

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

*IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended,  
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3,  
as amended*

**B E T W E E N:**

**PRICEWATERHOUSECOOPERS INC.**

(solely in its capacity as court-appointed receiver and manager of  
Bridging Finance Inc. and certain related entities and investment funds)

Applicant

- and -

**NORTHERN CITADEL CAPITAL INC., ONE8ONE DAVENPORT INC.,  
and 181 DAVENPORT RETAIL INC.**

Respondents

**SUPPLEMENTAL AFFIDAVIT OF TYLER RAY**

September 20, 2022

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**INDEX**

Tab	Document
1.	Supplemental Affidavit of Tyler Ray sworn September 20, 2022
A.	Exhibit “A” - Original Loan Agreement dated December 17, 2014
B.	Exhibit “B” - First amending agreement dated February 24, 2015
C.	Exhibit “C” - Second amending agreement dated March 11, 2015
D.	Exhibit “D” - Third amending agreement dated April 10, 2015
E.	Exhibit “E” - Fourth amending agreement dated November 27, 2015
F.	Exhibit “F” - Fifth amending agreement dated June 30, 2016
G.	Exhibit “G” - Sixth amending agreement dated November 30, 2016
H.	Exhibit “H” - Seventh amending agreement dated November 1, 2017
I.	Exhibit “I” - Eighth amending agreement dated May 2, 2018

J.	Exhibit "J" - Ninth amending agreement dated December 31, 2020
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# TAB 1

**ONTARIO  
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**NORTHERN CITADEL CAPITAL INC., ONE8ONE DAVENPORT INC.,  
and 181 DAVENPORT RETAIL INC.**

Respondents

**SUPPLEMENTAL AFFIDAVIT OF TYLER RAY  
(Sworn September 20, 2022)**

I, Tyler Ray of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY  
AS FOLLOWS:

1. I am a Senior Manager at PricewaterhouseCoopers Inc. (“**PwC**”), the court-appointed receiver and manager (in such capacity, the “**Bridging Receiver**”) of Bridging Finance Inc. (“**BFI**”) and certain related entities and investment funds (collectively, “**Bridging**”). As such, I have knowledge of the matters deposed to herein, save where I have obtained information from others. Where I have obtained information from others, I have stated the source of that information and believe it to be true.

2. This affidavit is sworn as a supplement to my affidavit sworn on August 8, 2022 (the “**Initial Affidavit**”) in support of the Bridging Receiver’s application to appoint Richter Inc. (“**Richter**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the current and future assets, undertakings, and properties (the “**Property**”) of each of Northern Citadel Capital Inc. (“**Northern Citadel**”), One8One Davenport Inc. (“**One8One**”), and 181 Davenport Retail Inc. (“**181 Retail**” and together with Northern Citadel and One8One, the “**Respondents**”). All capitalized terms not expressly defined herein are defined in the Initial Affidavit.
3. It has come to my attention that the Original Loan Agreement and each of the amendments thereto (each referenced at paragraph 14 of the Initial Affidavit) were inadvertently not included as Exhibits to the Initial Affidavit. The sole purpose of this supplemental affidavit is to include such documents in the record before the Court.
4. Attached hereto as **Exhibit “A”** is a copy of the Original Loan Agreement. Attached hereto as **Exhibit “B”** is a copy of the first amending agreement dated February 24, 2015. Attached hereto as **Exhibit “C”** is a copy of the second amending agreement dated March 11, 2015. Attached hereto as **Exhibit “D”** is a copy of the third amending agreement dated April 10, 2015. Attached hereto as **Exhibit “E”** is a copy of the fourth amending agreement dated November 27, 2015. Attached hereto as **Exhibit “F”** is a copy of the fifth amending agreement dated June 30, 2016. Attached hereto as **Exhibit “G”** is a copy of the sixth amending agreement dated November 30, 2016 (this document is defined in the Initial Affidavit as the November 2016 Amendment). Attached hereto as **Exhibit “H”** is a copy of the seventh amending agreement dated November 1, 2017 (this document is

defined in the Initial Affidavit as the November 2017 Amendment). Attached hereto as **Exhibit “I”** is a copy of the eighth amending agreement dated May 2, 2018. Attached hereto as **Exhibit “J”** is a copy of the ninth amending agreement dated December 31, 2020 (this document is defined in the Initial Affidavit as the December 2020 Amendment).


5. This supplemental affidavit is sworn in support of the Bridging Receiver’s application and for no other or improper purpose.

SWORN remotely via videoconference, by TYLER RAY stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 20<sup>th</sup> day of September 2022, in accordance with *O. Reg 431/20, Administering Oath or Declaration Remotely*.



Commissioner for Taking Affidavits

Adam Driedger  
(LSO# 77296F)

DocuSigned by:  
  
7C3ED508CD4B44B...  
TYLER RAY

This is Exhibit "A" referred to in the Affidavit of Tyler Ray sworn by Tyler Ray of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 20<sup>th</sup> day of September, 2022 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*



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A Commissioner for taking affidavits

**ADAM DRIEDGER**



## LOAN AGREEMENT

THIS AGREEMENT dated as of December 17, 2014 is between:

**Northern Citadel Capital Inc.**

(the "Borrower")

and

**Bridging Finance Inc.,  
as agent for Sprott Bridging Income Fund LP**

(the "Lender")

### RECITALS

- A. The Borrower has applied to the Lender for the Loan (as hereinafter defined).
- B. The Lender has agreed to lend the Borrower the Loan for such purposes on the terms and conditions set out herein.

### AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

#### PART 1 - DEFINITIONS AND INTERPRETATION

1.1 **Definitions.** In this Agreement, unless the context otherwise requires:

- (a) "Assets" means collectively all of the property, personal or real, and assets of the Credit Parties as of the date of this Agreement, including, without limitation, the Property, or hereafter acquired or otherwise obtained by the Credit Parties in any manner whatsoever;
- (b) "Business Day" means a day other than a Saturday or Sunday or any day banks in the City of Toronto are not open for business;
- (c) "Collateral" means all of the Credit Parties' rights, title and interests in and to the Assets and the Subsidiaries and all cash flow therefrom and all other property and assets subject to the Security;
- (d) "Cost Consultant" means the Altus Group;
- (e) "Credit Parties" means collectively the Borrower and the Guarantors;
- (f) "Encumbrance" means any mortgage, lien, pledge, assignment, charge, security interest, title retention agreement, hypothec, levy, execution, seizure, attachment, garnishment, right of distress or other claim in respect of property of any nature or kind whatsoever

howsoever arising (whether consensual, statutory or arising by operation of law or otherwise) and includes arrangements known as sale and lease back, sale and buy back and sale with option to buy back;

- (g) "Environmental Laws" means all applicable federal, provincial, regional, state, municipal or local laws, common law, statutes, regulations, ordinances, codes, rules, guidelines, requirements, certificates of approval, licences or permits relating to Hazardous Substances or the use, consumption, handling, transportation, storage or release thereof including, without limitation and in addition to any such laws relating to the environment generally, any such laws relating to public health, occupational health and safety, product liability or transportation;
- (h) "Environmental Order" means any prosecution, order, decision, notice, direction, report, recommendation or request issued, rendered or made by any Governmental Authority in connection with Environmental Laws or Environmental Orders;
- (i) "Financial Indebtedness" of the Borrower means the aggregate (without duplication) of the following amounts:
  - (i) money borrowed, indebtedness represented by notes payable, and drafts accepted representing extensions of credit (including, as regards any note or draft issued at a discount, any amount that could reasonably be regarded as being the amortized portion of such discount as at the date of determination);
  - (ii) all obligations which are evidenced by bonds, debentures, notes or other similar instruments or not so evidenced but which would be considered to be indebtedness for borrowed money;
  - (iii) all indebtedness upon which interest charges are customarily paid;
  - (iv) net amounts payable pursuant to interest swap arrangements;
  - (v) capital lease obligations and all other indebtedness issued or assumed as full or partial payment for property or services or by way of capital contribution;
  - (vi) all letters of credit and letters of guarantee issued by a financial institution at the request of or for the benefit of the Borrower;
  - (vii) any guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business) in any manner, directly or indirectly, of any part or all of any obligation of a type referred to in any of paragraphs (a) to (e) above; and
  - (viii) any of the foregoing amounts in respect of any Subsidiary whose accounts are not required under generally accepted accounting principles to be consolidated with the accounts of the Borrower;

including, without limitation, all Obligations, but excluding:

- (i) trade payables, expenses accrued in the ordinary course of business, customer advance payments and deposits received in the ordinary course of business unless

the time for due payment of which extends, or is intended to extend, more than twelve (12) months from the date as of which the determination of Financial Indebtedness is being made; and

- (ii) the Permitted Indebtedness;
- (j) "Governmental Authority" means any nation, government, province, state, region, municipality or other political subdivision or any governmental department, ministry, commission, board, agency or instrumentality or other public authority or person, domestic or foreign, exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing and includes any court of competent jurisdiction;
- (k) "Guarantors" means collectively Mizrahi Soaring Developments Inc. and One8One Davenport Inc;
- (l) "Hazardous Substances" means any substance, combination of substances or by-product of any substance which is or may become hazardous, toxic, injurious or dangerous to any person, property, air, land, water, flora, fauna or wildlife; and includes but is not limited to contaminants, pollutants, wastes and dangerous, toxic, deleterious or designated substances as defined in or pursuant to any Environmental Laws or Environmental Orders;
- (m) "Indemnitee" has the meaning given in Section 11.3;
- (n) "Interest Reserve" has the meaning given in Section 3.1;
- (o) "Leases" means the current leases of the Property, as listed on the rent roll annexed hereto as Schedule "D";
- (p) "Loan" has the meaning given in Section 2.1;
- (q) "Loan Documents" means, collectively, this Agreement and all other agreements and other instruments delivered to the Lender by the Borrower (whether now existing or presently arising) for the purpose of establishing, perfecting, preserving or protecting any security held by the Lender in respect of any Obligations, including, without limitation those listed in Section 5.1;
- (r) "Net Proceeds" means, in connection with the sale of any unit in the Project, all proceeds received from or in connection with such sale less any reasonable real estate commissions and legal expenses in connection with the completion of such sale (less any HST exigible in connection therewith)
- (s) "Obligations" means all monies now or at any time and from time to time hereafter owing or payable by the Borrower to the Lender and all other obligations (whether now existing, presently arising or created in the future) of the Borrower in favour of the Lender, and whether direct or indirect, absolute or contingent, matured or not, whether arising from agreement or dealings between the Lender and the Borrower and whether the Borrower be bound alone or with another or others and whether as principal or surety and without

limiting the generality of the foregoing, specifically including the obligations of the Borrower under this Agreement and the Security;

- (t) "Other Subsidiaries" means collectively the Guarantors and any other subsidiary of the Borrower at any time or from time to time (for the purposes of this subsection the term "subsidiary" means an entity in which the Borrower owns, directly and/or indirectly through one or more Subsidiaries, a majority interest carrying the right, if applicable, to elect at least a majority of the members of the board of directors);
- (u) "Permitted Encumbrances" means the following:
  - (i) liens, the validity of which are being contested by the Borrower in good faith by appropriate legal proceedings and in respect of which either:
    - (A) security adequate in the opinion of the Lender has been provided to it to ensure payment of such liens; or
    - (B) the Lender is of the opinion that such liens are not materially prejudicial to the security hereof;
  - (ii) agreements with any governmental authority, easements, rights-of-way and other similar rights in real property, or any interest therein, for a development similar in nature and with respect to the Subsidiary Properties, provided the same are not of such nature as to materially adversely affect the use of the Subsidiary Properties, and provided that such matters are reviewed by the Lender, acting reasonably;
  - (iii) any reservations, limitations, provisos and conditions expressed in any original grant from the Crown which do not in the Lender's opinion materially detract from the value of the property concerned or materially impair its use in the operation of the business of the Borrower;
  - (iv) title defects or irregularities which, in the opinion of counsel to the Lender, are of a minor nature and in the aggregate will not in the Lender's opinion materially detract from the value of the property concerned or materially impair its use in the operation of the business of the Borrower; and
  - (v) those specific permitted encumbrances set out in Schedule "B" annexed hereto;
- (v) "Person" means an individual, company, partnership (whether or not having separate legal personality), corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a government, state or political subdivision thereof or any agency of such government, state or political subdivision;
- (w) "Project" means the proposed midrise residential condominium project to be constructed by the Borrower on the Property;
- (x) "Property" means collectively the lands and premises in the City of Toronto, Province of Ontario municipally known as 145 Davenport Road and 185 Davenport Road (which

properties will be renumbered and known as 181 Davenport Road), as more particularly described on Schedule "A" attached hereto;

- (y) "Security" or "Security Documents" means all of the security documents to be provided to the Lender under Section 5.1; and
- (z) "Subsidiaries" means the Guarantors and any other subsidiary of such entities at any time or from time to time;
- (aa) "Subsidiary Properties" means the Property and any other real property of any of the Subsidiaries at any time or from time to time;
- (bb) "Sum" has the meaning given in Section 14.8;
- (cc) "Term" means the period from the date hereof to June 30, 2015. The Borrower shall have the right to extend the Term for one period of six months conditional on: (a) the absence of any Event of Default, which is continuing; (b) providing ninety (90) days written notice to the Lender for the extension (the "Extension Notice"); and (c) paying the Lender an extension fee of Twenty One Thousand Four Hundred and Forty (\$21,440) Dollars (the "Extension Payment"). The Extension Payment shall be due upon providing Extension Notice; and
- (dd) "Voting Control" means the direct or indirect ownership or control of a sufficient number of outstanding shares of a corporation to elect a majority of its directors.

- 1.2 **Headings.** The headings are inserted for convenience of reference only and will not affect the construction or interpretation of this Agreement.
- 1.3 **Governing Law.** This Agreement will be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 1.4 **Submission to Jurisdiction.** The Borrower submits to the jurisdiction of the courts of the Province of Ontario and agrees to be bound by any suit, action or proceeding commenced in such courts and by any order or judgment resulting from such suit, action or proceeding, and the foregoing will in no way limit the right of the Lender to commence suits, actions, or proceedings based on this Agreement or any of the Security in any jurisdiction.
- 1.5 **Invalidity of Any Provision.** If any covenant, obligation or provision contained in this Agreement is invalid or unenforceable, the remainder of this Agreement will not be affected and each covenant, obligation or provision of this Agreement will separately be valid and enforceable to the fullest extent permitted by law.
- 1.6 **Conflict with Other Documents.** If the provisions of the Security conflict with, or are inconsistent with, the provisions of this Agreement, the provisions of this Agreement will prevail.
- 1.7 **Amendments.** This Agreement may only be amended from time to time in writing and any such amendment may be evidenced by memoranda or letters signed by an authorized officer of the respective parties without the necessity of such amendment being executed under seal.
- 1.8 **Currency.** Unless otherwise indicated, all references in this Agreement to "dollars" or \$ means lawful funds of Canada.

## PART 2 – LOAN FACILITY

- 2.1 **Loan.** Subject to the terms and conditions of this Agreement, the Lender hereby agrees to establish a term, non-revolving credit facility in favour of the Borrower in the aggregate maximum principal sum of \$11,267,123.29 (CDN) (the "Loan").
- 2.2 **Advance.** The Loan shall be an advance of the entire Loan amount.
- 2.3 **Term.** The Loan shall have a term not exceeding the Term.
- 2.4 **Purpose.** The Loan shall only be used by the Borrower to finance a portion of the Borrower's equity in the Project, provided that the Borrower shall not and the Borrower covenants not to remove or distribute any equity in or profit from the Project or otherwise compensate any of its shareholders or other persons by way of income, dividend or other payment other than to repay the Loan or otherwise as agreed upon by the Lender.

