The Borrower and each Covenantor consent to and acknowledge that credit, financial and personal inquiries ("Personal Information") regarding the Borrower and each Covenantor, their respective officers, directors and principal shareholder(s), may be made at any time in connection with the Loan and in connection with any assignment, sale, syndication or securitization of the Loan by the Lender, and the Borrower and each Covenantor consent to the making

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of such inquiries by or on behalf of the Lender and consent to disclosure, without restriction and without notice to or the consent of the Borrower and each Covenantor of the Personal Information to any credit reporting service, financial institution, rating agency, participant, investor, assignee or purchaser of all or any part of the Loan or interest therein and any organization maintaining databases on the underwriting and performance of commercial mortgage loans. All Personal Information provided by the Borrower and each Covenantor in relation to this Loan, will be dealt with by the Lender in accordance with the terms of the Peoples Trust Privacy Policy, a copy of which is available at any of our branches, or on our website: <http://www.peoplestrust.com>. The Borrower and each Covenantor acknowledge and agree that the aforementioned collection, use and disclosure of the Personal Information is appropriate in these circumstances.

Peoples Trust and its service providers may use and store your information at facilities in various countries (including Canada and the United States of America). The personal information protection laws of those countries might be different from the laws of the jurisdiction in which you are located, and might permit courts, government, law enforcement and regulatory agencies and security authorities to access your information without notice.

Peoples Trust Privacy Policy

This will confirm that you have consented to provide certain confidential information with respect to the above described loan. This information will be governed by the terms of the Peoples Trust Privacy Policy, a copy of which is available at any of our branches, or on our website: <http://www.peoplestrust.com>.

Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations

This will confirm that you have consented and agree to provide the Lender with such documentation and information, including identification, as the Lender may require to ensure compliance with the above legislation, and that the provision of such documentation and information shall be a Pre-Funding Condition to this loan.

Profile Form(s) attached to and forming part of this commitment letter must be fully completed, signed by all borrowers, covenantors/guarantors and returned with the commitment letter. Failure to complete and return, or any delay in returning Profile Form(s) will prohibit Peoples Trust Company from processing your loan.

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CERTIFICATE OF INSURANCE # 23270175

Protected Business/Commercial
2021-06-15

Canada Mortgage and Housing Corporation ("CMHC") is pleased to issue this Certificate of Insurance, which includes the Special Conditions attached hereto. This Certificate of Insurance, together with (i) the National Housing Act and any applicable regulation made thereunder ("NHA"), (ii) the CMHC Master Loan Insurance Policy ("MLIP"), and (iii) The Handbook for CMHC Approved Lenders (the "Handbook") (as each such document and legislation may be amended from time to time) collectively contain all of the terms and conditions related to CMHC's commitment to insure.

In addition to the terms defined in the NHA and the MLIP, and to the capitalized terms identified in bold or with quotations in this Certificate of Insurance, capitalized terms used as headings have the meaning set out where each capitalized term is first used in this Certificate of Insurance.

APPROVED LENDER:		Peoples Trust Company	
BORROWER(S):		Bokhari Development Inc (Bare Trustee/Agent)	
GUARANTOR(S): (In Quebec, guarantor(s) are also designated as surety(ies))		Darcy Shaver	
PROPERTY*: (In QC, the "Immovable")	Address:	1801 - 1825 Park Drive Portage la Prairie, Manitoba	
	Legal Description:	Lots 1&2, Block 1, Plan 1810	
	Tenure:	Freehold	
	Number of Units:	Residential: 208	
RANK OF SECURITY ON PROPERTY:		First	Pari Passu : <input checked="" type="checkbox"/> NO
INTEREST RATE (maximum):		2.50%	
INITIAL LOAN TERM (minimum):		10 Years	
AMORTIZATION PERIOD (maximum):		40 Years	
FIRST ADVANCE DATE (no later than):		2021-12-16	PROGRESS ADVANCES: <input checked="" type="checkbox"/> YES
FINAL ADVANCE DATE: (no later than):		2023-03-30	HOLDBACK: <input checked="" type="checkbox"/> NO
Net Housing Loan Amount:		\$31,600,000.00	
Insurance Premium:		\$1,185,000.00	INCLUDED IN HOUSING LOAN
Application Fee:		\$30,800.00	INCLUDED IN HOUSING LOAN

TOTAL HOUSING LOAN AMOUNT	\$32,815,800.00
Net Housing Loan Amount authorized to date under this Certificate of Insurance (cumulative advance amount, excl. insurance premium and application fee):	\$0.00

Signed by CMHC representative :



Digitally signed by
Richard Sam
Date: 2021.06.16
10:00:39 -07'00'

Per:

Richard Sam, Specialist, Underwriting

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 1 – GENERAL PROVISIONS

- 1. Purpose, Use and Advancing of the Net Housing Loan.** This Certificate of Insurance is issued, in relation to the Property, for the following purpose: Construction Financing

The Net Housing Loan Amount, together with other sources of funds, shall be used as follows:

Source of Funds	Amount	Use of Funds	Amount
Net Housing Loan Amount	\$31,600,000.00	Construction Cost (incl. Land)*	\$33,268,900.00
Borrower Equity	\$1,668,900.00		
Total Source of Funds	\$33,268,900.00	Total Use of Funds	\$33,268,900.00

The Approved Lender must ensure that the Housing Loan is fully used for the purpose(s) and amount(s) indicated above.

The first and final advances under the Housing Loan must be authorized by CMHC subject to CMHC policies and guidelines as well as any required holdback under this Certificate of Insurance. In the event that progress advances are authorized by CMHC, a fee will be charged based on the CMHC fee schedule in effect at the time of the advance request.

Where the Approved Lender is disbursing a loan which it did not originate, it acknowledges that, in disbursing the Housing Loan, it assumes all rights, obligations and responsibilities of the Approved Lender who submitted the initial application for insurance in accordance with the terms and conditions of the MLIP. CMHC requires that all pre-funding conditions be specifically confirmed by the disbursing Approved Lender including, but not limited to, confirmation of compliance with CMHC Environmental Site Assessment (ESA) policy.

- 2. Housing Loan Insurance Premium Calculation.** The Insurance Premium of \$1,185,000.00 is calculated on the Net Housing Loan Amount as follows:

Base Premium	3.00%	\$948,000.00
PLUS:		
Surcharges:		
• Amortization Extensions	0.75%	\$237,000.00
• Non-Residential Space	0.00%	\$0.00
• Second Ranking Housing Loan	0.00%	\$0.00
<i>Sub-Total Premium</i>		\$1,185,000.00
MINUS:		
Premium Credit		\$0.00
TOTAL:		
Insurance Premium (Note: this amount may be subject to provincial sales taxes, where applicable)	3.75%	\$1,185,000.00

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 1 – GENERAL PROVISIONS

Remittance to CMHC. The Insurance Premium and related provincial sales taxes (where applicable) are to be remitted to CMHC by the Approved Lender as the Housing Loan is advanced or within thirty (30) days of CMHC's authorization to advance, whichever occurs first. If the Insurance Premium is not fully paid by the Approved Lender to CMHC within the time frame indicated herein, the insurance coverage for the Housing Loan shall be terminated automatically with no further notice to the Approved Lender. Notwithstanding the foregoing, in the case of progress advances, the insurance coverage will be maintained only in respect of prior advances where premium and taxes were paid as required above.

Acceptance. Payment of the Insurance Premium by the Approved Lender, in whole or in part, is deemed to be an acceptance and acknowledgement of the terms and conditions of this Certificate of Insurance.

Cancellation. CMHC has the right to modify or terminate this Certificate of Insurance if there is a material change to any information submitted or required to be submitted in connection with the Approved Lender's application prior to any advances having been made. Notwithstanding the foregoing, if the Approved Lender becomes aware of a material change after having made one or more advances, the insurance coverage in respect of any such prior advances will be maintained, as provided for in the MLIP.

Post-Approval Fee. Any request to modify this Certificate of Insurance must be made in writing to CMHC accompanied by the applicable post-approval fee.

Expiry of Certificate of Insurance. If the first advance is not made by 2021-12-16, the insurance coverage for the Housing Loan shall automatically cease to be in force without further notice to the Approved Lender.

Date of Final Advance. If the final advance is not made on or before 2023-03-30, the Housing Loan amount shall be reduced to the amount advanced on or before the Final Advance Date, unless otherwise agreed to in writing by CMHC.

Extending Advance Dates. Should the Approved Lender wish to extend the expiry date of this Certificate of Insurance or the Final Advance Date, a request in writing must be made to CMHC prior to the expiry of this Certificate of Insurance, accompanied by the applicable post-approval fee based on the then current CMHC fee schedule. Following a review of the request, CMHC may impose additional conditions including, but not limited to, the payment of a higher Insurance Premium and an application fee. Acceptance shall be at the sole discretion of CMHC.

3. Environmental Risks. It is the Approved Lender's responsibility to ensure that the Property complies with CMHC policies and guidelines relating to environmental risks. Prior to the first advance, the Approved Lender shall provide CMHC with a letter, in a form satisfactory to CMHC, confirming that the Approved Lender has obtained and reviewed an Environmental Site Assessment (ESA) report in respect of the Property and that, based on the Approved Lender's review of the findings reported, the ESA conforms to CMHC policies and guidelines and the ESA report may be relied upon by the Approved Lender and CMHC for the purposes of the Housing Loan.

4. Physical Condition Report. A physical condition report may be prepared by or for CMHC to identify repairs which should be completed. This report is taken into account as part of CMHC's underwriting of the Housing Loan and is solely for internal purposes. As such, the report does not and will not constitute a representation

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 1 – GENERAL PROVISIONS

or warranty that the Property is in conformance with building or property standards, fire code or other regulations. Neither CMHC nor the inspector preparing the report assumes any responsibility for any loss or damage to any person as a result of the preparation of this report.

- 5. Interest Rate.** It is the Approved Lender's responsibility to ensure that the interest rate established for the initial term of the Housing Loan does not exceed the interest rate specified in this Certificate of Insurance. The interest rate for any renewal term of the Housing Loan must comply with CMHC policies and guidelines set out in the Handbook.
- 6. Real Property Taxes.** The Approved Lender is responsible for the monthly collection of taxes related to the Property.
- 7. Title to Property.** The Approved Lender must ensure that the Borrower has good and marketable title to the Property in accordance with the MLIP and the Handbook.

Where title to the Property is held by a bare trustee, prêt-nom/nominee or agent, for and on behalf of the beneficial owner(s), the bare trustee, prête-nom/nominee or agent must be named as a borrower and any beneficial owner as a co-borrower or covenantor/guarantor (unless otherwise agreed to by CMHC). The Approved Lender must ensure that a satisfactory trust agreement or prête-nom/nominee agreement or custodial agreement is in place, whereby said bare trustee, prête-nom/nominee or agent has the authority to charge the Property.

- 8. Zoning.** Prior to the first advance, the Approved Lender must obtain confirmation that the proper zoning and approvals are in place for the rental Property, which is comprised of the specified number of residential units and if applicable, residential beds and non-residential space detailed on page 1 of this Certificate of Insurance.
- 9. Housing Loan Security.** The security for the Housing Loan, having the priority ranking set out at page 1 of this Certificate of Insurance (or otherwise set out herein), shall cover all assets and revenues relating to the Property and include:
- a) a mortgage, charge or hypothec, securing repayment of the Housing Loan by equal monthly payments of principal and interest;
 - b) an assignment of present and future rents;
 - c) a site-specific general security agreement (GSA) securing all inventory, equipment, vehicles, book debts, and other amounts of any nature or kind used for or related to the operation of the Property, including, without limitation, all rights in the contracts, permits and licenses related to the operation of the Property, and all rights, title and interest in the settlement proceeds and other benefits resulting from the insurance policies of the Borrower on the Property;
 - d) any other security deemed necessary by the Approved Lender in accordance with reasonable and prudent lending practices for similar transactions;

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 1 – GENERAL PROVISIONS

- e) all guarantees indicated in the Guarantee section below;
- f) security over the construction contracts, permits, plans and specifications, etc.; and,
- g) security over the Borrower's segregated bank account in which the replacement reserve funds are deposited, and a specific assignment of any securities in which the replacement reserve funds have been invested. See Replacement Reserve section below for funding requirements.

(The security required in this Certificate of Insurance, including as referenced in this Section 9, is collectively and individually referred to as the "Security".)

The Approved Lender may use its own form of conventional or collateral mortgage/hypothec and related security and loan documentation consistent with industry standards. Notwithstanding the foregoing, to the extent that such documentation contains additional events of default, which are not contained in CMHC's 1000 series mortgage forms outlined in the Handbook, the Approved Lender shall not call a default under the Security or other Housing Loan documentation (collectively and individually hereinafter referred to as the "**Housing Loan Documentation**") without the prior written consent of CMHC. It is the responsibility of the Approved Lender to ensure that all Housing Loan Documentation complies with the requirements of the NHA, the MLIP, the Handbook, the specific requirements of this Certificate of Insurance, and any other applicable legislation.

- 10. Subsequent Financing.** The Borrower shall not register any subsequent encumbrances without the prior written approval of the Approved Lender, which approval shall not be unreasonably withheld. The Approved Lender shall not exercise any cross-default rights between the Housing Loan and a subsequent encumbrance without the prior written approval of CMHC.

For Projects under Construction Only. In the event the Approved Lender approves subsequent encumbrances before, during or after the construction period, the creditors will be required to confirm, in an agreement satisfactory to the Approved Lender and its legal advisors, that they will postpone and subordinate to all Housing Loan advances. Furthermore, until the final Housing Loan advance is made, no payment against a subsequent encumbrance is permitted without the prior written approval of CMHC, other than interest-only payments or blended payments of principal and interest on the basis of an amortization period of twenty five (25) years or more.

- 11. Financial Statements.** The Approved Lender must use reasonable efforts to obtain, within four (4) months of each fiscal year end, the following financial statements:

- a) Borrower(s)*: Notice to Reader
- b) Beneficial Owner(s): Notice to Reader
- c) Property: Management Prepared
- d) Guarantor(s): Management

* If the Borrower is an individual, the annual review must include all properties owned by the Borrower.

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 1 – GENERAL PROVISIONS

If the annual review to be performed by the Approved Lender identifies items, which directly or indirectly negatively impact the Housing Loan, and which in its opinion require further action, the Approved Lender must promptly advise CMHC in writing and seek its concurrence prior to taking any remedial action.

The Housing Loan Documentation shall provide for standalone property reporting, isolating the Property's financial and operating information from that of other properties owned by the Borrower and Guarantor(s) (as applicable).

In the event of a default by the Borrower under the Housing Loan Documentation or if the Borrower or any Guarantor seeks relief under the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act or other debtors relief legislation, the Approved Lender shall, if possible, seek to establish a separate project bank account for the Property.

12. Ownership Structure. The Approved Lender must ensure that the ownership structure is as represented to CMHC. Bokhari Development Inc. is the registered and beneficial owner of the subject property. Bokhari Development Inc. is owned 100% by Darcy Shaver. Unless otherwise provided in this Certificate of Insurance, any changes in ownership, including, but not limited to, any changes to control or in key decision-making persons, must be pre-approved by the Approved Lender. Where the Approved Lender deems the change to be material to the Housing Loan or to the Borrower, the Approved Lender must submit a Replacement of Covenant request, together with the applicable fee, in order to seek CMHC's concurrence. CMHC concurrence must also be sought in the event of a material sale or purchase of a portfolio of properties involving the Borrower or related entities. In addition, the Approved Lender must ensure that the Security registered on title contains a due on sale clause.

13. Shared Facilities Agreements. The Approved Lender must disclose any shared facilities, parking or other amenities, which are material to the use and operation of the Property. Where CMHC has consented to same, prior to advancing the Housing Loan, the Approved Lender must obtain a signed and valid and enforceable shared facilities or other agreement ensuring access and use to all lands, parking amenities, facilities, and building components identified in the application for loan insurance for the full amortization period such that in the event of default and possession or sale by an Approved Lender holding or administering the Housing Loan, a satisfactory arrangement is in place covering all matters, including access, title and an appropriate cost sharing arrangement.

14. Condominium (in BC, Strata). Where the multi-unit rental Property is condominium-titled: (i) no sale of any unit in the condominium shall be permitted; and (ii) the Approved Lender shall ensure compliance with all requirements of the condominium legislation (notwithstanding that all units are owned and controlled by a single owner) and will monitor the requirement to hold annual meetings and compliance with capital reserve requirements. The Approved Lender must include the following clause in the mortgage/hypothec:

"The mortgagor/hypothecary debtor agrees, and it is a condition of the loan secured by this mortgage/hypothec, that no sale of individual units in the condominium shall be permitted. Any attempt to sell individual units constitutes a default under the loan, and all moneys owing under the loan, including principal and interest, will immediately become due and payable. All requirements of the condominium

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 1 – GENERAL PROVISIONS

legislation and declaration (including condominium governance and capital reserve requirements) must be complied with notwithstanding that the mortgagor/hypothecary debtor may own all units.”

Where the application approved by CMHC requires the registration of the multi-unit rental Property as a condominium, the Approved Lender must ensure that a bona fide application has been submitted by the Borrower to create a condominium corporation* on the Property. In addition to the clause outlined above, the Approved Lender must also include the following clause in the mortgage/hypothec:

“The mortgagor/hypothecary debtor agrees, and it is a condition of the loan secured by this mortgage/hypothec that, if the mortgagor/hypothecary debtor fails to register the required documentation and take whatever other steps are required to create a condominium corporation on the lands hereby secured by [specify date], all monies owing under the loan, including principal and interest, shall immediately become due and payable, provided that, if the mortgagor/hypothecary debtor fails to bring a condominium corporation into existence by the said date for reasons that are, in the opinion of the mortgagee/hypothecary creditor, beyond the mortgagor’s/hypothecary debtor’s control, the mortgagee/hypothecary creditor may, at its sole discretion, extend the said date for such period of time as it deems necessary.”

*References to condominium corporation are to also be understood to mean strata corporation (for BC) and syndicate of co-owners (for QC), where applicable.