## PART 3 - INTEREST AND REPAYMENT

- 3.1 **Interest Rate.** Interest on any outstanding principal amount of the Loan shall be calculated daily from the date of advance at the rate of 12.426% per annum and shall be payable monthly in arrears from the Interest Reserve. The amount of \$1,453,698.63 shall be held back by the Lender from the advance of the Loan and shall constitute an interest reserve (the "**Interest Reserve**"). The Interest Reserve shall be employed by the Lender for the purpose of paying interest due to the Lender during the Term. The Interest Reserve shall be an advance of the Loan effective the date hereof and shall bear interest as set out herein. The Interest Reserve shall only be available for such purpose, and not for any other purpose or use whatsoever. For greater certainty, the Borrower shall not be entitled to receive any interest in respect of the Interest Reserve held by the Lender.
- 3.2 **Default Interest Rate.** Notwithstanding Section 3.1 above, after the occurrence of an event of default, interest shall accrue in the manner set out above, provided the interest rate payable shall be, and shall not exceed, 25% per annum, compounded on each interest payment date. If the event of default is cured and Lender waives its rights with respect to the applicable event of default, then interest shall thereafter accrue at the Interest Rate set out under Section 3.1.
- 3.3 **Compound Interest.** In case default shall be made in payment of any sum to become due for interest at the time provided for payment herein, compound interest shall be payable and the sum in arrears for interest from time to time as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for herein. In case the interest and compound interest are not paid within the interest calculation period provided for herein from the time of default a rest shall be made, and compound interest at the rate provided for herein shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Collateral.
- 3.4 **Payments.** The full amount of the outstanding principal together with accrued interest shall be due and payable on the expiry of the Term.
- 3.5 **Prepayment.** The Loan is prepayable upon thirty (30) days notice with one month's interest penalty.

- 3.6 **Payments.** All payments made by the Borrower will be applied first to interest accrued to the date of payment, second to costs and other charges payable hereunder and third to principal, except that any such payment will not be taken in substitution or reduction of interest payments required hereunder.

#### PART 4 – INTENTIONALLY DELETED

#### PART 5 SECURITY

- 5.1 **Security from the Borrower.** Repayment of the Loan, interest, costs and all other Obligations owing by the Borrower to the Lender and performance of the covenants, agreements and obligations in this Agreement and the Security will be secured by the following, all to be satisfactory to the Lender in form, substance and ranking:
- (a) a promissory note executed by the Borrower in favour of the Lender reflecting the terms herein;
  - (b) the appropriate Credit Parties will execute and deliver a quit claim deed to the Property (together with an executed paper version of same), which is to be held by the Lender's solicitors in escrow and may not be registered unless the Borrower has committed an Event of Default under this loan facility and following receipt of written notice of such default has failed to remedy same, during the applicable cure period (save and except as noted below where no notice or cure period shall be required). For greater certainty, a default by the Borrower shall not constitute an Event of Default unless: (a) in the case of a default in payment of money by the Borrower, which has continued for at least ten (10) days after receiving notice of such monetary default; and (b) in the case of default in performance of any other obligation, it has continued for at least thirty (30) days after notice thereof has been given to the Borrower. Notwithstanding the foregoing, the Borrower shall be deemed to have committed an Event of Default, without having received notice of such default and an opportunity to cure same, in the event the Borrower gives or creates a mortgage, charge, lien (save and except for construction liens, in respect of which the Borrower shall have received notice with an opportunity to bond off and vacate such lien) or encumbrance upon the Property or any Project asset, save and except for the Permitted Encumbrances herein, or in the event the Borrower sells, agrees to sell or otherwise disposes of all or any part of the Property, the Project or any collateral secured by the Security.
  - (c) an unregistered assignment of rents in respect of the Property;
  - (d) a general security agreement in all present and after-acquired personal property of the Credit Parties for registration, in respect of the Borrower only, pursuant to the provisions of the *Personal Property Security Act* (Ontario) ("**PPSA**"). Upon the occurrence of an Event of Default which has not been remedied the Lender shall be permitted to register in respect of all the Credit Parties under the PPSA;
  - (e) a beneficial owner's agreement executed by the beneficial owners of the Property charging the beneficial interest in the Property;

- (f) an assignment of any/all contracts relating to the Project, which shall not be the subject of a registration under the PPSA unless there is an Event of Default which has not been remedied;
- (g) an assignment of all policies of insurance, which shall not be the subject of a registration under the PPSA unless there is an Event of Default which has not been remedied;
- (h) a joint and several guarantee and postponement of claim from the Guarantors for all indebtedness, which shall not be the subject of a registration under the PPSA unless there is an Event of Default which has not been remedied;
- (i) a postponement of claim from Sam Mizrahi in respect of all indebtedness of the Borrower and the Guarantors in favour of Sam Mizrahi;
- (j) an environmental indemnity from the Borrower and Guarantors; and
- (k)
  - (i) an irrevocable direction executed by the Credit Parties to the escrow agent for the Project (or to the solicitors acting for the vendor on the Project sales if such solicitors are not the escrow agent), irrevocably authorizing and directing the escrow agent or Project solicitors, as the case may be, to remit the Net Proceeds to the Lender, within two (2) Business Days of the closings, subject to the prior repayment of all monies due and owing to the construction lender for the Project and the deposit bond issuer; and
  - (ii) an acknowledgement and undertaking executed by the escrow agent (or Project solicitors as the case may be) agreeing and undertaking to remit the Net Proceeds to the Lender in accordance with the irrevocable direction referred to in Section 5.1(k)(i).

The Borrower acknowledges and agrees that any default by the Borrower or any of its subsidiaries to any permitted lender shall be a default under this Loan Facility.

#### **PART 6 – CONDITIONS PRECEDENT FOR ADVANCE**

- 6.1 **Conditions of Advance.** Subject to the fulfilment of the following conditions precedent, the Loan will be advanced at such time as the Borrower may direct the Lender in writing:
- (a) the Borrower shall have acquired a good and marketable title to the Assets, free and clear of any Encumbrance other than Permitted Encumbrances;
  - (b) confirmation that the Security has been duly executed, delivered and registered, where applicable, in a form and manner satisfactory to the Lender and its counsel;
  - (c) the Lender shall have received credit reports and financial statements for the Credit Parties as the Lender may request that are satisfactory to the Lender, in its sole and absolute discretion;
  - (d) the Lender being satisfied, in its sole and absolute discretion, with the results of the due diligence searches, enquiries and reports provided by the Borrower to the Lender and in



respect of such additional due diligence, searches, enquiries and reports prepared for the Lender, including, without limitation:

- (i) reliance letters addressed to the Lender with respect to the soil tests and geotechnical reports (already provided to the Lender);
  - (ii) reliance letters addressed to the Lender with respect to the phase 1 environmental tests (and if recommended, Phase 2 environmental tests or audits) (already provided to the Lender);
  - (iii) current appraisals of the Property, if available;
- (e) satisfactory review of the Cost Consultant report with respect to the Borrower and its subsidiaries and their projects, the Project budget, the draft Project plans and the appraisals;
  - (f) the Borrower has provided the Lender to its satisfaction with information or an organizational list or chart setting out: (i) all of the subsidiaries of the Borrower; (ii) the properties each one owns; and (iii) confirmation that all such subsidiaries are owned solely by the Borrower;
  - (g) confirmation, satisfactory to the Lender and the Lender's counsel, that the Borrower and its subsidiaries do not have any current debt over their personal and real property, with the exception of existing mortgages on title for 145 Davenport Rd. and 185 Davenport Rd., which existing mortgages are to be repaid in full and discharged from title to the Property, on or before closing;
  - (h) delivery by the Borrower to the Lender of a statutory declaration (in a form provided by the Lender) executed by Sam Mizrahi, confirming, inter alia, the terms of the leases and that all of the landlord's and tenants' obligations therein have been complied with and the Lender being satisfied with its review of all of the Leases of the Property;
  - (i) delivery by the Borrower to the Lender of evidence of all-risk and liability insurance (inclusive of IBC standard mortgage clauses) naming the Lender as mortgagee and additional loss payee together with an approval letter from an insurance consultant retained by the Lender (at the Borrower's request, the Lender shall not retain Intech);
  - (j) delivery by the Borrower to the Lender of evidence that all realty taxes for the Property have been paid in full to date;
  - (k) the Lender having received officer's certificates and certified copies of resolutions of the board of directors for each of the Credit Parties concerning the due authorization, execution and delivery of all of the Security Documents and such other related matters as may be required by the Lender;
  - (l) the Lender receiving an opinion from the Borrower's counsel regarding the corporate status of each of the Credit Parties, the due authorization, execution, delivery and enforceability of the Security and such other matters as the Lender may require, in form and substance satisfactory to the Lender;

- (m) a title insurance policy issued by Stewart Title, in a form satisfactory to the Lender, in respect of the Property which title insurance policy insures the interest of the Lender for the full amount of the Loan. In the event a title insurance policy is not available the Lender will accept a title opinion from the Borrower's solicitors in a form and substance satisfactory to the Lender;
  - (n) the Borrower has provided evidence, satisfactory to the Lender of the current zoning of the Property; and
  - (o) the representations and warranties set out in Section 8.1 or otherwise hereunder are true and correct as of the date of advance of Loan.
- 6.2 **Advance.** The proceeds of the Loan less the Interest Reserve to be held by the Lender will be paid directly to the Borrower or as it may further direct.

#### **PART 7 – INTERCREDITOR**

- 7.1 The Borrower acknowledges and agrees that any default by the Borrower or any of the Subsidiaries to the senior construction lender or any Permitted Encumbrances shall be a default under this Agreement and the Loan Documents.

#### **PART 8 - REPRESENTATIONS AND WARRANTIES**

- 8.1 **Representations and Warranties.** The Borrower represents and warrants to the Lender that:
- (a) Each of the Credit Parties is duly incorporated and validly subsisting under the laws of their jurisdiction of incorporation and has the corporate power and capacity to own their properties and assets and to carry on their business as presently carried on by the Credit Parties and hold all material licences, permits and assets as are required to own their Assets and to carry on business in each jurisdiction in which they so do.
  - (b) The Borrower and each of the Credit Parties have the corporate power and capacity to enter into this Agreement and each of the Loan Documents to which it is a party and to do all acts and things as are required or contemplated hereunder or thereunder to be done, observed and performed by it.
  - (c) The Borrower and each of the Credit Parties have taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and each of the Loan Documents and each such document constitutes, or upon execution and delivery will constitute, a valid and binding obligation of the Borrower and the Credit Parties enforceable against and each of the Borrower and the Credit Parties in accordance with its terms.
  - (d) The execution and delivery of this Agreement and the other Loan Documents and the performance by the Borrower and the Credit Parties of their respective obligations thereunder (i) does not and will not violate any law or any provision of the articles, by laws, constating documents or other organizational documents of the Borrower and the Credit Parties or constitute a breach of any existing contractual or other obligation of the Borrower and the Credit Parties or contravene any licence or permit to which the

Borrower and the Credit Parties are subject, (ii) will not result in the creation of, or require the Borrower and the Credit Parties to create, any Encumbrance in favour any person other than the Lender and other than the Permitted Encumbrances, and (iii) will not result in or permit the acceleration of the maturity of any indebtedness or other obligations of the Borrower or the Credit Parties.

- (e) No authorization, consent or approval of, or filing with or notice to, any person is required in connection with the execution, delivery or performance of this Agreement or any of the other Loan Documents by the Borrower and the Credit Parties.
- (f) The financial information of the Borrower and the Subsidiaries in the form delivered by the Borrower to the Lender fairly, completely and accurately present the financial condition of the Borrower and the Subsidiaries and the financial information presented therein for the period and as at the date thereof. Since the date of the financial information delivered to the Lender there has been no development which has had or will have a material adverse effect upon the business, property, financial condition or prospects of the Borrower and the Subsidiaries or upon the ability of the Borrower to perform its obligations under this Agreement or any of the Loan Documents.
- (g) Each of the Borrower and the Credit Parties are not an insolvent persons within the meaning of the *Bankruptcy and Insolvency Act* (Canada).
- (h) There are no actions, suits, judgements, awards or proceedings pending or, to the knowledge of the Borrower, threatened against the Borrower or the Subsidiaries before any court or government department, commission, board, agency or instrumentality, domestic or foreign, or before any other authority, or before any arbitrator of any kind, which would, if determined adversely to the Borrower or the Subsidiaries materially adversely affect their business, property, financial condition or prospects or their ability to perform any of the provisions of this Agreement or any Loan Document to which they are a party or which purports to affect the legality, validity or enforceability of this Agreement or any Loan Documents, and the Borrower or the Subsidiaries are not in default with respect to any judgment, order, writ, injunction, award, rule or regulation of any Governmental Authority or any arbitrator, which individually or in the aggregate results in any such material adverse effect.
- (i) Each of the Borrower and the Subsidiaries is not in default or breach under any material commitment or obligation or under any order, writ, decree or demand of any Governmental Authority or with respect to any leases, licences or permits to own and/or operate material properties and assets or to carry on business and there exists no state of facts which, after notice or the passage of time or both, would constitute such a default or breach; and there are not any proceedings in progress, pending or threatened, which may result in the revocation, cancellation, suspension or any adverse modification of any such leases, licences or permits.
- (j) The Borrower has provided to the Lender all material information relating to the financial condition, business and prospects of the Borrower and all such information is true, accurate and complete in all material respects.
- (k) There are no shareholder loans to the Borrower other than from Sam Mizrahi or direct or indirect subsidiaries, related entities or associates of Sam Mizrahi, in respect of which loans Sam Mizrahi has executed a postponement of claim to and in favour of the Lender.

- (l) There are no shareholder loans to the Subsidiaries other than from Sam Mizrahi or direct or indirect subsidiaries, related entities or associates of Sam Mizrahi, in respect of which loans Sam Mizrahi has executed a postponement of claim to and in favour of the Lender.
- (m) The Borrower and the Credit Parties have good title to the Assets and are the legal and beneficial owners thereof.
- (n) There are no liens, claims, charges or encumbrances whatsoever against the Assets, the Borrower, the Subsidiaries or the Subsidiary Properties other than the Permitted Encumbrances.
- (o) The Borrower and the Credit Parties have good title to, and possession of, the Collateral.
- (p) Sam Mizrahi is the sole shareholder and sole director of the Borrower.
- (q) Mizrahi Enterprises Inc. is the sole shareholder of each of the Subsidiaries.
- (r) Sam Mizrahi is the sole director of each of the Subsidiaries.
- (s) One8One Davenport Inc. is the sole registered owner of 145 Davenport Road with good and marketable title thereto and Mizrahi Soaring Developments Inc., is the sole beneficial owner of 145 Davenport Road.
- (t) One8One Davenport Inc. is the sole registered and beneficial owner of 185 Davenport Road with good and marketable legal and beneficial title thereto.