15. Project Publicity. The Approved Lender shall ensure that it has the right in the Housing Loan Documentation to, at CMHC’s request, require the Borrower to publicly acknowledge CMHC’s support for the Housing Loan, in a manner acceptable to CMHC, which may include the erection of one or more signs at the project site with the name and logo of CMHC and/or the federal government, in a form approved by CMHC.

16. Hotel Conversion. The Housing Loan is made pursuant to the NHA for residential purposes. The conversion of the approved residential units from rental housing to a hotel or short term stay use is not permitted. The Approved Lender is required to include a clause in the Housing Loan Documentation prohibiting hotel use and further provide that the Housing Loan may be called, at the Approved Lender’s sole option, if:

- a) the building plan of the building is physically altered without the written approval of the Approved Lender and CMHC; and/or
- b) the project ceases to be occupied by persons utilizing the accommodation for purposes of a principal residence.

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 2 – OTHER PROVISIONS

AFFORDABLE HOUSING FLEXIBILITIES PRODUCT SPECIFIC CLAUSES

- 1. Purpose of the Housing Loan.** This Housing Loan is granted under CMHC's Affordable Housing Flexibilities product designed to facilitate the construction, improvement, or the purchase of new or existing affordable housing units and to preserve existing social housing projects with up to 5 years remaining in the operating agreement.
- 2. Affordability Criteria.** It is a condition of the Housing Loan that the Property, at all times, comply with the Affordability Criteria (as defined in Part 3 –SCHEDULE B – Affordable Housing Flex Clauses to Register Against the Property) and other terms and conditions set out in this Certificate of Insurance for a period of ten years from the date of occupancy of the units. The Approved Lender must ensure that the covenants set out in Part 3 - SCHEDULE B – Affordable Housing Flex Clauses to Register Against the Property constitute express terms in the Security and be registered on title.
- 3. Restrictions on Use of Funds.** The use of the Housing Loan proceeds are limited to the:
 - Construction of an affordable housing project on the Property
- 4. Title.** The Approved Lender is responsible for ensuring good and marketable title to the Property, in accordance with the MLIP, and for ensuring the priority of the Security. The Approved Lender is reminded that where there is a mortgage/ hypothec, operating agreement, restrictive covenant or other instrument preserving affordability registered on title by the province, municipality or other entity, the Approved Lender must be satisfied that these covenants and restrictions are subordinated to the Housing Loan at the outset. Alternatively, with respect to restrictive covenants on title, these may remain in place for a period of up to six (6) months, subject to CMHC's written consent (as per below). This six (6) month period is intended to provide the province, municipality or other entity with opportunity to take steps to preserve the affordable housing project (as desired or applicable). In the event of default, where the Approved Lender or CMHC has exercised its remedies and has been unable to sell subject to the restrictive covenants, for a period of six (6) months, for an amount equal to the lesser of the amounts outstanding under the Housing Loan, or an amount acceptable to the party benefiting from the restrictive covenants and CMHC, then the restrictive covenants must cease to apply at CMHC's option and be discharged from title.

Where CMHC has approved restrictive covenants on the title, the Approved Lender is responsible for ensuring good and marketable title to the Property in accordance with the MLIP, and for ensuring that any covenants and restrictions (other than those for which a general exemption has been provided by CMHC) will, at all times, remain subordinated to the Housing Loan.

- 5. Guarantees (in Quebec, guarantees are also designated as suretyships).** The Guarantor(s) must provide the Approved Lender with the Guarantee(s) set out in Part 3- SCHEDULE A – Guarantees. The Guarantee is for the full duration of the Housing Loan, including renewals. The Guarantee must be absolute, irrevocable and unconditional and must specify that the Approved Lender is not obliged to exhaust its recourses against the Borrower or the Property (or with respect to any collateral security) prior to acting under the Guarantee. The

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 2 – OTHER PROVISIONS

Approved Lender is responsible for the validity and enforceability of the Guarantee and shall take all necessary steps in order to ensure compliance with this condition, including, but not limited to, requiring that the Guarantor obtain independent legal advice where necessary/prudent.

- 6. Replacement Reserve Fund.** The Approved Lender, as part of its monthly payment collection process, shall collect an amount equal to 2.0% of the estimated monthly effective gross income for the applicable fiscal year (to be adjusted at the end of each fiscal year to reflect actual effective gross income) Funding of the reserve is required during the full amortization period of the Housing Loan. This amount shall be used as a reserve for major capital repairs, and subject to the prior written consent of CMHC, to cover any material cash flow disruption. These funds shall be placed in trust with the Approved Lender to ensure control of disbursements of the reserve fund. Should there be a claim under the MLIP, subject to CMHC's direction, the reserve shall be seized by the Approved Lender and applied to reduce the principal balance of the Housing Loan.

The Approved Lender may, at its own discretion, allow the Borrower to draw on the fund for major capital repairs. For further certainty, major capital repairs means the repair or replacement of any major component of the project.

Where the Borrower wishes to use the reserve for any other purpose, including a material cash flow disruption, and the Approved Lender concurs, the Approved Lender shall make a recommendation and seek CMHC's prior written consent.

CONSTRUCTION FINANCING

- 1. Construction Loan Advances.** The Approved Lender must act prudently in advancing the Housing Loan in accordance with applicable legislation, best practices, and CMHC policies and guidelines relating to advancing for construction financing (including as it relates to construction lien holdbacks).
- 2. Applicable Laws, Regulations, Codes and Certifications.** The Approved Lender must ensure that the Borrower complies with all applicable federal, provincial, territorial and municipal laws, regulations and codes in the construction of the project.

Prior to each advance, the Approved Lender must obtain from the project architect certification that the work to-date is in compliance with plans and specifications, as approved by the regulatory authority having jurisdiction.

- 3. Working Drawings.** Prior to the start of construction, CMHC may request that the Approved Lender provide a complete set of working drawings to CMHC including: a site plan; architectural specifications; site services plan; landscape plan and structural, mechanical and electrical plans (including ventilation details). CMHC's review of this documentation does not and will not represent a warranty that the Property is in conformance with any building or property standards; the review is to be carried out solely for CMHC's internal purposes.
- 4. Construction Contract Type.** General Contractor – Fixed Price. Prior to the start of construction, the Approved Lender is to ensure that the project is to be built under a general contractor arrangement where the contract is at a fixed price, no greater than \$33,268,900.00. The fixed price contract is to be given as security to the

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 2 – OTHER PROVISIONS

Approved Lender and the Approved Lender is to confirm the acceptability of the general contractor and the form of the contract.

The fixed price contract must be bonded at the level of 50% for labour and material and 50% performance, with the Approved Lender appropriately designated the beneficiary of the bond.

- 5. Project Monitoring.** The Approved Lender is to ensure that sufficient safeguards are in place in order to guarantee timely completion of the construction of the project at the stated costs. Prior to the start of construction, the Approved Lender is to ensure that the project budget cost is reviewed and approved by a third party project monitor. This role is to be performed by a quantity cost surveyor preferably with a Professional Quantity Surveyor (PQS) designation who, in the opinion of the Approved Lender, holds liability insurance adequate for the size of the project.

The Approved Lender shall employ the project monitor to recommend the amount of each progress advance and holdback requirements in accordance with applicable construction lien legislation, with verification of cost of work-in-place and cost to complete on every advance. In addition, the project monitor shall provide suitable certification that all monies advanced by the Approved Lender have been used for the Property in accordance with the approved budget and that invoices and contractors have been paid. The Approved Lender is to review and recommend progress advances.

ACKNOWLEDGEMENT

We acknowledge that this Certificate of Insurance is issued pursuant to the Master Loan Insurance Policy and the terms and conditions forming part of this Certificate of Insurance are specific to the Housing Loan and must be fulfilled, satisfied, complied with or met by the Approved Lender in order for the Housing Loan to be insured. In the event that this Certificate of Insurance is issued with a revision date, we acknowledge that the Certificate of Insurance bearing the revision date is intended to amend, supplement or replace (as the case may be) any previously issued certificate of insurance as it relates to the Housing Loan.

We understand and acknowledge our obligation to exercise reasonable care and prudence in all matters related to the underwriting, advancing and administration of the Housing Loan, including the collection of its repayment, and protection of the Security. Further, we acknowledge that, as part of the Approved Lender's due diligence, we are responsible for retaining on file, whether in a paper-based or electronic format, documentation and details obtained in support of the loan application and related documentation submitted for CMHC insurance as well as documentation and details confirming the multi-unit residential Housing Loan was made in accordance with reasonable and prudent lending practices and in compliance with CMHC policies.

We acknowledge, consent and agree that CMHC may provide all documentation relating to the Housing Loan and this Certificate of Insurance through any communication method permitted by CMHC (including any electronic or facsimile communication). Any documents sent through electronic or facsimile communication will be considered "in writing" and to have been signed and delivered by, and binding on, any party as though it were an original document.

We acknowledge that CMHC is subject to the Access to Information Act and the Privacy Act and is committed to protecting the privacy, confidentiality and security of personal information that it holds by adhering to the requirements of these laws. We further acknowledge and agree to facilitate CMHC's compliance with these laws and their related regulations, policies, and directives. Individuals have a right to access and request corrections to their personal information that is under the control of CMHC of access to CMHC-controlled information about themselves.