#### PART 9 - POSITIVE COVENANTS

9.1 **Covenants.** The Borrower and each of the Credit Parties jointly and severally covenants with the Lender that:

- (a) in the case of the Borrower, it will promptly pay all principal, interest and other amounts due hereunder at the times and in the manner specified herein;
- (b) it will at all times maintain its corporate existence;
- (c) it will comply will all applicable laws (including, without limitation, all Environmental Laws) and obtain and maintain in good standing all licenses, permits, consents and approvals from all applicable Governmental Authorities required in connection with the Project;
- (d) it will carry on and conduct its business in a proper, efficient and businesslike manner so as to preserve and protect the Assets and income therefrom and in accordance with good business practices;
- (e) it will keep or cause to be kept proper books of account in accordance with sound accounting practice;
- (f) it shall punctually pay and discharge every obligation, failure to pay or discharge which might result in any lien or charge or right of distress, forfeiture, termination or sale or any other remedy being enforced against the Assets and the Subsidiary Properties (other than

a Permitted Encumbrance) and provide to the Lender when required satisfactory evidence of such payment and discharge, but the Borrower may, on giving the Lender such security (if any) as the Lender may require, refrain from paying or discharging any obligation so long as it contests in good faith its liability therefor;

- (g) during the Term, with respect to each of the Subsidiaries and the Subsidiary Properties, the Lender shall be provided with a copy of each survey, appraisal, environmental, geotechnical or soil and/or cost consultant's report, zoning approvals and permits, approvals and agreements with respect to the construction, as applicable, as soon as same is available to the Borrower. Notwithstanding the foregoing, the Borrower shall not be required to provide anything in excess of what the Borrower will be required to provide to a senior construction lender;
- (h) during the Term, the Borrower will have monthly meetings to update the Lender with respect to the Subsidiaries and the Subsidiary Properties, and the Project;
- (i) in addition to the monthly meetings, the Borrower covenants to provide a monthly written report to the Lender regarding the status of the Project, in a format acceptable to the Lender, which report shall include the following information:
  - (i) the aggregate amount of all Project costs (including hard cost, soft costs, property costs, interest and financing costs) incurred to date;
  - (ii) cash flow projections;
  - (iii) estimates of the cost to complete the Project and details regarding any material changes to the Project budget;
  - (iv) zoning, approval and permit status, together with copies of any zoning decisions, approvals or permits, if required by the Lender;
  - (v) sales report for the Project together with copies of all unit sales agreements and all amendments thereto together with a report on the status of all deposits received to date;
  - (vi) status report regarding construction of the Project and work completed to date;
  - (vii) copies of all material project agreements and contracts relating to the construction of the Project;
  - (viii) monthly subsearch report confirming no change in title save and except for the Permitted Encumbrances; and
  - (ix) if required by the Lender, acting reasonably, periodic written reports from the Cost Consultant regarding all of the foregoing, provided the Cost Consultant's report shall not be required more frequently than quarterly.

Notwithstanding the foregoing, the Borrower shall not be required to provide anything in excess of what the Borrower will be required to provide to a senior construction lender;

- (j) upon the occurrence of an Event of Default which has not been remedied in accordance with the terms and conditions herein contained, it will register or permit the Lender to register, file and record the Security and all supplemental instruments at the proper offices where such registration, filing or recording may be necessary or of advantage to protect the security constituted which, for greater certainty, will not include any Security over the Subsidiary Properties;
- (k) it will pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or in the future rated, charged, assessed, levied or imposed by any legislative or municipal authority or otherwise on any of the Collateral or on the Borrower in respect of the Collateral or any part or parts of the Collateral;
- (l) it will insure and keep the Collateral and the Subsidiary Properties insured to its full insurable value by a company or companies selected by the Borrower and approved in writing by the Lender against extended risks, loss or damage by fire and such other risks as the Lender may from time to time specify and containing loss of income provisions; and whenever required by the Lender, the Borrower will:
  - (i) furnish a certificate by an independent appraiser or insurance adjuster selected by the Borrower and approved by the Lender as to the sufficiency of such insurance, which certificate will be conclusive as against the Borrower both as to the amount of insurance required under this Agreement and the perils against which coverage is required and the Borrower will immediately insure in accordance with such certificate;
  - (ii) cause to be endorsed in such form as may be required by the Lender on the policies evidencing such insurance a notation that any amounts payable under such policies will be paid to the Lender as its interest may appear; and
  - (iii) deposit with the Lender every policy and renewal certificate for such insurance or a certified copy of each;
- (m) it will deliver to the Lender within one hundred and twenty (120) days after the close of each financial year of the Borrower, one copy of the annual financial statements of the Borrower and the Subsidiaries, which has been duly certified by a chartered accountant (CA) that is a member in good standing with the Canadian Institute of Chartered Accountants, and such financial statements shall include a balance sheet and statements of income and retained earnings. Such financial statements shall also be signed by an authorized officer of the Borrower. The Borrower shall provide the Lender any other information concerning its financial position and business operations, including but not limited to supporting schedules to the financial statements, which the Lender may from time to time request, acting reasonably. The financial statements referred to herein shall only be reviewed by the Lender and/or its appointed advisor on the premises of the Borrower. Notwithstanding the foregoing, the Borrower shall provide the Lender with any financial statement or financial information of the Borrower or the Subsidiaries that it is required to provide, and in the same manner that it is required to provide, in connection with the Permitted Indebtedness;
- (n) it will promptly give written notice to the Lender of all claims or proceedings pending or threatened against the Borrower, the Collateral or the Subsidiary Properties which may

give rise to uninsured liability or which may have a material adverse affect on the business or operations of the Borrower;

- (o) save and except for demolition of the existing buildings on the Property pursuant to demolition permits issued by the City of Toronto (provided the Property is zoned in final form to permit construction of the Project, sufficient pre-sales have been achieved to qualify for construction financing for the Project and all other lender's conditions have been satisfied in order to obtain an initial advance under the Project construction loan facility), it will keep the Collateral in good condition and repair and if the Borrower neglects to keep the Collateral or any part of it in good condition and repair or commits or permits any act of waste to be committed in respect of it and if such neglect, commission or default continues for 30 days after written notice of it has been given by the Lender to the Borrower then the Lender may from time to time make such repairs as it in its sole discretion considers necessary and the Lender may add the cost of such repairs to the Loan and the Borrower shall reimburse the Lender for such costs forthwith upon demand;
- (p) it will pay and discharge as they become due all payments due and owing under, or concerning, any indebtedness created or security given by the Borrower to any Person or corporation and will observe, perform and carry out all related terms, covenants, provisions and agreements and any default in payment of any monies due and payable under or relating to any indebtedness or security or in the observance, performance or carrying out of any of the related terms, covenants, provisions and agreements that will be considered a default thereunder will be considered to be a default under this Agreement at the option of the Lender and any and all remedies available to the Lender by reason of any default or by law or otherwise be immediately available to the Lender upon any default of the Borrower under the indebtedness or Security;
- (q) it will forthwith advise the Lender in writing, with full particulars, of any material assets, goods, chattels, fixtures, machinery, equipment or effects acquired by the Borrower having a value greater than \$10,000 and will provide the Lender with a good and valid charge over any such assets and will, if the Lender so requires, extend the general security agreement over such additional goods, chattels, fixtures, machinery, equipment or effects;
- (r) the Borrower will forthwith pay Project costs when due and complete the Project in accordance with the Project budget;
- (s) deposit and cause the Project marketing agents and realtors and the Project conveyancing solicitors to deposit, all Purchaser deposits into the Tarion deposit trust account immediately after the expiry of the respective purchasers' statutory ten-day rescission period and the Borrower shall obtain a deposit bond and/or excess deposit insurance bonding if necessary, and take all other actions as may be necessary or desirable from time to time in order to permit the deposits to be used to pay Project costs;
- (t) co-operate fully with the Cost Consultant at all times, permit the Cost Consultant to inspect the Property from time to time, and provide the Cost Consultant with such information as it may reasonably require from time to time;
- (u) provide a complete copy of each unit sale agreement and each amendment thereto to the Lender within fifteen (15) days after the execution thereof;

- (v) sell all units in the Project in a commercially reasonable manner;
- (w) the Borrower will work diligently to provide the Lender with such further documents or instruments, and do such things as the Lender may reasonably require to perfect or rectify any deficiency in the Security, all within the time reasonably prescribed by the Lender;
- (x) perform and do all things and acts that are necessary to complete the Project materially in accordance with the plans, specifications and budget approved by the Lender, in accordance with the timetable (subject to force majeure) also approved by the Lender and in accordance with all applicable laws; and
- (y) not make material changes to the Project budget without the prior written approval of the Lender, acting reasonably.

#### PART 10 - NEGATIVE COVENANTS

10.1 **Covenants.** The Borrower covenants with the Lender that the Borrower will not, without first obtaining the consent in writing of the Lender:

- (a) make, give or create or attempt to make, give or create any mortgage, charge, lien or encumbrance upon the Collateral or the Subsidiary Properties or any part or parts of it save and except for the Permitted Encumbrances;
- (b) create or permit to arise any Encumbrance on any of the Collateral, Assets or Subsidiary Properties (other than Permitted Encumbrances), and will not permit any of the Subsidiaries to do the same (other than Permitted Encumbrances) save and except as contemplated under Part 7 hereof;
- (c) utilize any portion of the mortgage proceeds for the purpose of making repairs, improvements or alterations to the Assets or for the purpose of paying off any mortgage taken out for the purpose of financing any such repairs, improvements or alterations;
- (d) change, alter or amend its name or the name of any of the Subsidiaries or of the Borrower's chief place of business without first providing notice to the Lender;
- (e) purchase, establish or acquire in any manner any new business undertaking;
- (f) materially change the nature of the Borrower's or any of the Credit Parties' businesses as presently carried on;
- (g) amalgamate, consolidate or merge or enter into a partnership, joint venture or syndicate with any other person;
- (h) enter into any transaction, or permit any of the Subsidiaries to do so, outside the ordinary active business operations of the Borrower and its Subsidiaries, other than Permitted Indebtedness;
- (i) permit the Borrower or any of the Credit Parties to be dissolved whether by act or omission;



- (j) permit any Encumbrance, lien or similar charge to be placed against the Collateral, the Subsidiary Properties or any part of it, (other than Permitted Encumbrances) except that the registration of any such lien will not be considered a breach of this covenant if the Borrower contests and notifies the Lender in writing that it desires to contest the same and gives the Lender reasonable security for the due payment of the claim in respect to it in case it will be held to be a valid lien or charge; and that the Lender may (but will not be obliged to) pay and satisfy any such lien (without waiving a breach of this covenant of the Borrower) in the event of the Borrower failing to pay off the same within a reasonable time, and the amount so paid together with all costs, charges and expenses which may be incurred by reason of the necessity of paying off and satisfying any such lien or charge may be added by the Lender to the Loan and the Borrower shall reimburse the Lender for all such costs, charges and expenses forthwith upon demand and the propriety of paying out any such sum in respect of any such claim or lien will be a matter on which the discretion of the Lender will be absolute and final and in the event of the Lender satisfying any such lien or charge it will be entitled to all the equities and securities of the Person or persons so paid off whether any such charge has or has not been in fact discharged;
- (k) change the Voting Control of the Borrower or any of the Credit Parties;
- (l) create, issue, incur or otherwise become liable upon, directly or indirectly, any Financial Indebtedness or permit any of the Subsidiaries to do so other than the Permitted Encumbrances;
- (m) reduce or make any distribution of the Borrower or any of Credit Parties' capital, or redeem, purchase or otherwise retire or pay for any shares in their present or future capital stock;
- (n) create, allot or issue any shares in its capital, change its capital structure, enter into any agreement, or make any offer, to do so or permit any of the Subsidiaries to do any such thing with respect to the capital or capital structure of such Subsidiaries;
- (o) make or repay or guarantee any loan or advance to any person, or endorse or otherwise become surety or guarantor for or upon, or indemnify against loss arising from, the obligations of any person, except by endorsement of negotiable instruments for deposit or collection, and the Borrower shall not permit any of the Subsidiaries to do any such thing save and except as contemplated under Part 7 hereof;
- (p) in respect of the Borrower and the Credit Parties, make any distribution of profits or other compensation by way of income, dividend or otherwise to its shareholders or any of them; or
- (q) redeem or purchase any of the shares of the Borrower or the Subsidiaries.

## PART 11 - ENVIRONMENTAL MATTERS

- 11.1 **Environmental Representations.** The Borrower represents and warrants to the Lender that, save and except as disclosed to the Lender as of the date hereof, the Assets are in material compliance with all applicable Environmental Laws and the Borrower has operated its business at all times and has, at all times, received, handled, used, stored, treated, shipped and disposed of all

Hazardous Substances, if any, in material compliance with all Environmental Laws;

- 11.2 **Notice of Hazardous Substances Violations.** The Borrower will promptly notify the Lender (and provide whatever information the Lender may reasonably request) upon becoming aware of the occurrence of any violation of any Environmental Law or permit related to Hazardous Substances, or the receipt of notice of any alleged violation or the receipt of an order, direction or notice under any Environmental Law with respect to the Assets or the Subsidiary Properties.
- 11.3 **Hazardous Substances Indemnity.** The Borrower agrees, at its sole cost and expense, to indemnify, protect, hold harmless and defend (with counsel of the Lender's choice) the Lender and its successors and assigns and their respective directors, officers, agents, attorneys and employees (an "Indemnitee") from and against all claims, demands, damages, losses, liabilities, obligations, penalties, fines, actions, causes of action, judgments, suits, proceedings, costs, disbursements and expenses (including, without limitation, fees, disbursements and costs of lawyers, environmental consultants and experts), of any kind or of any nature whatsoever which may at any time be imposed upon, incurred or suffered by or asserted or awarded against any Indemnitee directly or indirectly relating to or arising from any Hazardous Substance which originated on or from any of the Assets or the Subsidiary Properties at any time, past, present or future.

#### PART 12 - EVENTS OF DEFAULT

- 12.1 **Events of Default.** At the option of the Lender, the whole of the outstanding balance of the Loan will immediately become due and payable and the Security will become enforceable in each and every of the following events (each an "Event of Default"):
- (a) if the Borrower fails to observe or perform any term, condition, covenant or undertaking involving the payment of money contained in this Agreement or the Loan Documents;
  - (b) if the Borrower fails to observe or perform any term, condition, covenant or undertaking contained in this Agreement, the Loan Documents or any other document, other than a term, condition, covenant or undertaking involving the payment of money after receipt of written notice of default from the Lender;
  - (c) if an order is made or a resolution passed for the dissolution of the Borrower or any of the Subsidiaries or the winding up of the Borrower or any of the Subsidiaries;
  - (d) if a petition is filed for the winding up of the Borrower or any of the Subsidiaries;
  - (e) if the Borrower or any of the Subsidiaries commits or threatens to commit any act of bankruptcy or becomes insolvent or makes an assignment or proposal under the *Bankruptcy and Insolvency Act* or a general assignment in favour of its respective creditors or a bulk sale of its assets;
  - (f) if a bankruptcy petition is filed or served against the Borrower or any of the Subsidiaries;
  - (g) if any proceedings concerning the Borrower or any of the Subsidiaries are commenced under the *Companies' Creditors Arrangement Act*;

- (h) if any proposal is made or any petition is filed by the Borrower or any of the Subsidiaries under any law having for its purpose the extension of time for payment, composition or compromise of the liabilities of the Borrower or any of the Subsidiaries or other reorganization or arrangement respecting its liabilities or if the Borrower or any of the Subsidiaries gives notice of its intention to make or file any such proposal or petition including without limitation an application to any court for an order to stay or suspend any proceedings of creditors pending the making or filing of any such proposal or petition;
- (i) if any execution, sequestration, extent or any other process of any Court becomes enforceable against the Borrower or any of the Subsidiaries;
- (j) if a distress or analogous process is levied upon all or any part of the Collateral;
- (k) if a receiver or a receiver manager is appointed to control or conduct the business or assets of the Borrower or any of the Subsidiaries;
- (l) if the Borrower permits any sum which has been admitted as due by the Borrower or is not disputed to be due by it and which forms or is capable of being made a charge upon any of the Collateral in priority to, or *pari passu* with, any charge created by the Security to remain unpaid for 30 days after proceedings have been taken to enforce the same as a prior charge;
- (m) if the Borrower defaults in payment of indebtedness or liability to the Lender, whether secured by the Loan Documents or otherwise after receipt of written notice of default from the Lender;
- (n) if any proceedings are taken to enforce any Encumbrance affecting the Borrower, any of the Collateral or any of the Subsidiary Properties;
- (o) if any action is taken or power or right is exercised by any governmental authority or if any claim or proceeding is pending or threatened by any person which may have a material adverse effect on the Borrower, its business or operations, its properties or its prospects;
- (p) if any of the Borrower's covenants or representations in this Agreement, in any of the Loan Documents or in any certificate, statement or report furnished in connection herewith is found to be false or incorrect in any way so as to make it materially misleading when made or when deemed to have been made; or
- (q) if the Borrower sells, agrees to sell or otherwise disposes of the Collateral or any part or parts of it, other than as permitted herein.