PROTECTED Business Commercial - This document contains confidential and proprietary information and shall not be further distributed, copied or disclosed by the Approved Lender (other than to the Borrower, or to the Borrower's or Approved Lender's professional advisors who have a need to know, provided that the Approved Lender shall ensure any such receiving party treats the information as confidential), without the prior written consent of CMHC.

Name of Approved Lender: Peoples Trust Company

per:

Name of Signing Officer:



Darryl Morley, CFA
Account Manager
Commercial Banking -- Eastern Canada

Place and Date of Signature:

Toronto, ON June 23, 2021

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 3 - SCHEDULES

SCHEDULE A – GUARANTEES

	Guarantor/Covenantor Name	Guarantee Type	Minimum Percentage of Outstanding Housing Loan (principal, interest and costs incurred for recovery or preservation of Property)
1.	Darcy Shaver	Single	100.0%

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 3 - SCHEDULES

SCHEDULE B – AFFORDABLE HOUSING FLEX CLAUSES TO REGISTER AGAINST THE PROPERTY

MANDATORY AFFORDABLE HOUSING COVENANT TO BE INCLUDED BY THE APPROVED LENDER IN THE INSURED MORTGAGE/HYPOTHEC REGISTERED ON TITLE: AFFORDABLE HOUSING COVENANT

The following covenants shall form part of the **Mortgage** registered on title to the property granted as security for the housing loan insured by CMHC. These covenants (collectively the “**Affordable Housing Covenant**”) shall remain in full force and effect for the duration of the **Affordability Period**. Capitalized terms and expressions used in this **Affordable Housing Covenant** shall have the meanings set out below.

Defined Terms:

In this Affordable Housing Covenant, the following terms will have the following meanings:

Affordability Criteria means the criteria in the table below which apply to the Project:

	OPTION	At the Time of First Occupancy	During the Affordability Period
New Construction	A	<ul style="list-style-type: none"> ➤ The total residential rental income of the Project must be at least 10% below its potential residential rental income as supported by an appraisal report; and ➤ A minimum of 20% of the units must be affordable with rents at or below 30% of the median household income in the subject market. 	<ul style="list-style-type: none"> ➤ The base rent for those units used to accomplish the 10% reduction in the potential residential rental income at the time of first occupancy (as identified by the borrower and attached by rent roll under SCHEDULE C – AFFORDABLE HOUSING RENT ROLL) shall not increase by an amount greater than the annual increase permitted under applicable legislation/regulations or in the absence of such legislation then rent increases will be limited to the applicable consumer price index as stipulated in the applicable Statistics Canada table (Consumer Price Index, Shelter, by Province –Rented Accommodation); and ➤ A minimum of 20% of the units must be affordable with rents at or below 30% of the median household income in the subject market at the time of first occupancy; and ➤ In the case of a new tenancy and/or a change of tenant, to the extent that applicable legislation/regulations do not limit the amount of rent that a landlord may charge a new tenant, the Mortgagor will not increase the rent on a new tenancy and/or a change of tenant by an amount

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 3 - SCHEDULES

		greater than the applicable consumer price index as stipulated in the applicable Statistics Canada table (Consumer Price Index, Shelter, by Province – Rented Accommodation).
--	--	---

Median household income in a market will be as set out in [<http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/famil107a-eng.htm>] and rent percentiles in a market will be as set out in [<https://www.cmhc-schl.gc.ca/en/hoficlincl/moloin/mupr/upload/affordability-criteria-rent-percentiles.pdf>].

Affordability Period means i) in the case of new construction or major renovation or regeneration projects, the ten year period commencing on date of the first occupancy permit for an affordable housing unit in the Project; and ii) in the case of an existing building, the ten year period commencing on the interest adjustment date of the housing loan secured by this Mortgage.

Approved Lender means the approved lender or mortgagee/hypothecary creditor under the housing loan secured by this Mortgage and insured by CMHC.

CMHC means Canada Mortgage and Housing Corporation.

Mortgage means this mortgage, charge or hypothec granted to the Approved Lender in support of the housing loan insured by CMHC pursuant to the National Housing Act.

Mortgagor means the borrower or mortgagor/hypothecary creditor named in this Mortgage, and includes the beneficial owner or nominee, for purposes of this **Affordable Housing Covenant**.

Project means the multiple unit residential project located on the property described in this Mortgage.

Covenants:

1. Prior to the first advance under the housing loan secured by the Mortgage, the Mortgagor must provide evidence satisfactory to the Approved Lender that the Project will comply with the **Affordability Criteria** for the **Affordability Period**.
2. The Project must at all times during the **Affordability Period** comply with the **Affordability Criteria**.
3. The Mortgagor shall provide annually a certificate of compliance in the form attached below, confirming compliance with the terms and conditions of this **Affordable Housing Covenant** together with any information that may be required to support confirmation of compliance with this

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 3 - SCHEDULES

Affordable Housing Covenant where required by the Approved Lender or CMHC. The **Approved Lender** will advise CMHC in writing of any non-compliance identified by the Borrower in the Certificate or otherwise known by the Approved Lender.

4. The Mortgagor shall maintain books and records to support confirmation of compliance and shall give the Approved Lender or CMHC access to such books and records during regular business hours on ten (10) days notice.
5. Failure to comply with the terms and Conditions of this **Affordable Housing Covenant** shall, at CMHC's sole option, constitute a default under the Mortgage.
6. This **Affordable Housing Covenant** shall ensure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 3 - SCHEDULES

AFFORDABLE HOUSING FLEX ANNUAL CERTIFICATE

Mortgagor's Annual Form Certificate of Compliance – Affordable Housing Covenant
For the Year Ended December 31, 20XX

TO: <@> (the "Approved Lender")

AND TO: CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC")

RE: Mortgage/hypothecary loan from [lender] to [Mortgagor] secured by a mortgage/hypothec insured pursuant to the *National Housing Act* (Canada) in respect of the Project known as [_____] located at [municipal address] (the "Project")

CMHC Reference Number: _____

Capitalized terms and expressions used in this Certificate have the meanings set out in the Affordable Housing Covenant in the above referenced Mortgage.

I, the undersigned [name], [title] of _____ ("Mortgagor"), certify, without personal liability, to the Approved Lender and CMHC, that:

1. I am the duly appointed [title] of the Mortgagor and as such I am providing this certificate for and on behalf of the Mortgagor pursuant to the Affordable Housing Covenant.
2. The Mortgagor has fulfilled all requirements pursuant to the Affordable Housing Covenant and the Project was during the calendar year and continues to be in compliance with each of the terms and conditions.

DATED the <@> day of <@>, 20<@>.

Name:

Title:

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 3 - SCHEDULES

SCHEDULE C – AFFORDABLE HOUSING RENT ROLL

Suite Type	# Units	Size (SF)	Rents
1-Bedroom	13	588	\$810.00
3-Bedroom	195	869	\$1,327.50
Total	208	177,099	
Average		851	\$1,295.16

**This is Exhibit "C" referred to in the
Affidavit of BRIAN JAHOOOR
annexed hereto sworn before me by videoconference
on the ____ day of _____, 2023, at which time I watched
the deponent swear this document and sign it.**

**On this ____ day of _____, 2023, having received
this original executed document, I signed it.**

**A Barrister-At-Law in and for
the Province of Manitoba**



1. MORTGAGE TYPE

- Mortgage
- Mortgage of Mortgage
- Encumbrance
- Mortgage of Encumbrance

2. MORTGAGOR

- Individual
- Corporation

Corporation Name

BOKHARI DEVELOPMENT INC.

Signed pursuant to a power of attorney court order

- Executor, Administrator, Trustee
- Government and Government Agency

3. LAND DESCRIPTION AND PRIOR INSTRUMENTS

Land 1

- All or part of a title
 - Current title number Issuing from title number
- All Part

Land Description

LOTS 1 AND 2 BLOCK 1 PLAN 1810 PLTO EXC ALL MINES AND MINERALS VESTED IN THE CROWN (MANITOBA) BY THE REAL PROPERTY ACT IN RL 56 AND 57 PARISH OF PORTAGE LA PRAIRIE

- All units in a condominium plan
- All lots, blocks and parcels in a plan

Subject to the following instruments

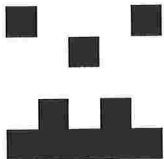
- Currently on title

Instrument Number

-
-
-
-
-
-
-
-

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3. All 22 Mortgage content pages are present.



1212606/3

Registered prior in series

4. MORTGAGEE

Individual **i** Full legal name required

Corporation

Corporation Name

PEOPLES TRUST COMPANY

In trust for self-directed registered account, detailed as follows

[Empty text box for details of self-directed account]

Address for Service

Suite 1310 - 95 Wellington Street West

[Empty text box for address details]

City

Toronto

Province

Ontario

Country

CANADA

Postal Code

M5J 2N7

Share or fractional interest of the mortgage monies contributed %

Executor, Administrator

Government and Government Agency

5. TERMS AND PAYMENT PROVISIONS

Mortgage Description

[Empty text box for mortgage description]

Mortgage Principal Amount

32,815,800.00

Canadian Dollar (CAD)

Standard Charge Mortgage Terms

Deposited at land titles as number

1028245/1

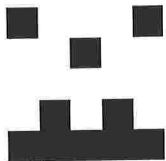
and name

Canada Mortgage and Housing Corporation

Not applicable

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Loan Description

Loan Principal Amount Canadian Dollar (CAD)

Mortgage secures a revolving credit up to the loan principal amount

Payment Details

Prime is defined as

Scheduled Payments

Payable on Demand

Additional Provisions

- This mortgage secures the refundable portions of tenants' entrance fees as required by clause 28(2)(b) of *The Life Leases Act*.
- Covenantor will sign
- Guarantee Mortgage
- Collateral Mortgage
- Secures present and future liabilities
- Secures current or running account
- Prepayment terms
- Other

Details

The Mortgagor, being the owner in fee simple in possession, of all the lands and premises described herein (the "Mortgaged Premises") in consideration of the sum of the Principal Amount (defined herein) advanced or to be advanced by the Mortgagee, covenants and agrees with the Mortgagee as follows:

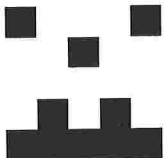
1. LOAN DOCUMENTS

1.1 For the purposes of this Mortgage, "Loan Documents" means, collectively, this Mortgage, the Commitment Letter dated June 29, 2021, together with all Schedules and Appendices thereto including, without limitation, the Canada Mortgage and Housing Corporation ("CMHC") Certificate of Insurance attached thereto (as amended from time to time, the "Commitment Letter") and all guarantees, covenants, undertakings and security agreements granted to or made in favour of the Mortgagee by the Mortgagor or any other person or entity in connection with or to secure the loan secured by this Mortgage (the "Loan"), in each case as amended from time to time; and "Loan Document" means any one of them.

1.2 In the event of any conflict or inconsistency between any provision of this Mortgage and the provision of any other Loan Document, the Mortgagor hereby acknowledges and agrees that the Mortgagee may elect which instrument or provision is to prevail. This Mortgage is intended to supplement and not derogate from the other Loan Documents. All provisions of the Commitment Letter, as amended from time to time, shall survive the execution and delivery of the Mortgage and any security collateral hereto and the advance of funds hereunder and

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3. All 22 Mortgage content pages are present.

shall remain in full force and effect. Default by any of the parties to any Loan Document, except the Mortgagee, of any of the terms or requirements contained in such Loan Document, shall be deemed to constitute a default under each other Loan Document.

2. STANDARD CHARGE TERMS

2.1 This Mortgage incorporates by reference and includes the Standard Charge Terms ("SCT") filed under The Real Property Act (Manitoba) by CMHC as Serial No. 1028245/1 together with all schedules thereto and is subject to the terms contained in the SCT as varied by any deletions from, or amendments or additions to the terms of the SCT as set out herein. In the event of any conflict or inconsistency between any term of the SCT and any term in this Box 5 of the Mortgage, the Mortgagor hereby acknowledges and agrees that the Mortgagee may elect which instrument or provision is to prevail.

3. PAYMENT PROVISIONS

3.1 The Instalment Date shall be the first day of each month and the following payment terms are as set out herein:

(a) Mortgage Principal Amount: as stated in Box 5 of this Mortgage (the "Principal Amount");

(b) Interest Rate:

(i) Construction Loan: annual interest rate equal to the prime rate of the Bank of Montreal in effect from time to time during the term of the Loan plus 0.00% per annum, with a minimum annual interest rate of 2.45% (the "Construction Loan Interest Rate");

(ii) Long Term (Takeout) Loan: to be determined, based on prevailing market rates at the time of conversion (the "Interest Rate");

(c) Interest Calculation Period:

(i) Construction Loan: the interest rate will be calculated daily, compounded monthly, not in advance, both before and after maturity, until paid on the Principal Amount owing from time to time;

(ii) Long Term (Takeout) Loan: the interest rate will be calculated and compounded semi-annually, not in advance, both before and after maturity, on the Principal Amount from the Interest Adjustment Date (defined herein) until such time as the Principal Amount is paid in full.

(d) Interest Adjustment Date:

(i) Construction Loan: not applicable;

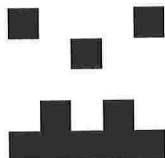
(ii) Long Term (Takeout) Loan: the first day of the month following the date on which the final advance has been made (the "Interest Adjustment Date");

(e) First Payment Date:

(i) Construction Loan: the first day of the month following the month in which the first advance thereof is made (the "Construction Loan First Payment Date");

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3. All 22 Mortgage content pages are present.



(ii) Long Term (Takeout) Loan: the first day of the month following the Interest Adjustment Date (the "First Payment Date");

(f) Balance Due Date:

(i) Construction Loan: the earlier of twenty (20) months after the advance of the Construction Loan and March 30, 2023 (the "Construction Loan Balance Due Date");

(ii) Long Term (Takeout) Loan: one hundred and twenty (120) months after the advance of the Long Term (Takeout) Loan, as determined at the time of the advance (the "Balance Due Date");

3.2 Construction Loan:

(a) The Mortgagor will pay to the Mortgagee in lawful money of Canada at the Mortgagee's address in Section 20 below or at such other place as the Mortgagee may from time to time designate in writing, the Principal Amount together with interest thereon or on so much thereof as shall remain from time to time unpaid at the Construction Loan Interest Rate, calculated daily and compounded monthly, not in advance, both before and after default, demand, maturity and judgment, with interest on overdue interest at the same rate, until paid, as follows:

(i) interest at the Construction Loan Interest Rate on the amounts from time to time advanced, computed from the respective dates of such advances, shall become due and be paid on the first day of each month from and including the Construction Loan First Payment Date to and including the Construction Loan Balance Due Date; and

(ii) the balance of the Principal Amount and interest thereon at the Construction Loan Interest Rate and all other amounts payable under the Mortgage shall be become due and be paid in full on the Construction Loan Balance Due Date.

(b) The Mortgagee may, at its sole option, amend either or both of the Construction Loan First Payment Date or the Construction Loan Balance Due Date, by notice in writing to the Mortgagor and/or by way of an amending agreement which agreement the Mortgagor agrees to execute promptly and return to the Mortgagee's solicitor.

3.3 Takeout Loan:

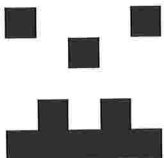
(a) The Mortgagor will pay to the Mortgagee in lawful money of Canada at the Mortgagee's address in Section 20 below or at such other place as the Mortgagee may from time to time designate in writing, the Principal Amount together with interest thereon or on so much thereof as shall remain from time to time unpaid at the Interest Rate, calculated and compounded semi-annually, not in advance, both before and after default, demand, maturity and judgment, with interest on overdue interest at the same rate, until paid, as follows:

(i) interest at the Interest Rate on the amounts from time to time advanced, computed from the respective dates of such advances, shall become due and be paid on the Interest Adjustment Date or, at the Mortgagee's option, on the first day of each month prior to the Interest Adjustment Date. At the option of the Mortgagee, the interest so due and payable to the Interest Adjustment Date may be deducted from advances under the Mortgage;

(ii) thereafter the Principal Amount and interest thereon at the Interest Rate computed from the Interest Adjustment Date shall become due and be paid in equal monthly instalments of principal and interest, in an amount to be determined by the Mortgagee, each on the first day of each and every month in each and every year from and including the First Payment Date to and including the Balance Due Date; and

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(iii) the balance, if any, of the said Principal Amount and interest thereon at the Interest Rate and all other amounts payable under the Mortgage shall be become due and be paid in full on the Balance Due Date.

(b) In the event the first advance of the Principal Amount is not advanced in the month prior to the Interest Adjustment Date, if any, then the Mortgagee may, at its sole option, amend any or all of the Interest Adjustment Date, First Payment Date and Balance Due Date, by notice in writing to the Mortgagor and/or by way of an amending agreement which agreement the Mortgagor agrees to execute promptly and return to the Mortgagee's solicitor.

3.4 The Mortgagor, at the Mortgagee's option, shall pay all monthly payments hereunder by either post dated cheque or pre-authorized chequing or debit arrangement. The Mortgagor shall execute the requisite documents to allow the Mortgagee to withdraw the regular monthly payments of principal, interest and taxes from the Mortgagor's bank accounts.

3.5 Any payment received after 2:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next Business Day and the Mortgagee shall be entitled to interest on the amount due to and including such next Business Day. For the purposes of this Mortgage, "Business Day" means any day, other than Saturday, Sunday or any statutory holiday in the province in which the Mortgaged Premises are located.

3.6 In the event that any cheque of the Mortgagor or pre-authorized debit payment is not honoured when presented for payment or when due, as the case may be, the Mortgagor shall pay to the Mortgagee a servicing fee to cover the Mortgagee's administration costs with respect to the same. In the event that any such cheque is not replaced or debit payment is not authorized forthwith by the Mortgagor, the Mortgagee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Mortgagee's failure forthwith to replace such cheque or authorize such payment.

3.7 Clause 3 of the SCT is hereby amended by deleting the wording of Clause 3 and replacing the same with the following: "The Mortgagor shall have no right to prepay all or any part of the Loan prior to the Balance Due Date".