12.2 **Grace Period.** Unless otherwise provided herein, a default referred to in Section 12.1 shall not constitute an Event of Default unless: (a) in the case of default in payment of money, it has continued for at least ten (10) days after the due date for payment; (b) in the case of default in performance of any other obligation, it has continued for at least thirty (30) days after notice thereof has been given to the Borrower; or (c) in the case of an Event of Default under Sections 12.1(d), 12.1(f), 12.1(g), 12.1(j) and 12.1(k) it has continued for at least thirty (30) days after the date of occurrence of such event thereunder provided that the Borrower is diligently contesting such Event of Default in a bona fide manner. Notwithstanding the foregoing, there shall be no

grace period with respect to any Event of Default under Sections 12.1(c), 12.1(e), 12.1(i), 12.1(h) or 12.1(l).

- 12.3 **Waiver.** The Lender may waive any breach by the Borrower of any of the provisions contained in this Agreement or any default by the Borrower in the observance or performance of any covenant or condition required to be observed or performed by the Borrower under the terms of this Agreement or any of the Security, provided always that no waiver by the Lender or any failure to take any action to enforce its rights or any security will extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting from the breach or default.
- 12.4 **Remedies Not Restrictive.** All remedies stipulated for by the Lender under this Agreement or in any of the Security will be considered to be in addition to and not restrictive of the remedies which the Lender might be entitled to at law or in equity and the Lender may realize any Security or any part of it in such order as it may be advised and any such realization by any means will not bar realization of any other security or any part or parts of them nor will any single or partial exercise of any right or remedy preclude any other or further exercise of nor will the failure on the part of the Lender or any delay in exercising any rights under this Agreement or any of the Security operate as a waiver.
- 12.5 **Costs Caused By Default.** If the Borrower defaults in any covenant to be performed by it under this Agreement or under the Security, the Lender may perform any covenant of the Borrower capable of being performed by the Lender and if the Lender is put to any costs, charges, expenses or outlays to perform any such covenant, the Borrower will indemnify the Lender for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays incurred by the Lender (including solicitors' fees and charges incurred by the Lender) will be added to the principal amount of the Loan and secured by the Security.
- 12.6 **Court Costs.** In any judicial proceedings taken to enforce this Agreement and the covenants of the Borrower under it or to enforce or redeem the Security or to foreclose the interest of the Borrower in any Collateral the Lender will be entitled to costs on a solicitor and client basis. Any costs so recovered will be credited against any solicitors' fees and charges paid or incurred by the Lender relating to the matters in respect of which the costs were awarded and which have been added to the monies secured pursuant to the Security.
- 12.7 **Enforcement.** Upon the occurrence of any Event of Default, which is continuing, the Lender may by instrument in writing declare that the Security has become enforceable and crystallized and the Lender shall have the following rights and powers:
- (a) to enter into possession of all or any part of the Collateral;
  - (b) to preserve and maintain the Collateral and make such replacements thereof and additions thereto as it deems advisable;
  - (c) to borrow money in the Borrower's name or in the Lender's name or to advance the Lender's own money to the Borrower, in any case upon such terms as the Lender may deem reasonable and upon the Security;
  - (d) to pay or otherwise satisfy in whole or in part any Encumbrances which, in the Lender's opinion, rank in priority to the security hereof; and

- (e) after entry by its officers or agents or without entry to sell, lease or otherwise dispose in any way whatsoever of all or any part of the Collateral either en bloc or separately at public auction or by tender or by private agreement and at such time or times and on such terms and conditions as the Lender in its absolute discretion may determine and without any notice to or concurrence of the Borrower except as may be required by applicable law.

12.8 **Receiver.** And it is further agreed that in addition to all other powers exercisable hereunder or by virtue of any other agreement or at common law and equity, the Lender may by writing under the Lender's own hand or the hand of any solicitor or agent authorized on its behalf, upon any Event of Default whatsoever on the part of the Borrower in payment of the Loan or interest hereby secured, or in the observance of any of the covenants and conditions herein contained, from time to time appoint any Person (including an officer of the Lender) to be a Receiver or Receiver Manager of the Collateral. The Lender may likewise remove any such Receiver or Receiver Manager and appoint another in his place, and any such Receiver or Receiver Manager appointed, pursuant to the foregoing provisions, shall have the following powers:

- (a) **Possession** - To take possession of the Collateral and, for that purpose, and to do any act and take any proceedings in the name of any of the Borrower, or otherwise, as he shall deem necessary;
- (b) **Carry on Business** - To carry on or concur in carrying on the business of the Borrower related to the Collateral, and to employ and discharge such agents, managers, clerks, accountants, servants, workmen and others upon such terms and with such wages or remuneration as he shall think proper; and to repair and keep in repair the buildings, plant or other property comprised in the Collateral, and to do all necessary acts and things for the carrying on any business of the Borrower and the protection of the undertaking, property and assets of the Borrower related to the Collateral;
- (c) **Make Arrangements** - To make any reasonable arrangement or compromise which he shall think expedient in the interest of the Lender; and with Court approval to exchange any part or parts of the Collateral for any other property suitable for the purposes of the Borrower, and upon such terms as may seem expedient;
- (d) **Raise Money** - To raise on the security of the Collateral or any part of the undertaking, property and assets of the Borrower related to the Collateral, any sum of money required for the carrying on of the Borrower's business related to the Collateral, or for the repairs, insurance, protection, or any other purpose herein mentioned, or as may be required to pay off or discharge any lien, charge or encumbrance upon the Collateral, or any part thereof, which would, or might, have priority over the charge created by the Security;
- (e) **Sell or Lease** - To sell or lease or to concur in the selling or leasing of the Collateral or any part thereof, and to carry any such sale or lease into effect, by conveying in the name or on behalf of the Borrower, or otherwise; and any such sale may be made either at public auction or private sale as to him may seem appropriate, and any such sale may be made from time to time as to the whole or any part or parts of the Collateral; and he may make any stipulations as to title or conveyance or commitment of title, or otherwise, which he shall deem proper; and he may buy in or rescind or vary any contract for the sale of any part of the Collateral and may resell; and he may sell any of the same on such terms as to credit or part cash and part credit, or otherwise as shall appear to be most advantageous and at such prices as can reasonably be obtained therefor, and in the event

of a sale on credit neither he, nor the Lender shall be accountable for, or charged with, any moneys until actually received; and it is agreed that no purchaser at any sale purporting to be made in pursuance of the aforesaid power, shall be bound or concerned to see or enquire whether any default has been made or continues, or whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulation subject to which such sale shall have been made, or otherwise as to the propriety of such sale or regularity of its proceedings, or be affected by notice that no such default has been made or continues, or notice given as aforesaid, or that the sale is otherwise unnecessary, improper or irregular, and notwithstanding any impropriety or irregularity, or notice thereof to such purchaser, the sale as regards such purchaser shall be deemed to be within the aforesaid power and valid accordingly and the remedy (if any) of the Borrower in respect of any impropriety or irregularity whatsoever in any such sale shall be in damages only; and

- (f) Complete Construction - If applicable, to complete or cause to be completed, in whole or in part, or embark on the completion of the construction of such improvements on the Collateral as he shall think proper in the interests of the Lender and to employ and discharge such contractors, subcontractors, materialmen, agents, managers, clerks, accountants, servants, workmen and others upon such terms and in accordance with such contract arrangements, salaries, wages or remuneration as he shall think proper.

- 12.9 **Distribution of Receiver's Income.** The Receiver or Receiver Manager appointed and acting under any of the foregoing provisions shall be entitled out of the moneys to arise out of the taking possession of the Collateral, and the carrying on of any of the Borrower's business related to the Collateral or out of any sale or lease of any part of the Collateral as aforesaid, in the first place to pay and satisfy all the costs and expenses attending such taking of possession, carrying on and managing the Borrower's business, or sale or completing in whole or in part the construction or embarking thereon or otherwise relating to the exercise of his powers under this Agreement, including his remuneration as Receiver or Receiver Manager, and in the second place to pay and satisfy any lien or charge ranking in priority to the Security, and in the third place to pay and satisfy all amounts outstanding under the Loan which shall then be owing hereunder, and in the fourth place to pay and satisfy any arrears of interest which shall then be owing hereunder, and should any surplus remain in the hands of the said Receiver or Receiver Manager after payment as aforesaid, then the Borrower shall be entitled to such surplus.
- 12.10 **Liability of Receiver.** The Receiver or Receiver Manager appointed and exercising his powers hereunder shall not be liable for any loss howsoever arising, unless the same shall be caused by his own negligence or wilful default; and he shall, when so appointed, be deemed to be the agent of the Borrower and the Borrower shall be solely responsible for his acts and defaults and for his remuneration.
- 12.11 **Dealing with Collateral.** In exercising his powers hereunder, any Receiver or Receiver Manager will be free to deal with the Collateral and any assets of the Borrower related thereto in such order or manner as he may be directed by the Lender any rule of law or equity to the contrary notwithstanding, including, without limitation, the equitable principle or doctrine of marshalling.
- 12.12 **Notices.** In this Agreement any notice or other communication to be given by any party hereunder to another party shall be given or made by delivering the same by overnight delivery service, by same-day courier, by hand delivery, by e-mail, or by other means of rapid written or electronic communication ("Notice") to the party to whom the notice is directed, in either case, at the address set out below or to such alternative address as may from time to time be designated by

Notice given to the other party in the manner provided in this Section:

Borrower addressed to it at:

Mizrahi Development Group Inc.  
189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

Attention: Sam Mizrahi, President  
Email: sam@mizrahicorp.com

-and to-

Baldwin Sennecke Halman LLP  
Barristers and Solicitors  
25 Adelaide Street East  
Suite 900, Victoria Tower  
Toronto, Ontario  
M5C 3A1

Attention: Jeffrey A. Halman  
Email: jhalman@bashllp.com

Lender addressed to it at:

Bridging Finance Inc.  
77 King Street West  
Suite 2925  
Toronto, ON M5K 1K7

Attention: Natasha Sharpe, CEO & Chief Investment Officer  
Email: nsharpe@bridgingfinance.ca

-and to-

Chaitons LLP  
Barristers and Solicitors  
5000 Yonge Street  
10<sup>th</sup> Floor  
Toronto, Ontario  
M2N 7E9

Attention: Philip L. Taylor  
Email: philip@chaitons.com

The date of giving Notice shall be the date of delivery thereof if delivered by hand. If sent by overnight delivery service, by same-day courier, by hand delivery, by e-mail or other means of rapid written or electronic communication, the date of giving Notice shall be the date of transmission if transmission

occurs prior to 6:00 p.m. (Toronto time) on a Business Day and on the Business Day next following the date of transmission in any other case.

### PART 13 – SUCCESSION

- 13.1 In the event of the untimely death or incapacity for a period of 120 days of Sam Mizrahi prior to repayment in full of the Loan prior to expiration of the Term hereof or the completion of the Project, the Credit Parties acknowledge and agree that the Lender shall be appointed (and the Credit Parties grant a power of appointment for such purposes) to act as the sole manager of the Project, with the authority, but not the obligation and liability to administer and manage the completion of the Project and the sales, disposition or completion of the unit sales and the terms and conditions hereof shall remain in full force and effect.

### PART 14 - GENERAL

- 14.1 **Records.** The records of the Lender as to the Borrower and the amount outstanding under this Agreement and under the Security will be final and conclusive without further proof, so long as the Lender is acting reasonably with respect to all such matters.
- 14.2 **Costs.** The Borrower will pay the costs of, and incidental to, the preparation, execution and delivery of this Agreement and of the preparation and registration of the Security or any other security required to or from time to time given by the Borrower to the Lender and, at its option, the Lender may pay the said costs out of the monies to be advanced on account of the Loan.
- 14.3 **Confidentiality.** The matters set forth in this Agreement and any information provide with respect to the transaction are strictly confidential and shall not be disclosed to any parties without the express written consent of the other party, other than as may be required by law. Notwithstanding the foregoing, the Lender shall be permitted to disclose the Agreement and the information relating to this transaction to its advisors prior to and after the initial advance provided such advisors acknowledge the confidentiality obligations herein contained. Any party may disclose such information to their respective advisors who need to know such information in order to conclude the transaction contemplated by this Agreement and who are informed of the obligation to keep such information confidential or as may be required by applicable law.
- 14.4 **Assignment by Borrower.** The Borrower will not be entitled to assign any of its rights under this Agreement except with the prior written consent of the Lender.
- 14.5 **Assignment by Lender.** The Lender shall have the right, at any time after one (1) year following the date of the initial advance of the Loan, to assign its rights under this Agreement, in whole or in part.
- 14.6 **Enurement.** This Agreement and all its provisions will enure to the benefit of and be binding upon the parties, their heirs, executors, administrators, successors and permitted assigns.
- 14.7 **“this Agreement”, “herein”, “hereof”, “hereto”** and similar expressions mean and refer to this Agreement and include any instrument amending, supplementing or modifying the same, and the expression “Section” followed by a number means and refers to the specified Section of this Agreement.



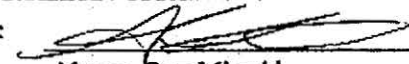
- 14.8 **Maximum Return.** The Borrower and the Lender acknowledge and agree that it is their express intention and desire that in no event will the total payment to the Lender whether for interest, fees, bonus, commission, commitment, stand by or processing fees, or service charges or otherwise (collectively, "Sum") exceed the maximum payment permitted under the Criminal Code (Canada) as amended. If the amount of the Sum but for this Section is a criminal rate, then the Sum will be reduced to an effective annual rate which is 1% less than the criminal rate calculated using generally accepted actuarial practices and principles, by reducing the interest rate, fees, bonus, or other charges accordingly. Any overpayment by the Borrower after recalculation under this Section will immediately be returned by the Lender to the Borrower.
- 14.9 **Entire Agreement in Writing.** This Agreement, including the Schedules hereto and the Security, constitutes the entire agreement between the parties hereto. There are no representations, warranties, collateral agreements or conditions which affect this Agreement other than as set out herein.
- 14.10 **Counterparts.** This Agreement may be executed: (i) by electronic transmission, including facsimile, scanned or email, and scanned electronic or facsimile signatures shall be treated as originals for all purposes; and (ii) in counterparts and all counterparts taken together shall constitute an executed copy of this Agreement.

**[Signatures to Follow on Next Page]**

TO EVIDENCE THEIR AGREEMENT each party has executed this Agreement on the date first above written.

Borrower:

**NORTHERN CITADEL CAPITAL INC.**

Per: 

Name: Sam Mizrahi

Title: President

I have the authority to bind the corporation

Guarantors:

**MIZRAHI SOARING DEVELOPMENTS INC.**

Per: 

Name: Sam Mizrahi

Title: President

I have the authority to bind the corporation

**ONESONE DAVENPORT INC.**

Per: 

Name: Sam Mizrahi

Title: President

I have the authority to bind the corporation

Lender:

**BRIDGING FINANCE INC., as agent for  
Sprott Bridging Income Fund LP**

Per: 


Name: Natasha Sharpe

Title: CEO and Chief Investment Officer

I have the authority to bind the corporation

Additional Party:

**MIZRAHI ENTERPRISES INC.**

Per: 

Name: Sam Mizrahi

Title: President

I have the authority to bind the corporation

## SCHEDULE A

### LEGAL DESCRIPTION OF THE PROPERTY

#### **145 Davenport Road:**

PCL 5-1 SEC A689E; LT 5 S/S DAVENPORT RD PL 689E TORONTO; LT 6 S/S DAVENPORT RD PL 689E TORONTO; PT LT 7 S/S DAVENPORT RD PL 689E TORONTO; PT LT 8 S/S DAVENPORT RD PL 689E TORONTO; PT LT K PL 401 TORONTO; PT LT 4 PL 411 TORONTO COMM AT A POINT IN THE SLY LIMIT OF DAVENPORT RD DISTANT 56 FT 8 5/8 INCHES MEASURED ELY THEREON FROM THE N WLY ANGLE OF SAID LT 8; THENCE SLY IN A STRAIGHT LINE 81 FT 9 INCHES MORE OR LESS TO A POINT IN THE SLY LIMIT OF THE SAID LT 8 DISTANT 30 FT MEASURED ELY THEREON FROM THE S WLY ANGLE THEREOF; THENCE WLY ALONG THE SLY LIMIT OF SAID LT 8 BEING THE NLY LIMIT OF LT 4 ON SAID REGISTERED PL 411 (YORKVILLE) 40 FT 7 INCHES MORE OR LESS TO A POINT THEREIN DISTANT 105 FT 1/2 AN INCH ELY THEREALONG FROM THE NW ANGLE OF SAID LT; THENCE SLY AND PARALLEL TO THE ELY LIMIT OF HAZELTON AV 28 FT TO A POINT; THENCE ELY PARALLEL TO THE NLY LIMIT OF SAID LT 4, 17 FT 8 1/2 INCHES MORE OR LESS TO THE WLY FACE OF THE WLY WALL OF AN OLD FRAME SHED SITUATE ON THE REAR PORTION OF THE SLY PT OF SAID LT 4 PL 411 YORKVILLE; THENCE NLY ALONG SAID WLY FACE OF WALL 3 INCHES MORE OR LESS TO THE N W CORNER OF SAID FRAME SHED; THENCE ELY ALONG THE NLY FACE OF THE NLY WALL OF SAID FRAME SHED 17 FT 8 1/2 INCHES MORE OR LESS TO THE N E CORNER OF SAID FRAME SHED; THENCE SLY ALONG THE ELY FACE OF THE ELY WALL OF SAID FRAME SHED 3 INCHES MORE OR LESS TO THE SLY LIMIT OF THE NLY 28 FT OF SAID LT 4, PL 411 (YORKVILLE); THENCE ELY ALONG SAID SLY LIMIT OF THE NLY 28 FT OF SAID LT 4, PL 411 YORKVILLE AND ITS PRODUCTION ELY 47 FT 11 INCHES MORE OR LESS TO THE ELY LIMIT OF LT K ACCORDING TO SAID REGISTERED PL 401, BEING ALSO THE WLY LIMIT OF LT 6 ACCORDING TO SAID REGISTERED PL 689E; THENCE SLY ALONG SAID WLY LIMIT OF LT 6 AND ALONG THE WLY LIMIT OF SAID LT 5, 37 FT 11 INCHES MORE OR LESS TO THE S W ANGLE OF SAID LT 5; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 5, 96 FT 4 INCHES MORE OR LESS TO THE S WLY LIMIT OF DAVENPORT RD; THENCE N WLY AND WLY ALONG THE S WLY AND SLY LIMITS OF DAVENPORT RD 170 FT 3/4 OF AN INCH MORE OR LESS TO THE POB; TORONTO , CITY OF TORONTO BEING ALL OF PIN 21196-0019 (LT).

#### **185 Davenport Road:**

PART OF LOTS 7 AND 8 PLAN 689E, DESIGNATED AS PART 1 ON PLAN 66R20718; CITY OF TORONTO BEING ALL OF PIN 21196-0327 (LT)

## **SCHEDULE B**

### **SPECIFIC PERMITTED ENCUMBRANCES**

#### **PPSA**

1. Registrations existing as of the date hereof in favour of Aviva Insurance Company of Canada against One8One Davenport Inc. and Mizrahi Soaring Developments Inc. bearing registration numbers 20120618 1314 1862 1374 and 20120622 1344 1962 1789.
2. Registrations existing as of the date hereof in favour of United Overseas Bank Limited against One8One Davenport Inc., Mizrahi Soaring Developments Inc. and Mizrahi Enterprises Inc. bearing registration numbers 20131206 0942 1862 0728 and 20131206 0942 1862 0729.
3. Registration existing as of the date hereof in favour of Ridgemount Hazelton Ltd. against Mizrahi Enterprises Inc. bearing registration number 20120111 1218 1590 4592.
4. Registration existing as of the date hereof in favour of Ridgemount M I LP against Mizrahi Enterprises Inc. bearing registration number 20130409 1606 1590 8474.
5. Registration existing as of the date hereof in favour of Ridgemount M II LP against Mizrahi Enterprises Inc. bearing registration number 20140110 0914 1590 4500.
6. Registration existing as of the date hereof in favour of Firm Capital Mortgage Fund Inc. against Mizrahi Enterprises Inc. bearing registration number 20141009 1533 1616 2133.

#### **REAL PROPERTY**

1. A charge/mortgage in favour of United Overseas Bank Limited, the construction lender for the Project, registered as instrument number AT3484185 in the maximum principal amount of \$55,000,000.
2. A charge/mortgage in favour of Aviva Insurance Company of Canada, acting as a deposit bond issuer, as security for the deposit bond facility for the Project, registered as instrument number AT3428072 in the maximum principal amount of \$20,000,000.

## SCHEDULE C PROJECT BUDGET

Altus Group		PROJECT BUDGET PROFORMA AT JUNE 2012						Project No		100017	
110 Residential Suites, Mixed Use Condominium 181 Davenport Rd Toronto, Ontario								Date		21-Jun-12	
								Report No		P-00000	
Item Description	(1)	(2) - (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Original Budget	Change	Current Budget	Cost to Date	Approved	Actual to Date	Committed	Remaining	Cost to Date	Remaining	Cost to Date
<b>LAND</b>											
1	Land Cost	14,561,000	0	14,561,000	14,561,000		14,561,000	0	110.85	138.11	132,373
2	Land Appraisal Surplus	0	0	N/A			0	N/A	N/A	N/A	N/A
3	Land VTI Interest	0	0	N/A			0	N/A	N/A	N/A	N/A
4	Land Transfer Taxes	313,305	0	313,305	313,305		313,305	0	2.30	2.97	2,848
5	Land Commissions	0	0	N/A			0	N/A	N/A	N/A	N/A
6	Issue Termination	0	0	N/A			0	N/A	N/A	N/A	N/A
7	Rentals Taxes	250,000	0	250,000			0	250,000	1.90	2.37	2,273
8	Real Estate/Municipal Legal	100,000	100,000	200,000	50,000		50,000	150,000	1.52	1.90	1,818
9	Site Plan, Approval Fees	100,000	0	100,000			0	100,000	0.76	0.95	909
10	Liability and Builder's Risk Insurance	130,000	28,668	158,668			0	158,668	1.23	1.50	1,442
	Subtotal	15,454,305	128,668	15,582,973	14,924,305	0	14,924,305	658,668	138.63	147.80	141,663.39
	Check	15,454,305	128,668	15,582,973	14,924,305	0	14,924,305	658,668	138.63	147.80	141,663.39
<b>CONSTRUCTION (HARD)</b>											
11	Construction	32,660,151	(70,000)	32,590,151			0	32,590,151	248.14	309.17	296,328
12	Office Works (Subway Contingency)	0	0	N/A			0	N/A	N/A	N/A	N/A
13	Escalation Contingency	0	0	N/A			0	N/A	N/A	N/A	N/A
14	Design and Permit Contract Contingency	1,200,000	2,158,000	3,358,000			0	3,358,000	25.56	31.85	30,527
15	Contaminated Soil Abatement	0	0	0			0	0	0.00	0.00	0
16	Demolition	100,000	0	100,000			0	100,000	0.76	0.95	909
17	Furnishings	100,000	100,000	200,000			0	100,000	0.76	0.95	909
18	Utility Connections	150,000	100,000	250,000			0	250,000	1.90	2.37	2,273
19	Purchaser Upgrades	0	0	Excluded			0	N/A	N/A	N/A	N/A
20	Warranty	76,000	89,000	165,000			0	165,000	1.30	1.57	1,500
21	Public Art Contribution	0	0	0			0	0	0.00	0.00	0
22	Construction Management Fees	815,000	62,869	877,869			0	877,869	7.44	9.28	8,890
	Subtotal	35,187,151	2,439,849	37,627,000	0	0	0	37,627,000	285.43	356.13	341,336.34
	Check	35,187,151	2,439,849	37,627,000	0	0	0	37,627,000	285.43	356.13	341,336.34
<b>CONSTRUCTION (SOFT)</b>											
23	Various Enrollment Fees	70,000	88,000	158,000			0	158,000	1.20	1.50	1,436
24	Soiltest 37 Contribution	500,000	0	500,000			0	500,000	3.81	4.74	4,545
25	Development Charges	350,000	943,153	1,293,153			0	1,293,153	9.94	12.27	11,756
26	Parkland Dedication	1,456,100	0	1,456,100			0	1,456,100	11.08	13.81	13,237
27	Building Permit	200,000	59,720	259,720			0	259,720	1.99	2.46	2,361
28	Educational Development Charges	35,000	76,458	111,458			0	111,458	0.85	1.06	1,013
	Subtotal	2,611,100	1,167,331	3,778,431	0	0	0	3,778,431	28.76	35.84	34,349.37
	Check	2,611,100	1,167,331	3,778,431	0	0	0	3,778,431	28.76	35.84	34,349.37
<b>DESIGN</b>											
29	Architect	750,000	0	750,000	102,322		102,322	647,678	5.71	7.11	6,818
30	Design Consultant - Interior Design	500,000	(200,000)	300,000			0	300,000	2.28	2.85	2,727
31	Structural Engineer	140,000	0	140,000			0	140,000	1.07	1.33	1,273
32	Rebar Detailing	0	0	0			0	N/A	N/A	N/A	N/A
33	Mechanical & Electrical Engineer	150,000	0	150,000			0	150,000	1.14	1.42	1,364
34	Civil Engineer	15,000	0	15,000			0	15,000	0.11	0.14	136
35	Shoring Consultant	75,000	0	75,000			0	75,000	0.57	0.71	682
36	Landscape Architect	30,000	0	30,000			0	30,000	0.23	0.28	273
37	Sustainable Design Consultant	50,000	0	50,000			0	50,000	0.38	0.47	455
38	Printing and Copying	50,000	0	50,000			0	50,000	0.38	0.47	455
39	Consultants Disbursements	50,000	0	50,000			0	50,000	0.38	0.47	455
40	Cost Consultant	50,000	0	50,000			0	50,000	0.38	0.47	455
41	Planning Consultant	75,000	0	75,000			0	75,000	0.57	0.71	682
42	Municipal Approvals Consultant	75,000	0	75,000	2,141		2,141	77,859	0.57	0.71	682
43	Traffic consultant	15,000	0	15,000			0	15,000	0.11	0.14	136
44	Testing and Inspection/Bulletin 19	75,000	25,000	100,000			0	100,000	0.76	0.95	909
45	Soils and Environment Consultant	200,000	(100,000)	100,000	92,866		92,866	7,114	0.76	0.95	909
46	Legal Surveys	40,000	0	40,000			0	40,000	0.30	0.38	364
47	Miscellaneous & Other Fees	250,000	0	250,000			0	250,000	1.90	2.37	2,273
	Subtotal	2,590,000	(279,000)	2,311,000	197,345	0	197,345	2,113,655	17.62	21.96	21,045.45
	Check	2,590,000	(279,000)	2,311,000	197,345	0	197,345	2,113,655	17.62	21.96	21,045.45
<b>LEGAL &amp; ADMINISTRATION</b>											
48	Legal Fees - General	200,000	0	200,000	85,366		85,366	114,634	1.52	1.90	1,814
49	Legal Fees - Corporate / Finance / Lender	100,000	(25,000)	75,000			0	75,000	0.57	0.71	682
50	Legal Fees - Sales/Leasing/Marketing	100,000	10,000	110,000			0	110,000	0.84	1.04	1,000
51	Internal Audit and Accountant	50,000	0	50,000			0	50,000	0.38	0.47	455
52	Development Management Fees	3,000,000	0	3,000,000			0	3,000,000	22.84	28.45	27,373
	Subtotal	3,450,000	(15,000)	3,435,000	85,366	0	85,366	3,349,634	26.15	32.58	31,227.37
	Check	3,450,000	(15,000)	3,435,000	85,366	0	85,366	3,349,634	26.15	32.58	31,227.37