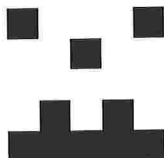
3.8 The Mortgagee, as part of its monthly mortgage payment collection process, shall collect an amount equal to 2.00% of the estimated monthly effective gross income for the applicable fiscal year (to be adjusted at the end of each fiscal year to reflect actual effective gross income) during the full amortization period of the Loan. This amount shall be used as a reserve (the "Reserve") for major capital repairs, and subject to the prior written consent of CMHC, to cover any material cash flow disruption. The Mortgagee may, at its own discretion, allow the Mortgagor to draw on the Reserve for major capital repairs, which are defined as the repair or replacement of any major component of the Mortgaged Premises. Where the Mortgagor wishes to use the Reserve for any other purpose, including a material cash flow disruption, and the Mortgagee consents, the Mortgagee shall make a recommendation and seek CMHC's prior written consent. The Reserve shall be placed in trust with the Mortgagee to ensure control of disbursements of the Reserve. Non-compliance with these funding requirements represents a default under this Mortgage, at the option of the Mortgagee. The Reserve shall be seized by the Mortgagee and applied to reduce the unpaid Principal Amount together with accrued and unpaid interest due thereon in the event of a claim under the Mortgage loan insurance policy.

4. TAXES

4.1 The Mortgagor will, on the due date thereof, pay and satisfy all taxes, rates, levies, charges, rents, assessments or other impositions whatsoever already rated, charged, assessed or imposed or hereafter to be rated, charged, assessed or imposed no matter by whom or by what authority howsoever on the Mortgaged Premises, or on the

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Mortgagor or Mortgagee, in respect of the Mortgaged Premises (collectively in the Mortgage referred to as "taxes"); provided however that in respect of taxes at the option of the Mortgagee:

(a) The Mortgagee may deduct from any advance of the monies secured by the Mortgage an amount sufficient to pay any taxes which have become due and payable as at the date of such advance and if any taxes are not yet payable the Mortgagee may deduct by way of a reserve for taxes, an amount equal to one-twelfth (1/12th) of the annual taxes (as estimated by the Mortgagee) multiplied by the number of months between the date one year prior to the next due date of such taxes and the date of the first monthly instalment hereunder;

(b) Commencing on the first payment date, the Mortgagor shall pay to the Mortgagee an amount or amounts on account of taxes (as estimated by the Mortgagee) in order that the Mortgagee may have, on account of taxes payable or to become payable, an amount sufficient to meet the full year's taxes next due by at least thirty (30) days prior to the due date thereof. If the taxes actually charged for any one year, together with any interest and penalties thereon, exceed the estimated amount the Mortgagor shall pay to the Mortgagee on demand the amount required to make up the deficiency;

(c) Without restricting the generality of the foregoing, the Mortgagor at the option of the Mortgagee, shall monthly on the dates on which instalments are payable hereunder pay to the Mortgagee one-twelfth (1/12th) of the amount (as estimated by the Mortgagee) of the taxes becoming due and payable. If the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payments of taxes, the Mortgagor shall pay to the Mortgagee such additional amounts as are required for that purpose;

(d) The Mortgagee may pay the taxes for each year on or before the due date of payment thereof, or, if taxes are payable in instalments, on or before the due date for payment of the first payment. The Mortgagee shall apply the deductions and payments referred to in subparagraphs (a), (b) and (c) hereof to taxes so long as the Mortgagor is not in default under any covenant, proviso or agreement contained in the Mortgage, but nothing herein contained shall oblige the Mortgagee to apply such payments on account of taxes, more often than yearly. Provided however that if, before any such deductions or payments have been so applied, there shall be default by the Mortgagor in respect of any payment of any moneys or other charges as provided for in the Mortgage, the Mortgagee may apply such sum or sums in or towards payment of any such moneys or other charges in default;

(e) The Mortgagor shall transmit to the Mortgagee the tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Mortgagor;

(f) Any debit balance from time to time in the tax account shall be payable upon demand and bear interest at the rate aforesaid and such amount and interest shall be a charge on the Mortgaged Premises;

(g) In the event the Mortgagee does not exercise its rights under (b), (c) or (d) above, the Mortgagor shall in each year, at least ten (10) days before the date, if any, on or before which discount is allowed on the payment of taxes, or at least ten days before the date after which a penalty is added for non-payment of same, as the case may be, pay and discharge all taxes, as hereinbefore defined and produce and leave with the Mortgagee receipts therefor. If the Mortgagor is in default of the payment of the taxes, then the Mortgagee shall be entitled to, but shall not be obliged to, pay the same, and all sums so expended shall be payable on demand to the Mortgagee with interest and such amount and interest shall be a charge on the Mortgaged Premises.

Notwithstanding the foregoing and subject to the Mortgagee's written approval, the Mortgagor shall have the ability to pay property tax instalments directly to the City of Portage la Prairie through its Tax Instalment Plan ("TIP") program. The Mortgagor shall provide satisfactory evidence of payment thereunder to the Mortgagee quarterly in March, June, September and December of each year. The Mortgagee reserves the right to receive

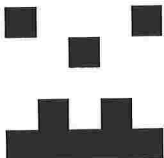
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monthly tax instalments, as called for in this Mortgage, in the event that the Mortgagor fails to comply with the terms of the TIP program.

5. INSURANCE

5.1 Insurance Requirements

The Mortgagor will at all times during the term of the Loan maintain the insurance required by the Commitment Letter.

With respect to each policy of insurance, loss payable shall be to the Mortgagee and shall include an Insurance Bureau of Canada standard mortgage clause, and shall include the Mortgagor and any beneficial owners of the Mortgaged Premises as Named Insureds. All policies shall be on a "no co-insurance" basis. All such insurance shall be placed with a company or companies and on a form satisfactory to the Mortgagee. Deductible amounts shall also be subject to Mortgagee approval. All cancellation and alteration clauses in the above referenced policies, including those contained in the mortgage clause endorsements, shall provide for at least 60 days prior written notice to the Mortgagee of any cancellation of or material alteration to the policy. The Mortgagor shall provide evidence of policy renewal or satisfactory replacement policy annually at least 60 days prior to expiry. The Mortgagor shall deliver to the Mortgagee original or certified copies of all policies required hereunder. At the time of funding, the expiry date of each of the insurance policies required hereunder shall be at least 1 year from the date of funding. The Mortgagee shall be entitled to require coverage of such other risks and perils as the Mortgagee may from time to time consider advisable or desirable in respect of which insurance coverage is available.

6. DISHONoured CHEQUES OR PAYMENTS

6.1 If any of the Mortgagor's cheques are not honoured when presented for payment or if a pre-authorized payment is not honoured, the Mortgagor will immediately pay the Mortgagee a reasonable servicing fee as determined by the Mortgagee to cover the administration costs and expenses arising therefrom. Until paid, such servicing fee, together with interest thereon at the Interest Rate shall be added to the Principal Amount and secured by this Mortgage.

7. ALTERATIONS

7.1 Clause 13 of the SCT is hereby amended by deleting the wording of Clause 13 and replacing the same with the following:

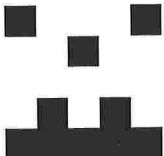
"Any major changes, additions, and/or alterations contemplated to the Mortgaged Premises, including major changes in use of the Mortgaged Premises and/or any proposed use of the Mortgaged Premises as a hotel or similar type of accommodation, must receive the Mortgagee's written consent prior to the commencement of the changes, additions and/or alterations. If the Mortgagor changes and/or alters the Mortgaged Premises or its use without the prior written consent of the Mortgagee being obtained, then the Mortgagee may, at its sole option, declare forthwith due and payable the entire balance of the unpaid principal together with the accrued interest due thereon. The Mortgagor will provide reasonable notice to the Mortgagee of any anticipated or impending transaction which would require the consent of the Mortgagee under this Section together with such reasonable information as the Mortgagee may require to determine whether or not to grant its consent thereto."

8. DUE ON SALE

8.1 Clause 17 of the SCT is hereby amended by deleting the wording of Clause 17 and replacing the same with the

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following:

“The Mortgagor covenants and agrees with the Mortgagee that in the event of the Mortgagor:

(a) directly or indirectly selling, conveying, transferring, encumbering or entering into an agreement for sale, or transfer of title to the Mortgaged Premises, or any part thereof, or any interest therein (beneficial, registered or otherwise), or agreeing to do so; or

(b) having a change in the direct or indirect voting control or majority ownership interest of the Mortgagor by way of a transfer, sale, assignment, bequest, inheritance, trust settlement, operation of law or other disposition; or

(c) amalgamating or merging;

without the prior written consent of the Mortgagee and CMHC being obtained, such consent not to be unreasonably withheld, then the Mortgagee and CMHC at its option, may declare forthwith due and payable the entire balance of the unpaid Principal Amount together with accrued and unpaid interest due thereon. The decision to accelerate the Mortgage shall be at the sole option of the Mortgagee and CMHC.

Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions. The terms of the sale and transfer shall also be subject to the Mortgagee’s approval, and shall include, inter alia, at the Mortgagee’s sole option, the amendment of the Mortgage to provide for corporate and/or personal liability related to the purchaser. The Mortgagor will provide reasonable notice to the Mortgagee of any anticipated or impending transaction which would require the consent of the Mortgagee under this section together with such reasonable information as the Mortgagee may require to determine whether or not to grant its consent thereto.”