Altus Group		110 Residential Suites, Mixed Use Condominium 181 Devonport Rd Toronto, Ontario		PROJECT BUDGET PROFORMA AT JUNE 2012				Project No: 100007 Date: 21-Jun-12 Report No: Proforma																																									
Item	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)																																								
<b>MARKETING / SALES / LEASING</b>																																																	
53	Marketing & Advertising	800,000	0	800,000	33,799	0	33,799	766,201	6.00																																								
54	Sales Commission Lead Broker (Residential)	1,380,000	(2,412,139)	967,991	0	0	967,991	2,247,982	3.18																																								
55	Sales Commission Third party (Residential)	1,767,999	0	2,787,999	0	0	2,787,999	3,132	25.44																																								
56	Sales Office - maintenance/alarms/telephone	0	100,000	100,000	0	0	100,000	0.76	0.65																																								
57	Sales Office - Construction	600,000	0	600,000	84,625	0	84,625	515,375	4.57																																								
58	Sales Office - furniture and models	400,000	0	400,000	320,374	0	320,374	79,622	3.06																																								
59	Tenant Inducements	0	0	0	0	0	0	0	0.00																																								
60	Retail Leasing Commissions	0	0	0	0	0	0	0	0.00																																								
61	Purchase Incentives/Chiveways	0	0	0	0	0	0	0	0.00																																								
	Subtotal	5,180,000	476,269	5,656,269	438,799	0	438,799	5,216,981	43.05																																								
	Check	5,180,000	476,269	5,656,269	438,799	0	438,799	5,216,981	43.06																																								
<b>OCCUPANCY OPERATING EXPENSES</b>																																																	
62	Operating Costs & Taxes	500,000	0	500,000	0	0	500,000	3.81	4.74																																								
63	Realty Tax	0	0	Above	0	0	N/A	N/A	N/A																																								
	Subtotal	500,000	0	500,000	0	0	500,000	3.81	4.74																																								
	Check	500,000	0	500,000	0	0	500,000	3.81	4.74																																								
<b>FINANCE</b>																																																	
64	Commitment Fees	500,000	52,080	352,980	0	0	352,980	2.68	3.28																																								
65	Deposit/Issuer Commitment Fees	10,000	0	10,000	0	0	10,000	0.08	0.09																																								
66	Bank Administration Fees	5,000	0	5,000	0	0	5,000	0.04	0.05																																								
67	Bank Exchange Fees	5,000	(340)	4,700	0	0	4,700	0.04	0.04																																								
68	Standby fee	135,000	85,245	220,245	0	0	220,245	1.68	2.09																																								
69	CMHC Fee	0	0	N/A	0	0	N/A	N/A	N/A																																								
70	PMI on CMHC Fee	0	0	N/A	0	0	N/A	N/A	N/A																																								
71	L.C. Fees/ Premiums for Tenon	45,000	47,000	87,000	0	0	87,000	0.66	0.83																																								
72	ICD/Fees	0	0	145,000	0	0	145,000	N/A	N/A																																								
73	Project Monitor	145,000	0	145,000	0	0	145,000	1.10	1.38																																								
74	Prodevelopment Loan Interest	585,000	0	585,000	483,197	0	483,197	89,803	4.30																																								
75	Construction Loan Interest	2,200,000	222,695	2,422,695	0	0	2,422,695	18.42	22.98																																								
	Subtotal	3,470,000	467,720	3,811,720	483,197	0	483,197	3,028,923	29.02																																								
	Check	3,470,000	467,720	3,811,720	483,197	0	483,197	3,028,923	29.02																																								
<b>CONTINGENCY</b>																																																	
76	Development Contingency	1,100,000	14,644	1,114,644	0	0	1,114,644	8.49	10.57																																								
	Subtotal	1,100,000	14,644	1,114,644	0	0	1,114,644	8.49	10.57																																								
	Check	1,100,000	14,644	1,114,644	0	0	1,114,644	8.49	10.57																																								
<b>GOVERNMENT TAXES</b>																																																	
77	GST on Revenue	0	0	0	0	0	N/A	N/A	N/A																																								
78	HST on Revenue	0	0	0	0	0	N/A	N/A	N/A																																								
79	GST Payable	0	0	0	0	0	N/A	N/A	N/A																																								
80	GST Recoverable	0	0	0	0	0	N/A	N/A	N/A																																								
81	HST Payable	0	0	0	0	0	N/A	N/A	N/A																																								
82	HST Recoverable	0	0	0	0	0	N/A	N/A	N/A																																								
	Subtotal	0	0	0	0	0	0	0	0.00																																								
	Check	0	0	0	0	0	0	0	0.00																																								
<b>GROSS EXPENDITURES (A)</b>																																																	
	Subtotal	10,450,000	1,372,572	11,822,572	16,129,016	0	16,129,016	97,615,132	861.25																																								
	Check	10,450,000	1,372,572	11,822,572	16,129,016	0	16,129,016	97,615,132	861.25																																								
<b>OFFSETTING INCOME RECEIVED</b>																																																	
83	Occupancy Income (Residential Units)	(500,000)	(840,148)	(1,340,148)	0	0	(1,340,148)	(10.20)	(12.71)																																								
	Subtotal	(500,000)	(840,148)	(1,340,148)	0	0	(1,340,148)	(10.20)	(12.71)																																								
	Check	(500,000)	(840,148)	(1,340,148)	0	0	(1,340,148)	(10.20)	(12.71)																																								
<b>NET EXPENDITURES (A-B)</b>																																																	
	Subtotal	9,950,000	492,424	10,442,424	16,129,016	0	16,129,016	96,274,984	851.05																																								
	Check	9,950,000	492,424	10,442,424	16,129,016	0	16,129,016	96,274,984	851.05																																								
<b>Colour Legend</b>																																																	
--- Deferred Costs																																																	
<table border="1"> <thead> <tr> <th>Item</th> <th>Description</th> <th>(1)</th> <th>(2)</th> <th>(3)</th> <th>(4)</th> <th>(5)</th> <th>(6)</th> <th>(7)</th> <th>(8)</th> </tr> </thead> <tbody> <tr> <td>14</td> <td>Design and Post Contract Contingency</td> <td>1,200,000</td> <td>2,158,000</td> <td>3,358,000</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>76</td> <td>Development Contingency</td> <td>1,100,000</td> <td>14,644</td> <td>1,114,644</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>77</td> <td>Proced Contingency</td> <td>1,800,000</td> <td>2,222,695</td> <td>4,022,695</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>										Item	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	14	Design and Post Contract Contingency	1,200,000	2,158,000	3,358,000						76	Development Contingency	1,100,000	14,644	1,114,644						77	Proced Contingency	1,800,000	2,222,695	4,022,695					
Item	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)																																								
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<table border="1"> <thead> <tr> <th colspan="2">SCHEDULE 4 ASSUMPTIONS (MONTHS)</th> </tr> </thead> <tbody> <tr> <td>8</td> <td>Marketing Phase</td> </tr> <tr> <td>7</td> <td>Exec and Perm (R/T)</td> </tr> <tr> <td>6</td> <td>Perm (Cover)</td> </tr> <tr> <td>5</td> <td>Top-off to Initial Occup</td> </tr> <tr> <td>4</td> <td>Occupancy</td> </tr> <tr> <td>3</td> <td>Construction Total</td> </tr> </tbody> </table>										SCHEDULE 4 ASSUMPTIONS (MONTHS)		8	Marketing Phase	7	Exec and Perm (R/T)	6	Perm (Cover)	5	Top-off to Initial Occup	4	Occupancy	3	Construction Total																										
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3	Construction Total																																																

**SCHEDULE D**

**RENT ROLL**

145 DAVENPORT ROAD TENANTS			
SUITE	SQ. FT	MONTHLY AMOUNT	TENANT
Ground Floor East	1470	\$4022	Sean Orr Works
Ground Floor West		\$8000	Mizrahi Khalili Inc.
Second Floor	6000	\$0	7537506 Canada Inc.

This is Exhibit “B” referred to in the Affidavit of Tyler Ray sworn by Tyler Ray of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 20<sup>th</sup> day of September, 2022 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*



---

A Commissioner for taking affidavits

**ADAM DRIEDGER**



Dated as of February 24, 2015

Mizrahi Development Group Inc.  
189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

Dear Mr. Mizrahi:

Re: Bridging Finance Inc., as agent for Sprott Bridging Income Fund LP (the “**Lender**”) loan to Northern Citadel Capital Inc. (the “**Borrower**”) pursuant to the loan agreement among, *inter alia*, the Borrower and the Lender dated as of the 17<sup>th</sup> day of December, 2014 (the “**Loan Agreement**”) and the related security described in Schedule “A” attached hereto (collectively, the “**Existing Security**”)

---

We confirm our mutual agreement to increase the principal amount of the loan facility from \$11,267,123.29 to \$15,613,013.70. In this regard, we confirm that the Lender has agreed to amend the terms and conditions of the Loan Agreement and Existing Security as follows:

1. Effective the date hereof, the reference to “11,267,123.29” in Section 2.1 of the Loan Agreement is hereby deleted and replaced with “\$15,613,013.70”.
2. Effective the date hereof, the reference to “\$1,453,698.63” in section 3.1 of the Loan Agreement is hereby deleted and replaced with “\$1,912,328.77”
3. Effective the date hereof, the reference to “11,267,123.29” in the heading of the Promissory Note granted by the Borrower in favour of the Lender dated as of the 17<sup>th</sup> day of December 2014 (the “**Promissory Note**”) is hereby deleted and replaced with “\$15,613,013.70”.
4. Effective the date hereof, the reference to “ELEVEN MILLION TWO HUNDRED SIXTY SEVEN THOUSAND ONE HUNDRED TWENTY THREE CANADIAN DOLLARS AND TWENTY NINE (Cdn. \$11,267,123.2 ) CENTS” in the first paragraph of the Promissory Note is hereby deleted and replaced with “FIFTEEN MILLION SIX HUNDRED THIRTEEN THOUSAND THIRTEEN CANADIAN DOLLARS AND SEVENTY (Cdn. \$15,613,013.70) CENTS”.
5. Effective as of the date hereof, the reference to “11,267,123.29” in the Consideration Field of the Electronic Registration form of the Quit Claim Deed granted by, *inter alia*, the Borrower in favour of the Lender (the “**Quit Claim Deed**”), is hereby deleted and replaced with “\$15,613,013.70”.
6. Effective as of the date hereof, the reference to “\$167,481.85” in the Provincial Land Transfer Tax field of the Quit Claim Deed is hereby deleted and replaced with “\$232,670.21”.
7. Effective as of the date hereof, the reference to “\$166,731.85” in the Municipal Land Transfer Tax field of the Quit Claim Deed is hereby deleted and replaced with “\$231,920.21”.
8. Effective as of the date hereof, the reference to “\$11,267,123.29” in Section 3 in the Provincial and Municipal Land Transfer Tax statements field of the Quit Claim Deed is hereby deleted and replaced with “\$15,613,013.70” in each instance.

9. The Lender is hereby authorized to update the quit claim deed with the amendments noted in Section 5-8 above and attach same to the Acknowledgment and Direction re Quit Claim Deed dated December 17, 2014. For greater certainty, a copy of the updated Quit Claim Deed is attached hereto as Schedule "B".
10. Effective as of the date hereof, the reference to "\$11,267,123.29" in the first recital of the Guarantee given by Mizrahi Soaring Developments Inc. and One8One Davenport Inc. (collectively the "Guarantors") in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with "\$15,613,013.70".
11. Effective as of the date hereof, the reference to "\$11,267,123.29" in the first recital of the Postponement Agreement given by Sam Mizrahi in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with "\$15,613,013.70".
12. The Borrower, the Guarantors, Sam Mizrahi and Mizrahi Enterprises Inc. (collectively, the "Obligors") confirm that to the extent a party thereto, that the Loan Agreement and Existing Security has not been discharged, waived or varied except as provided herein, that it is binding upon the Obligors, as applicable, and that it is valid and enforceable in accordance with its written terms and it shall constitute, and shall be held by the Lender as, general and continuing security for the payment and fulfillment of all of the indebtedness, liabilities and obligations of the Obligors, , as applicable, present or future, direct or indirect, contingent or not, matured or not, including, without limitation, the obligations under the Promissory Note, as amended by this Agreement.
13. The net proceeds of the additional amount of the loan hereunder of \$3,887,260.27 shall be paid directly to the Borrower or as it may further direct.
14. Subject to due diligence satisfactory to the Lender in its sole discretion, the Lender will consider extending the term to June 30, 2016.
15. This Agreement is supplemental to and shall be read with and be deemed to be part of the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Loan Agreement, the Promissory Note, the Guarantee, the Existing Security and any agreements or documents entered into in connection with the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security shall mean the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, all as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.
16. All the terms and conditions of the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.
17. The Obligors agree to execute such further assurances with respect to this Agreement, the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, as may be required to evidence the true intent and meaning of this Agreement.

18. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
19. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

[Signature Page Follows]

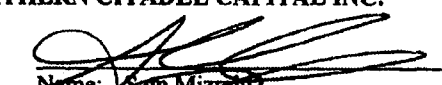
Provided that the foregoing meets with your approval, kindly execute where indicated and return two original copies of this letter to the Lender.

**BRIDGING FINANCE INC., as agent for  
Sprott Bridging Income Fund LP**

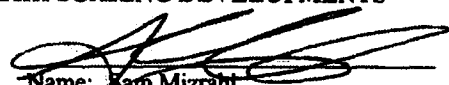
Per:   
Name: Natasha Sharpe  
Title: CEO and Chief Investment Officer

We Acknowledge and Accept the terms and conditions of this Agreement as of this 24<sup>th</sup> day of February, 2015.


**NORTHERN CITADEL CAPITAL INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation


**MIZRAHI SOARING DEVELOPMENTS INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**ONEBONE DAVENPORT INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI ENTERPRISES INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

Provided that the foregoing meets with your approval, kindly execute where indicated and return two original copies of this letter to the Lender.

**BRIDGING FINANCE INC., as agent for  
Sprott Bridging Income Fund LP**

Per: \_\_\_\_\_  
Name: Natasha Sharpe  
Title: CEO and Chief Investment Officer

**We Acknowledge and Accept** the terms and conditions of this Agreement as of this 24<sup>th</sup> day of February, 2015.

**NORTHERN CITADEL CAPITAL INC.**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI SOARING DEVELOPMENTS INC.**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**ONEONE DAVENPORT INC.**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI ENTERPRISES INC.**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**Schedule "A"**  
Existing Security

Each dated as of December 17, 2014:

1. Loan Agreement.
2. Promissory Note.
3. Quit Claim Deed.
4. General Assignment of Rents.
5. General Security Agreement from the Borrower and the Guarantors.
6. Beneficial Owners' Agreement in respect of 145 Davenport Road.
7. Assignment of Material Agreements from the Borrower and the Guarantors.
8. Assignment of Insurance from the Borrower and the Guarantors.
9. Guarantee from the Guarantors.
10. Postponement Agreement executed by Sam Mizrahi, the Borrower and the Guarantors.
11. Environmental Indemnity executed by the Borrower and the Guarantors.
12. Direction in favour of Harris Sheaffer LLP in respect to of the net proceeds received on closing of the project unit sales, executed by the Borrower, the Guarantors and Mizrahi Enterprises Inc., acknowledged by Harris Sheaffer LLP.

**Schedule "B"**  
Quit Claim Deed

See Attached

**Properties**

**PIN** 21196 - 0019 LT **Interest/Estate** Fee Simple

**Description** PCL 5-1 SEC A689E; LT 5 S/S DAVENPORT RD PL 689E TORONTO; LT 6 S/S DAVENPORT RD PL 689E TORONTO; PT LT 7 S/S DAVENPORT RD PL 689E TORONTO; PT LT 8 S/S DAVENPORT RD PL 689E TORONTO; PT LT K PL 401 TORONTO; PT LT 4 PL 411 TORONTO COMM AT A POINT IN THE SLY LIMIT OF DAVENPORT RD DISTANT 56 FT 8 5/8 INCHES MEASURED ELY THEREON FROM THE N WLY ANGLE OF SAID LT 8; THENCE SLY IN A STRAIGHT LINE 81 FT 9 INCHES MORE OR LESS TO A POINT IN THE SLY LIMIT OF THE SAID LT 8 DISTANT 30 FT MEASURED ELY THEREON FROM THE S WLY ANGLE THEREOF; THENCE WLY ALONG THE SLY LIMIT OF SAID LT 8 BEING THE NLY LIMIT OF LT 4 ON SAID REGISTERED PL 411 (YORKVILLE) 40 FT 7 INCHES MORE OR LESS TO A POINT THEREIN DISTANT 105 FT 1/2 AN INCH ELY THEREALONG FROM THE NW ANGLE OF SAID LT; THENCE SLY AND PARALLEL TO THE ELY LIMIT OF HAZELTON AV 28 FT TO A POINT; THENCE ELY PARALLEL TO THE NLY LIMIT OF SAID LT 4, 17 FT 8 1/2 INCHES MORE OR LESS TO THE WLY FACE OF THE WLY WALL OF AN OLD FRAME SHED SITUATE ON THE REAR PORTION OF THE SLY PT OF SAID LT 4 PL 411 YORKVILLE; THENCE NLY ALONG SAID WLY FACE OF WALL 3 INCHES MORE OR LESS TO THE N W CORNER OF SAID FRAME SHED; THENCE ELY ALONG THE NLY FACE OF THE NLY WALL OF SAID FRAME SHED 17 FT 8 1/2 INCHES MORE OR LESS TO THE N E CORNER OF SAID FRAME SHED; THENCE SLY ALONG THE ELY FACE OF THE ELY WALL OF SAID FRAME SHED 3 INCHES MORE OR LESS TO THE SLY LIMIT OF THE NLY 28 FT OF SAID LT 4, PL 411 (YORKVILLE); THENCE ELY ALONG SAID SLY LIMIT OF THE NLY 28 FT OF SAID LT 4, PL 411 YORKVILLE AND ITS PRODUCTION ELY 47 FT 11 INCHES MORE OR LESS TO THE ELY LIMIT OF LT K ACCORDING TO SAID REGISTERED PL 401, BEING ALSO THE WLY LIMIT OF LT 6 ACCORDING TO SAID REGISTERED PL 689E; THENCE SLY ALONG SAID WLY LIMIT OF LT 6 AND ALONG THE WLY LIMIT OF SAID LT 5, 37 FT 11 INCHES MORE OR LESS TO THE S W ANGLE OF SAID LT 5; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 5, 96 FT 4 INCHES MORE OR LESS TO THE S WLY LIMIT OF DAVENPORT RD; THENCE N WLY AND WLY ALONG THE S WLY AND SLY LIMITS OF DAVENPORT RD 170 FT 3/4 OF AN INCH MORE OR LESS TO THE POB; TORONTO, CITY OF TORONTO

**Address** 145 DAVENPORT ROAD  
TORONTO

**PIN** 21196 - 0327 LT **Interest/Estate** Fee Simple

**Description** PART OF LOTS 7 AND 8 PLAN 689E, DESIGNATED AS PART 1 ON PLAN 66R20718; CITY OF TORONTO

**Address** TORONTO

**Consideration**

**Consideration** \$ 15,595,260.85

**Transferor(s)**

The transferor(s) hereby transfers the land to the transferee(s).