If at any time on or after the execution of this Mortgage, any portion of the shares or voting rights of a shareholder of the Mortgagor or of a related corporation are transferred by sale, assignment, bequest, inheritance, trust settlement, operation of law, or other disposition, or are issued by subscription or allotment or cancelled or redeemed, or the Mortgagor effects a reorganization or amalgamation with another corporation or other act so as to result in any change in the holding of effective voting or other control of the Mortgagor or a related corporation from that which existed on the date of execution of this Mortgage without the prior written consent of the Mortgagee and CMHC, which consent shall not be unreasonably withheld, all monies secured by this Mortgage, with accrued interest thereon, shall at the option of the Mortgagee and CMHC forthwith become due and payable.

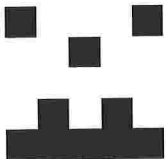
9. PROPERTY MANAGEMENT

9.1 The Mortgagee shall have the right to require that the Mortgagor retains a professional property manager for the Mortgaged Premises. The identity of such property manager and the terms and conditions of the management agreement shall be satisfactory to the Mortgagee. Any change in the management of the Mortgaged Premises shall require the prior written approval of the Mortgagee, both as to the identity of the manager and the terms and conditions of the management agreement.

9.2 If at any time during the currency of this Loan the Mortgagee is of the opinion that the management of the Mortgaged Premises is not being carried out in a manner satisfactory to the Mortgagee, then the Mortgagee shall give the Mortgagor written notice of its specific concerns. The notice shall require that the concerns are rectified to the Mortgagee’s satisfaction within 30 days from the date of such notice, failing which the Mortgagee shall have the right to appoint management of its choice and the cost of such management shall be borne by the Mortgagor.

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10. DISCLOSURE

The Mortgagor and each Additional Covenantor (as defined herein), if any, acknowledges that the Loan secured hereby may be sold or securitized into the secondary market and the Mortgagor and each Additional Covenantor consent to the release by the Mortgagee of all information and materials in the Mortgagee's possession concerning the Mortgagor, each Additional Covenantor and/or the Mortgaged Premises to such party or parties (including the public in any offering memorandum) as may be necessary or desirable to facilitate such sale or securitization. The Mortgagor and each Additional Covenantor agrees that the Mortgagee may share information concerning the Mortgagor or any Additional Covenantor, as the case may be, with (a) any assignee or proposed assignee of the Commitment Letter or the Loan, (b) the Mortgagee's duly authorized agents or representatives who are engaged in the processing or servicing of the Loan, (c) any insurer of the Loan, and (d) credit rating agencies.

11. FINANCIAL REPORTING

11.1 Within 120 days of the end of each fiscal year of the Mortgagor, or more often if requested by the Mortgagee, acting reasonably, the Mortgagor shall provide to the Mortgagee:

(a) notice to reader financial statements of the Mortgagor and any other borrower or guarantor of the monies secured by this Mortgage (an "Additional Covenantor"), including a balance sheet and supporting schedules, a detailed statement of income and expenditures and supporting schedules, and a statement of change in cash flow; in the case of an individual Mortgagor or Additional Covenantor, net worth statements may be supplied in lieu of financial statements;

(b) management prepared financial statements in respect of the Mortgaged Premises, including a balance sheet and supporting schedules and a detailed statement of income and expenditures and supporting schedules;

(c) a current rent roll for the Mortgaged Premises containing such detail as may be reasonably required by the Mortgagee.

11.2 The documents required under Section 11.1 and any other reporting required by the Mortgagee in respect of the Mortgaged Premises shall be prepared on a basis that isolates the financial and operating information for the Mortgaged Premises from any other properties owned by the Mortgagor.

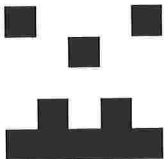
11.3 The Mortgagor and each Additional Covenantor hereby authorizes the Mortgagee to obtain such financial information from third parties respecting it/him/her as the Mortgagee may require from time to time. The Mortgagor covenants to deliver any further financial information requested by the Mortgagee, acting reasonably.

11.4 In the event of a default under this Mortgage or in the event that any proceedings are commenced by or against the Mortgagor: (i) seeking to adjudicate it a bankrupt or insolvent; or (ii) seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt, or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any application under the Bankruptcy and Insolvency Act (Canada) or the Companies' Creditors Arrangement Act (Canada)), the Mortgagor shall forthwith upon request by the Mortgagee, establish a separate project bank account for the Mortgaged Premises and shall thereafter deposit all monies, revenues, profits and income received or derived in any manner whatsoever from the Mortgaged Premises to such separate account and shall not withdraw any monies from such account without the prior written approval of the Mortgagee.

12. HOTEL CONVERSION

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12.1 As the Mortgaged Premises offer certain features which could under some circumstances permit its conversion from rental housing to hotel use, it is agreed by the Mortgagor with the Mortgagee that the Loan secured hereby and all other monies secured hereby together with interest thereon shall, at the option of the Mortgagee, forthwith, become due and payable if:

- (a) the building plan of the building is physically altered without the prior written approval of the Mortgagee and CMHC; or
- (b) the project ceases to be occupied by persons utilizing the accommodation for purposes of a principal residence.

12.2 The Mortgagor hereby covenants that the Mortgaged Premises shall not be used for the purposes of any business, trade, manufacture or as a hotel.

13. NO FURTHER ENCUMBERING

13.1 The Mortgagor shall not grant any further charges or encumbrances over the Mortgaged Premises or any interest therein without the prior written approval of the Mortgagee, such approval may be withheld at its sole discretion.

13.2 The Mortgagor shall not permit a cross default provision between any Loan Document and a subsequent encumbrance.

14. SPECIFIC ASSIGNMENT OF LEASES

14.1 As further security for this Mortgage, the Mortgagor covenants and agrees to grant to the Mortgagee, upon thirty (30) days prior written notice from the Mortgagee to the Mortgagor, a specific assignment of any lease or leases of part or all of the Mortgaged Premises.

15. PARTIAL DISCHARGE

15.1 The Mortgagor shall have no right to obtain a partial discharge of this Mortgage prior to payment in full of all monies secured hereby and interest thereon.

16. ENVIRONMENTAL PROVISIONS

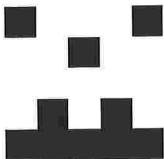
16.1 CMHC Environmental Clause

The Mortgagee or agent of the Mortgagee or agent of CMHC may, at any time, before and after default, and for any purpose deemed necessary by the Mortgagee or CMHC, enter upon the Mortgaged Premises to inspect the land and buildings thereon. Without in any way limiting the generality of the foregoing, the Mortgagee or CMHC (or their respective agents) may enter upon the Mortgaged Premises to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Mortgagee or CMHC and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the Interest Rate, shall be payable by the Mortgagor forthwith and shall be charged upon the Mortgaged Premises. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee, CMHC or their respective agents to be in possession, management or control of the said lands and buildings.

16.2 Definitions

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For the purposes of the Mortgage, the following terms shall have the respective meanings set out below:

“Applicable Laws” means, in respect of any person, property, transaction or event, all applicable all federal, provincial or municipal laws, statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and rules, policies, guidelines, orders, approvals, notices, permits, licences, authorizations, approvals and directives and all applicable common law or equitable principles in force and effect during the currency of this Mortgage.

“Environmental Laws” means all present and future Applicable Laws, standards and requirements relating to environmental or occupational health and safety matters, including without limitation those relating to the presence, release, reporting, licensing, permitting, investigation, disposal, storage, use, remediation or clean-up or any other dealing with or aspect of a Hazardous Substance.

“Environmental Proceeding” means any investigation, action, proceeding, conviction, fine, judgement, notice, order, claim, directive, permit, license, approval, agreement, lien or encumbrance of any nature or kind arising under or relating to Environmental Laws.

“Hazardous Substance” means any substance that, if added to any water or emitted into the air, would create or contribute to the creation of a condition of such water or air that is detrimental to its use by or to the health, safety or welfare of persons or animals or causes damage to plant life or property; any radioactive material or explosive; any substance declared from time to time to be hazardous, dangerous or toxic under any applicable federal, provincial or municipal law, bylaw, regulation or other enactment; and any other substance which is or may become hazardous, toxic or dangerous to persons or property, including, without limitation, Urea Formaldehyde Foam Insulation and asbestos material.

16.3 Representations Regarding Environmental Matters

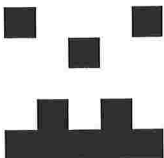
The Mortgagor represents and warrants to the Mortgagee that:

- (a) the Mortgaged Premises and all businesses and operations conducted thereon comply and have at all times complied with all Environmental Laws;
- (b) the Mortgaged Premises have not been used for or designated as a waste disposal site for Hazardous Substances and no Hazardous Substances are or have ever been used, stored or located in or upon the Mortgaged Premises and no part of the lands have ever been contaminated by any Hazardous Substances and there is no existing or threatened Environmental Proceeding against or affecting the Mortgaged Premises; and
- (c) to the best of the Mortgagor’s knowledge and belief, there are no pending or proposed changes to Environmental Laws or any Environmental Proceedings which would render illegal or materially restrict or change the present use and operation of the Mortgaged Premises.