**Name** ONEBONE DAVENPORT INC.  
Acting as a company

**Address for Service** 189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

I, Sam Mirzahi, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

**Transferee(s)****Capacity****Share**

**Name** BRIDGING FINANCE INC., AS AGENT FOR SPROTT  
BRIDGING INCOME FUND LP  
Acting as a company

**Address for Service** 77 King Street West  
Suite No. 2925  
Toronto, Ontario  
M5K 1K7

*This document has not been submitted and may be incomplete.*

yyyy mm dd

Page 2 of 2

**Statements**

Schedule: Other: Quit Claim Deed

**Calculated Taxes**

<i>Provincial Land Transfer Tax</i>	\$232,403.91
<i>Municipal Land Transfer Tax</i>	\$231,653.91

**File Number**

*Transferee Client File Number :* 56680



**PROVINCIAL AND MUNICIPAL LAND TRANSFER TAX STATEMENTS**

In the matter of the conveyance of: 21196 - 0019 PCL 5-1 SEC A689E; LT 5 S/S DAVENPORT RD PL 689E TORONTO; LT 6 S/S DAVENPORT RD PL 689E TORONTO; PT LT 7 S/S DAVENPORT RD PL 689E TORONTO; PT LT 8 S/S DAVENPORT RD PL 689E TORONTO; PT LT K PL 401 TORONTO; PT LT 4 PL 411 TORONTO COMM AT A POINT IN THE SLY LIMIT OF DAVENPORT RD DISTANT 56 FT 8 5/8 INCHES MEASURED ELY THEREON FROM THE N WLY ANGLE OF SAID LT 8; THENCE SLY IN A STRAIGHT LINE 81 FT 9 INCHES MORE OR LESS TO A POINT IN THE SLY LIMIT OF THE SAID LT 8 DISTANT 30 FT MEASURED ELY THEREON FROM THE S WLY ANGLE THEREOF; THENCE WLY ALONG THE SLY LIMIT OF SAID LT 8 BEING THE NLY LIMIT OF LT 4 ON SAID REGISTERED PL 411 (YORKVILLE) 40 FT 7 INCHES MORE OR LESS TO A POINT THEREIN DISTANT 105 FT 1/2 AN INCH ELY THEREALONG FROM THE NW ANGLE OF SAID LT; THENCE SLY AND PARALLEL TO THE ELY LIMIT OF HAZELTON AV 28 FT TO A POINT; THENCE ELY PARALLEL TO THE NLY LIMIT OF SAID LT 4, 17 FT 8 1/2 INCHES MORE OR LESS TO THE WLY FACE OF THE WLY WALL OF AN OLD FRAME SHED SITUATE ON THE REAR PORTION OF THE SLY PT OF SAID LT 4 PL 411 YORKVILLE; THENCE NLY ALONG SAID WLY FACE OF WALL 3 INCHES MORE OR LESS TO THE N W CORNER OF SAID FRAME SHED; THENCE ELY ALONG THE NLY FACE OF THE NLY WALL OF SAID FRAME SHED 17 FT 8 1/2 INCHES MORE OR LESS TO THE N E CORNER OF SAID FRAME SHED; THENCE SLY ALONG THE ELY FACE OF THE ELY WALL OF SAID FRAME SHED 3 INCHES MORE OR LESS TO THE SLY LIMIT OF THE NLY 28 FT OF SAID LT 4, PL 411 (YORKVILLE); THENCE ELY ALONG SAID SLY LIMIT OF THE NLY 28 FT OF SAID LT 4, PL 411 YORKVILLE AND ITS PRODUCTION ELY 47 FT 11 INCHES MORE OR LESS TO THE ELY LIMIT OF LT K ACCORDING TO SAID REGISTERED PL 401, BEING ALSO THE WLY LIMIT OF LT 6 ACCORDING TO SAID REGISTERED PL 689E; THENCE SLY ALONG SAID WLY LIMIT OF LT 6 AND ALONG THE WLY LIMIT OF SAID LT 5, 37 FT 11 INCHES MORE OR LESS TO THE S W ANGLE OF SAID LT 5; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 5, 96 FT 4 INCHES MORE OR LESS TO THE S WLY LIMIT OF DAVENPORT RD; THENCE N WLY AND WLY ALONG THE S WLY AND SLY LIMITS OF DAVENPORT RD 170 FT 3/4 OF AN INCH MORE OR LESS TO THE POB; TORONTO , CITY OF TORONTO

21196 - 0327 PART OF LOTS 7 AND 8 PLAN 689E, DESIGNATED AS PART 1 ON PLAN 66R20718; CITY OF TORONTO

BY: ONE8ONE DAVENPORT INC.  
 TO: BRIDGING FINANCE INC., AS AGENT FOR SPROTT BRIDGING INCOME FUND LP % (all PINs)

1. NATASHA SHARPE, CHIEF EXECUTIVE OFFICE AND CHIEF INVESTMENT OFFICER

I am

- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- (c) A transferee named in the above-described conveyance;
- (d) The authorized agent or solicitor acting in this transaction for \_\_\_ described in paragraph(s) ( ) above.
- (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for BRIDGING FINANCE INC., AS AGENT FOR SPROTT BRIDGING INCOME FUND LP described in paragraph(s) (c) above.
- (f) A transferee described in paragraph ( ) and am making these statements on my own behalf and on behalf of \_\_\_ who is my spouse described in paragraph ( ) and as such, I have personal knowledge of the facts herein deposed to.

2. I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein:

does not contain a single family residence or contains more than two single family residences.

3. The total consideration for this transaction is allocated as follows:

(a) Monies paid or to be paid in cash	15,595,260.85
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	15,595,260.85
(h) VALUE OF ALL CHATTELS - items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	15,595,260.85

PROPERTY Information Record

A. Nature of Instrument: Transfer  
 LRO 80 Registration No. Date:

B. Property(s): PIN 21196 - 0019 Address 145 DAVENPORT ROAD Assessment Roll No - TORONTO





This is Exhibit “C” referred to in the Affidavit of Tyler Ray sworn by Tyler Ray of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 20<sup>th</sup> day of September, 2022 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely*.



---

A Commissioner for taking affidavits

**ADAM DRIEDGER**

Dated as of March 11, 2015

Mizrahi Development Group Inc.  
189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

Dear Mr. Mizrahi:

Re: Bridging Finance Inc., as agent for Sprott Bridging Income Fund LP (the "Lender") loan to Northern Citadel Capital Inc. (the "Borrower") pursuant to the loan agreement among, *inter alia*, the Borrower and the Lender dated as of the 17<sup>th</sup> day of December, 2014 (the "Loan Agreement") and the related security described in Schedule "A" attached hereto (collectively, the "Existing Security")

---

We confirm our mutual agreement to increase the principal amount of the loan facility from \$11,267,123.29 to \$22,051,369.87. In this regard, we confirm that the Lender has agreed to amend the terms and conditions of the Loan Agreement and Existing Security as follows:

1. Effective the date hereof, the reference to "11,267,123.29" in Section 2.1 of the Loan Agreement is hereby deleted and replaced with "\$22,051,369.87".
2. Effective the date hereof, the reference to "\$1,453,698.63" in section 3.1 of the Loan Agreement is hereby deleted and replaced with "\$2,558,904.11"
3. Effective the date hereof, the reference to "11,267,123.29" in the heading of the Promissory Note granted by the Borrower in favour of the Lender dated as of the 17<sup>th</sup> day of December 2014 (the "Promissory Note") is hereby deleted and replaced with "\$22,051,369.87".
4. Effective the date hereof, the reference to "ELEVEN MILLION TWO HUNDRED SIXTY SEVEN THOUSAND ONE HUNDRED TWENTY THREE CANADIAN DOLLARS AND TWENTY NINE (Cdn. \$11,267,123.2 ) CENTS" in the first paragraph of the Promissory Note is hereby deleted and replaced with "TWENTY TWO MILLION FIFTY ONE THOUSAND THREE HUNDRED SIXTY NINE CANADIAN DOLLARS AND EIGHTY SEVEN (Cdn. \$22,051,369.87) CENTS".
5. Effective as of the date hereof, the reference to "11,267,123.29" in the Consideration Field of the Electronic Registration form of the Quit Claim Deed granted by, *inter alia*, the Borrower in favour of the Lender (the "Quit Claim Deed"), is hereby deleted and replaced with "\$22,051,369.87".
6. Effective as of the date hereof, the reference to "\$167,481.85" in the Provincial Land Transfer Tax field of the Quit Claim Deed is hereby deleted and replaced with "\$329,245.55".
7. Effective as of the date hereof, the reference to "\$166,731.85" in the Municipal Land Transfer Tax field of the Quit Claim Deed is hereby deleted and replaced with "\$328,495.55".
8. Effective as of the date hereof, the reference to "\$11,267,123.29" in Section 3 in the Provincial and Municipal Land Transfer Tax statements field of the Quit Claim Deed is hereby deleted and replaced with "\$22,051,369.87" in each instance.

9. The Lender is hereby authorized to update the quit claim deed with the amendments noted in Section 5-8 above and attach same to the Acknowledgment and Direction re Quit Claim Deed dated December 17, 2014. For greater certainty, a copy of the updated Quit Claim Deed is attached hereto as Schedule "B".
10. Effective as of the date hereof, the reference to "\$11,267,123.29" in the first recital of the Guarantee given by Mizrahi Soaring Developments Inc. and One8One Davenport Inc. (collectively the "Guarantors") in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with "\$22,051,369.87".
11. Effective as of the date hereof, the reference to "\$11,267,123.29" in the first recital of the Postponement Agreement given by Sam Mizrahi in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with "\$22,051,369.87".
12. The Borrower, the Guarantors, Sam Mizrahi and Mizrahi Enterprises Inc. (collectively, the "Obligors") confirm that to the extent a party thereto, that the Loan Agreement and Existing Security has not been discharged, waived or varied except as provided herein, that it is binding upon the Obligors, as applicable, and that it is valid and enforceable in accordance with its written terms and it shall constitute, and shall be held by the Lender as, general and continuing security for the payment and fulfillment of all of the indebtedness, liabilities and obligations of the Obligors, as applicable, present or future, direct or indirect, contingent or not, matured or not, including, without limitation, the obligations under the Promissory Note, as amended by this Agreement.
13. The net proceeds of the additional amount of the loan hereunder of \$5,791,780.82 shall be paid directly to the Borrower or as it may further direct.
14. Subject to due diligence satisfactory to the Lender in its sole discretion, the Lender will consider extending the term to June 30, 2016.
15. This Agreement is supplemental to and shall be read with and be deemed to be part of the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Loan Agreement, the Promissory Note, the Guarantee, the Existing Security and any agreements or documents entered into in connection with the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security shall mean the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, all as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.
16. All the terms and conditions of the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.
17. The Obligors agree to execute such further assurances with respect to this Agreement, the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, as may be required to evidence the true intent and meaning of this Agreement.

18. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
19. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

[Signature Page Follows]

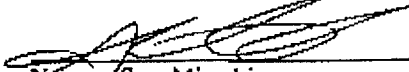
Provided that the foregoing meets with your approval, kindly execute where indicated and return two original copies of this letter to the Lender.

**BRIDGING FINANCE INC., as agent for  
Sprott Bridging Income Fund LP**

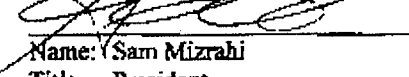
Per:   
Name: Natasha Sharpe  
Title: CEO and Chief Investment Officer

We Acknowledge and Accept the terms and conditions of this Agreement as of this 11<sup>th</sup> day of March, 2015.

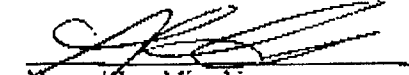
**NORTHERN CITADEL CAPITAL INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation


**MIZRAHI SOARING DEVELOPMENTS INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**ONEONE DAVENPORT INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI ENTERPRISES INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation



**Schedule "A"**  
**Existing Security**

Each dated as of December 17, 2014:

1. Loan Agreement.
2. Promissory Note.
3. Quit Claim Deed.
4. General Assignment of Rents.
5. General Security Agreement from the Borrower and the Guarantors.
6. Beneficial Owners' Agreement in respect of 145 Davenport Road.
7. Assignment of Material Agreements from the Borrower and the Guarantors.
8. Assignment of Insurance from the Borrower and the Guarantors.
9. Guarantee from the Guarantors.
10. Postponement Agreement executed by Sam Mizrahi, the Borrower and the Guarantors.
11. Environmental Indemnity executed by the Borrower and the Guarantors.
12. Direction in favour of Harris Sheaffer LLP in respect to of the net proceeds received on closing of the project unit sales, executed by the Borrower, the Guarantors and Mizrahi Enterprises Inc., acknowledged by Harris Sheaffer LLP.

**Schedule "B"**  
**Quit Claim Deed**

See Attached

21196 - 0327 LT Interest/Estate Fee Simple

Description PCL 5-1 SEC A689E; LT 5 S/S DAVENPORT RD PL 689E TORONTO; LT 6 S/S DAVENPORT RD PL 689E TORONTO; PT LT 7 S/S DAVENPORT RD PL 689E TORONTO; PT LT 8 S/S DAVENPORT RD PL 689E TORONTO; PT LT K PL 401 TORONTO; PT LT 4 PL 411 TORONTO COMM AT A POINT IN THE SLY LIMIT OF DAVENPORT RD DISTANT 56 FT 8 5/8 INCHES MEASURED ELY THEREON FROM THE N WLY ANGLE OF SAID LT 8; THENCE SLY IN A STRAIGHT LINE 81 FT 9 INCHES MORE OR LESS TO A POINT IN THE SLY LIMIT OF THE SAID LT 8 DISTANT 30 FT MEASURED ELY THEREON FROM THE S WLY ANGLE THEREOF; THENCE WLY ALONG THE SLY LIMIT OF SAID LT 8 BEING THE NLY LIMIT OF LT 4 ON SAID REGISTERED PL 411 (YORKVILLE) 40 FT 7 INCHES MORE OR LESS TO A POINT THEREIN DISTANT 105 FT 1/2 AN INCH ELY THEREALONG FROM THE NW ANGLE OF SAID LT; THENCE SLY AND PARALLEL TO THE ELY LIMIT OF HAZELTON AV 28 FT TO A POINT; THENCE ELY PARALLEL TO THE NLY LIMIT OF SAID LT 4, 17 FT 8 1/2 INCHES MORE OR LESS TO THE WLY FACE OF THE WLY WALL OF AN OLD FRAME SHED SITUATE ON THE REAR PORTION OF THE SLY PT OF SAID LT 4 PL 411 YORKVILLE; THENCE NLY ALONG SAID WLY FACE OF WALL 3 INCHES MORE OR LESS TO THE N W CORNER OF SAID FRAME SHED; THENCE ELY ALONG THE NLY FACE OF THE NLY WALL OF SAID FRAME SHED 17 FT 8 1/2 INCHES MORE OR LESS TO THE N E CORNER OF SAID FRAME SHED; THENCE SLY ALONG THE ELY FACE OF THE ELY WALL OF SAID FRAME SHED 3 INCHES MORE OR LESS TO THE SLY LIMIT OF THE NLY 28 FT OF SAID LT-4, PL 411 (YORKVILLE); THENCE ELY ALONG SAID SLY LIMIT OF THE NLY 28 FT OF SAID LT 4, PL 411 YORKVILLE AND ITS PRODUCTION ELY 47 FT 11 INCHES MORE OR LESS TO THE ELY LIMIT OF LT K ACCORDING TO SAID REGISTERED PL 401, BEING ALSO THE WLY LIMIT OF LT 6 ACCORDING TO SAID REGISTERED PL 689E; THENCE SLY ALONG SAID WLY LIMIT OF LT 6 AND ALONG THE WLY LIMIT OF SAID LT 5, 37 FT 11 INCHES MORE OR LESS TO THE S W ANGLE OF SAID LT 5; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 5, 96 FT 4 INCHES MORE OR LESS TO THE S WLY LIMIT OF DAVENPORT RD; THENCE N WLY AND WLY ALONG THE S WLY AND SLY LIMITS OF DAVENPORT RD 170 FT 3/4 OF AN INCH MORE OR LESS TO THE POB; TORONTO, CITY OF TORONTO

Address 145 DAVENPORT ROAD TORONTO

PIN 21196 - 0327 LT Interest/Estate Fee Simple

Description PART OF LOTS 7 AND 8 PLAN 689E, DESIGNATED AS PART 1 ON PLAN 66R20718; CITY OF TORONTO

Address TORONTO

**Consideration**

Consideration \$ 22,051,369.87

**Transferor(s)**

The transferor(s) hereby transfers the land to the transferee(s).