16.4 Neither of the Mortgagor nor, to the best of the Mortgagor’s knowledge and belief after due inquiry and investigation, any other person or organization: (i) has used or permitted the use of the Mortgaged Premises to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances; (ii) has been subject to any Environmental Proceeding related to the Mortgaged Premises; (iii) has caused or permitted the release or discharge of any Hazardous Substance on or in the vicinity of the Mortgaged Premises; (iv) has received notice of or otherwise has knowledge of any Environmental Proceedings or of any facts which could give rise to any Environmental Proceeding related to the Mortgaged Premises; (v) has undertaken any remediation or clean-up of any Hazardous Substance on or in the vicinity of the Mortgaged Premises; or (vi) has

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defaulted in reporting any occurrence or circumstance to any governmental authority in relation to the Mortgaged Premises which is or was required to be reported pursuant to any Environmental Laws.

16.5 Covenants Regarding Environmental Matters:

The Mortgagor covenants and agrees with the Mortgagee that it shall:

- (a) ensure that the Mortgaged Premises and the Mortgagor comply with all Environmental Laws at all times;
- (b) not permit any Hazardous Substance to be located, manufactured, stored, used, spilled, discharged or disposed of at, on or under the Mortgaged Premises nor permit any other activity on or in respect of the Mortgaged Premises that might result in any Environmental Proceeding affecting the Mortgaged Premises, Mortgagor or Mortgagee, without the prior written consent of the Mortgagee;
- (c) notify the Mortgagee promptly of any threatened or actual Environmental Proceedings or any event or occurrence that is likely to give rise to any Environmental Proceedings;
- (d) remediate and cure in a timely manner any non-compliance by the Mortgaged Premises or the Mortgagor with Environmental Laws, including removal of any Hazardous Substances from the Mortgaged Premises;
- (e) maintain all environmental and operating documents and records including all permits, licenses, certificates, approvals, orders and agreements relating to the Mortgaged Premises as required by Environmental Laws;
- (f) provide the Mortgagee promptly upon request with such information, documents, records, permits, licences, certificates, approvals, orders, agreements, environmental audits, reports, assessments and inspections and take such other steps (all at the Mortgagor's expense) as may be required by the Mortgagee to confirm and/or ensure compliance by the Mortgaged Premises and the Mortgagor with Environmental Laws; and
- (g) execute all consents, authorizations and directions necessary to permit any inspection of the Mortgaged Premises by any governmental authority and to permit the release to the Mortgagee or its representatives, of any information relating to the Mortgaged Premises and the Mortgagor.

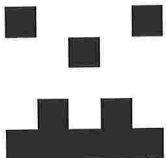
16.6 Environmental Indemnity:

Without limiting any other provision of this Mortgage or any document collateral hereto or delivered in connection herewith, the Mortgagor shall indemnify and pay, protect, defend, save and hold harmless each of the Mortgagee, and its directors, officers, employees and agents in respect of any and all actions, proceedings, losses, damages, liabilities, claims, demands, judgments, costs, expenses, (including legal fees and disbursements on a solicitor and client basis) (collectively, "Environmental Claims"), imposed on, made against or incurred by the Mortgagee arising from or relating to, directly or indirectly, and whether or not caused by the Mortgagor or within its control:

- (a) any breach of any of the foregoing representations, warranties or covenants of the Mortgagor or any remedial action taken by the Mortgagee in respect of any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance, on, from or under the Mortgaged Premises;
- (b) the actual or alleged use, generation, presence, storage, release, discharge or disposal of any Hazardous Substance not in compliance with Environmental Laws in, on, over, under, from or affecting all or part of the Mortgaged Premises or surrounding lands, including any personal injury or property damage arising therefrom;

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- (c) any actual or alleged breach of Environmental Laws relating to or affecting the Mortgaged Premises;
- (d) any actual or threatened Environmental Proceeding affecting the Mortgaged Premises, including any settlement thereof;
- (e) any assessment, investigation, containment, monitoring, remediation and/or removal of any Hazardous Substances from all or part of the Mortgaged Premises or surrounding areas or otherwise complying with Environmental Laws; or
- (f) any breach by the Mortgagor of any covenant hereunder or under any document collateral hereto or under Applicable Law relating to environmental matters.

This indemnity shall survive repayment of the Loan, foreclosure of this Mortgage or any other extinguishment of the obligations of the Mortgagor under this Mortgage and any other exercise by the Mortgagee of any remedies available to it against the Mortgagor for any default hereunder.

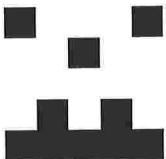
17. DEFAULT

17.1 Without limiting or derogating from any other provisions of this Mortgage or the SCT, the Mortgagor acknowledges and agrees that the occurrence of any of the following events shall constitute an event of default under this Mortgage and shall entitle the Mortgagee, at its option, to declare all monies secured hereby, together with interest thereon, to be immediately due and payable and to exercise any or all rights or remedies available to the Mortgagee under this Mortgage or at law or in equity upon a default hereunder:

- (a) the Mortgagor defaults in payment when due of all or any part of the Principal Amount or any interest thereon or any other amounts payable under this Mortgage;
- (b) the Mortgagor defaults in the performance of any of its covenants, agreements or obligations (other than payment defaults) contained in this Mortgage or any other Loan Document (beyond any cure periods that may be applicable thereto);
- (c) any representation and warranty of the Mortgagor or any Additional Covenantor contained in this Mortgage or any other Loan Document proves to be untrue in any material respect;
- (d) the Mortgagor makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts as they become due, or files a petition in bankruptcy or is adjudicated bankrupt or insolvent, or files a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or files an answer admitting or not contesting the material allegations of a petition filed against it in any such proceedings, or seeks or consents to or acquiesces in the appointment of any trustee, receiver or liquidator of such party or any material part of its properties, or does not within 90 days after the commencement of any proceedings seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation have such proceedings dismissed, or shall not within 90 days after the appointment without the consent or acquiescence of any trustee, receiver or liquidator of any material part of its properties have such appointment vacated;
- (e) if any execution, distress or other enforcement process, whether by court order or otherwise, becomes enforceable against any property of the Mortgagor;
- (f) if the Mortgagor fails to perform and do all such things that are necessary to reasonably maintain the Mortgaged

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Premises;

(g) if the Mortgagor creates or allows the creation of any other encumbrances ranking or purportedly ranking ahead of or pari passu with the charges to be held by the Mortgagee; or

(h) if any material deterioration occurs, in the opinion of the Mortgagee, in the financial condition of the Mortgagor, any Additional Covenantor or in the value of the Mortgaged Premises.

18. RECEIVER

18.1 Upon an event of default, the Mortgagee may in its discretion, with or without entering into possession of the Mortgaged Premises or any part thereof, by instrument in writing, appoint a "Receiver" (which shall include a receiver, a manager or a receiver and manager) of the Mortgaged Premises or any part thereof with or without security and may from time to time remove any Receiver with or without appointing another in his stead, and in making such appointment or appointments or removing a Receiver the Mortgagee shall be deemed to be acting for the Mortgagor (provided that no such appointment shall be revocable by the Mortgagor). Upon the appointment of any such Receiver from time to time, and subject to the provisions of the instrument appointing such Receiver, the following provisions shall apply:

(a) such Receiver may, in the discretion of the Mortgagee and by writing, be vested with all or any of the rights, powers and discretions of the Mortgagee;

(b) such Receiver, so far as concerns the responsibility for his acts or omissions, shall be deemed the agent or attorney of the Mortgagor and not the agent of the Mortgagee (unless specifically appointed by the Mortgagee as the agent of the Mortgagee);

(c) neither the appointment, removal or termination of such Receiver by the Mortgagee nor any act or omission by such Receiver shall incur or create any liability on the part of the Mortgagee to the Receiver in any respect or constitute the Mortgagee a chargee or mortgagee in possession of the Mortgaged Premises or any part thereof;

(d) such Receiver shall be the irrevocable agent or attorney of the Mortgagor (unless the Mortgagee specifically appoints such Receiver as the agent for the Mortgagee) for the collection of all rents falling due in respect of the Mortgaged Premises or any part thereof;

(e) the rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Mortgagee may have;

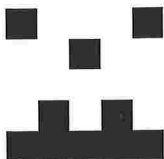
(f) the Mortgagee may from time to time fix the remuneration for such Receiver, who shall be entitled to deduct the same out of revenue or sale proceeds of the Mortgaged Premises;

(g) such Receiver shall have the power from time to time to lease any portion of the Mortgaged Premises which may become vacant for such term (which may extend beyond the Balance Due Date) and shall have the power to accept surrenders of or terminate any lease, in each case on such terms and conditions as it may determine in its sole discretion and in so doing, such Receiver shall act as the attorney or agent of the Mortgagor and shall have authority to execute under seal any lease or surrender of any such premises or notice(s) of termination in the name of and on behalf of the Mortgagor, and the Mortgagor agrees to ratify and confirm whatever any Receiver may do in the Mortgaged Premises;

(h) such Receiver may make such arrangements, at such time or times as it may deem necessary without the

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