Name ONE8ONE DAVENPORT INC.  
Acting as a company

Address for Service 189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

I, Sam Mirzahi, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

**Transferee(s) Capacity Share**

Name BRIDGING FINANCE INC., AS AGENT FOR SPROTT  
BRIDGING INCOME FUND LP  
Acting as a company

**Calculated Taxes**

Provincial Land Transfer Tax	\$329,245.55
Municipal Land Transfer Tax	\$328,495.55

**File Number**

Transferee Client File Number : 56680

STRAIGHT LINE 81 FT 9 INCHES MORE OR LESS TO A POINT IN THE SLY LIMIT OF THE SAID LT 8 DISTANT 30 FT MEASURED ELY THEREON FROM THE S WLY ANGLE THEREOF; THENCE WLY ALONG THE SLY LIMIT OF SAID LT 8 BEING THE NLY LIMIT OF LT 4 ON SAID REGISTERED PL 411 (YORKVILLE) 40 FT 7 INCHES MORE OR LESS TO A POINT THEREIN DISTANT 105 FT 1/2 AN INCH ELY THEREALONG FROM THE NW ANGLE OF SAID LT; THENCE SLY AND PARALLEL TO THE ELY LIMIT OF HAZELTON AV 28 FT TO A POINT; THENCE ELY PARALLEL TO THE NLY LIMIT OF SAID LT 4, 17 FT 8 1/2 INCHES MORE OR LESS TO THE WLY FACE OF THE WLY WALL OF AN OLD FRAME SHED SITUATE ON THE REAR PORTION OF THE SLY PT OF SAID LT 4 PL 411 YORKVILLE; THENCE NLY ALONG SAID WLY FACE OF WALL 3 INCHES MORE OR LESS TO THE N W CORNER OF SAID FRAME SHED; THENCE ELY ALONG THE NLY FACE OF THE NLY WALL OF SAID FRAME SHED 17 FT 8 1/2 INCHES MORE OR LESS TO THE N E CORNER OF SAID FRAME SHED; THENCE SLY ALONG THE ELY FACE OF THE ELY WALL OF SAID FRAME SHED 3 INCHES MORE OR LESS TO THE SLY LIMIT OF THE NLY 28 FT OF SAID LT 4, PL 411 (YORKVILLE); THENCE ELY ALONG SAID SLY LIMIT OF THE NLY 28 FT OF SAID LT 4, PL 411 YORKVILLE AND ITS PRODUCTION ELY 47 FT 11 INCHES MORE OR LESS TO THE ELY LIMIT OF LT K ACCORDING TO SAID REGISTERED PL 401, BEING ALSO THE WLY LIMIT OF LT 6 ACCORDING TO SAID REGISTERED PL 689E; THENCE SLY ALONG SAID WLY LIMIT OF LT 6 AND ALONG THE WLY LIMIT OF SAID LT 5, 37 FT 11 INCHES MORE OR LESS TO THE S W ANGLE OF SAID LT 5; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 5, 96 FT 4 INCHES MORE OR LESS TO THE S WLY LIMIT OF DAVENPORT RD; THENCE N WLY AND WLY ALONG THE S WLY AND SLY LIMITS OF DAVENPORT RD 170 FT 3/4 OF AN INCH MORE OR LESS TO THE POB; TORONTO, CITY OF TORONTO

21196 - 0327 PART OF LOTS 7 AND 8 PLAN 689E, DESIGNATED AS PART 1 ON PLAN 66R20718; CITY OF TORONTO

BY: ONE8ONE DAVENPORT INC.  
 TO: BRIDGING FINANCE INC., AS AGENT FOR SPROTT BRIDGING INCOME FUND LP %(all PINs)

1. NATASHA SHARPE, CHIEF EXECUTIVE OFFICE AND CHIEF INVESTMENT OFFICER

I am

- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- (c) A transferee named in the above-described conveyance;
- (d) The authorized agent or solicitor acting in this transaction for \_\_\_\_\_ described in paragraph(s) ( ) above.
- (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for BRIDGING FINANCE INC., AS AGENT FOR SPROTT BRIDGING INCOME FUND LP described in paragraph(s) (c) above.
- (f) A transferee described in paragraph ( ) and am making these statements on my own behalf and on behalf of \_\_\_\_\_ who is my spouse described in paragraph ( ) and as such, I have personal knowledge of the facts herein deposed to.

2. I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein:

does not contain a single family residence or contains more than two single family residences.

3. The total consideration for this transaction is allocated as follows:

(a) Monies paid or to be paid in cash	22,051,369.87
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(b) (ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	22,051,369.87
(h) VALUE OF ALL CHATTELS - items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	22,051,369.87

M5K 1K7

D. (i) Last Conveyance(s): PIN 21196 - 0019 Registration No.

PIN 21196 - 0327 Registration No.

(ii) Legal Description for Property Conveyed : Same as in last conveyance? Yes  No  Not known



This is Exhibit “D” referred to in the Affidavit of Tyler Ray sworn by Tyler Ray of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 20<sup>th</sup> day of September, 2022 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*



---

A Commissioner for taking affidavits

**ADAM DRIEDGER**

Dated as of April 10, 2015

Mizrahi Development Group Inc.  
189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

Dear Mr. Mizrahi:

Re: Bridging Finance Inc., as agent for Sprott Bridging Income Fund LP (the "**Lender**") loan to Northern Citadel Capital Inc. (the "**Borrower**") pursuant to the loan agreement among, *inter alia*, the Borrower and the Lender dated as of the 17<sup>th</sup> day of December, 2014 as amended by letter agreements dated February 24, 2015 and March 11, 2015 (collectively, the "**Loan Agreement**") and the related security described in Schedule "A" attached hereto (collectively, the "**Existing Security**")

---

We confirm our mutual agreement to increase the principal amount of the loan facility from \$22,051,369.87 to \$26,278,150.69. In this regard, we confirm that the Lender has agreed to amend the terms and conditions of the Loan Agreement and Existing Security as follows:

1. Effective the date hereof, the reference to "22,051,369.87" in Section 2.1 of the Loan Agreement is hereby deleted and replaced with "\$26,278,150.69".
2. Effective the date hereof, the reference to "\$2,558,904.11" in section 3.1 of the Loan Agreement is hereby deleted and replaced with "\$2,940,213.70"
3. Effective the date hereof, the reference to "22,051,369.87" in the heading of the Promissory Note granted by the Borrower in favour of the Lender dated as of the 17<sup>th</sup> day of December 2014 (the "**Promissory Note**") is hereby deleted and replaced with "\$26,278,150.69".
4. Effective the date hereof, the reference to "TWENTY TWO MILLION FIFTY ONE THOUSAND THREE HUNDRED SIXTY NINE CANADIAN DOLLARS AND EIGHTY SEVEN (Cdn. \$22,051,369.87) CENTS" in the first paragraph of the Promissory Note is hereby deleted and replaced with "TWENTY SIX MILLION TWO HUNDRED SEVENTY EIGHT THOUSAND ONE HUNDRED AND FIFTY CANADIAN DOLLARS AND SIXTY NINE (Cdn. \$26,278,150.69) CENTS".
5. Effective as of the date hereof, the reference to "22,051,369.87" in the Consideration Field of the Electronic Registration form of the Quit Claim Deed granted by, *inter alia*, the Borrower in favour of the Lender (the "**Quit Claim Deed**"), is hereby deleted and replaced with "\$26,278,150.69".
6. Effective as of the date hereof, the reference to "\$329,245.55" in the Provincial Land Transfer Tax field of the Quit Claim Deed is hereby deleted and replaced with "\$392,647.26".
7. Effective as of the date hereof, the reference to "\$328,495.55" in the Municipal Land Transfer Tax field of the Quit Claim Deed is hereby deleted and replaced with "\$391,897.26".
8. Effective as of the date hereof, the reference to "\$22,051,369.87" in Section 3 in the Provincial and Municipal Land Transfer Tax statements field of the Quit Claim Deed is hereby deleted and replaced with "\$26,278,150.69" in each instance.



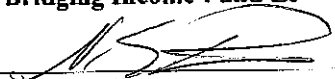
9. The Lender is hereby authorized to update the quit claim deed with the amendments noted in Section 5-8 above and attach same to the Acknowledgment and Direction re Quit Claim Deed dated December 17, 2014. For greater certainty, a copy of the updated Quit Claim Deed is attached hereto as Schedule "B".
10. Effective as of the date hereof, the reference to "\$22,051,369.87" in the first recital of the Guarantee given by Mizrahi Soaring Developments Inc. and One8One Davenport Inc. (collectively the "Guarantors") in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with "\$26,278,150.69".
11. Effective as of the date hereof, the reference to "\$22,051,369.87" in the first recital of the Postponement Agreement given by Sam Mizrahi in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with "\$26,278,150.69".
12. The Borrower, the Guarantors, Sam Mizrahi and Mizrahi Enterprises Inc. (collectively, the "Obligors") confirm that to the extent a party thereto, that the Loan Agreement and Existing Security has not been discharged, waived or varied except as provided herein, that it is binding upon the Obligors, as applicable, and that it is valid and enforceable in accordance with its written terms and it shall constitute, and shall be held by the Lender as, general and continuing security for the payment and fulfillment of all of the indebtedness, liabilities and obligations of the Obligors, as applicable, present or future, direct or indirect, contingent or not, matured or not, including, without limitation, the obligations under the Promissory Note, as amended by this Agreement.
13. The net proceeds of the additional amount of the loan hereunder of \$4,226,780.82 shall be paid directly to the Borrower or as it may further direct.
14. Subject to due diligence satisfactory to the Lender in its sole discretion, the Lender will consider extending the term to June 30, 2016.
15. This Agreement is supplemental to and shall be read with and be deemed to be part of the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Loan Agreement, the Promissory Note, the Guarantee, the Existing Security and any agreements or documents entered into in connection with the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security shall mean the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, all as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.
16. All the terms and conditions of the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.
17. The Obligors agree to execute such further assurances with respect to this Agreement, the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, as may be required to evidence the true intent and meaning of this Agreement.

18. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
19. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

[Signature Page Follows]


Provided that the foregoing meets with your approval, kindly execute where indicated and return two original copies of this letter to the Lender.

**BRIDGING FINANCE INC., as agent for  
Sprott Bridging Income Fund LP**


Per:   
Name: Natasha Sharpe  
Title: CEO and Chief Investment Officer

We Acknowledge and Accept the terms and conditions of this Agreement as of this 10<sup>th</sup> day of April, 2015.


**NORTHERN CITADEL CAPITAL INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation


**MIZRAHI SOARING DEVELOPMENTS  
INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**ONESONE DAVENPORT INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI ENTERPRISES INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**Schedule "A"**  
**Existing Security**

Each dated as of December 17, 2014:

1. Loan Agreement.
2. Promissory Note.
3. Quit Claim Deed.
4. General Assignment of Rents.
5. General Security Agreement from the Borrower and the Guarantors.
6. Beneficial Owners' Agreement in respect of 145 Davenport Road.
7. Assignment of Material Agreements from the Borrower and the Guarantors.
8. Assignment of Insurance from the Borrower and the Guarantors.
9. Guarantee from the Guarantors.
10. Postponement Agreement executed by Sam Mizrahi, the Borrower and the Guarantors.
11. Environmental Indemnity executed by the Borrower and the Guarantors.
12. Direction in favour of Harris Sheaffer LLP in respect to of the net proceeds received on closing of the project unit sales, executed by the Borrower, the Guarantors and Mizrahi Enterprises Inc., acknowledged by Harris Sheaffer LLP.

**Schedule "B"**  
**Quit Claim Deed**

See Attached

**Properties**

<b>PIN</b>	21196 - 0019 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<b>Description</b>	PCL 5-1 SEC A689E; LT 5 S/S DAVENPORT RD PL 689E TORONTO; LT 6 S/S DAVENPORT RD PL 689E TORONTO; PT LT 7 S/S DAVENPORT RD PL 689E TORONTO; PT LT 8 S/S DAVENPORT RD PL 689E TORONTO; PT LT K PL 401 TORONTO; PT LT 4 PL 411 TORONTO COMM AT A POINT IN THE SLY LIMIT OF DAVENPORT RD DISTANT 56 FT 8 5/8 INCHES MEASURED ELY THEREON FROM THE N WLY ANGLE OF SAID LT 8; THENCE SLY IN A STRAIGHT LINE 81 FT 9 INCHES MORE OR LESS TO A POINT IN THE SLY LIMIT OF THE SAID LT 8 DISTANT 30 FT MEASURED ELY THEREON FROM THE S WLY ANGLE THEREOF; THENCE WLY ALONG THE SLY LIMIT OF SAID LT 8 BEING THE NLY LIMIT OF LT 4 ON SAID REGISTERED PL 411 (YORKVILLE) 40 FT 7 INCHES MORE OR LESS TO A POINT THEREIN DISTANT 105 FT 1/2 AN INCH ELY THEREALONG FROM THE NW ANGLE OF SAID LT; THENCE SLY AND PARALLEL TO THE ELY LIMIT OF HAZELTON AV 28 FT TO A POINT; THENCE ELY PARALLEL TO THE NLY LIMIT OF SAID LT 4, 17 FT 8 1/2 INCHES MORE OR LESS TO THE WLY FACE OF THE WLY WALL OF AN OLD FRAME SHED SITUATE ON THE REAR PORTION OF THE SLY PT OF SAID LT 4 PL 411 YORKVILLE; THENCE NLY ALONG SAID WLY FACE OF WALL 3 INCHES MORE OR LESS TO THE N W CORNER OF SAID FRAME SHED; THENCE ELY ALONG THE NLY FACE OF THE NLY WALL OF SAID FRAME SHED 17 FT 8 1/2 INCHES MORE OR LESS TO THE N E CORNER OF SAID FRAME SHED; THENCE SLY ALONG THE ELY FACE OF THE ELY WALL OF SAID FRAME SHED 3 INCHES MORE OR LESS TO THE SLY LIMIT OF THE NLY 28 FT OF SAID LT 4, PL 411 (YORKVILLE); THENCE ELY ALONG SAID SLY LIMIT OF THE NLY 28 FT OF SAID LT 4, PL 411 YORKVILLE AND ITS PRODUCTION ELY 47 FT 11 INCHES MORE OR LESS TO THE ELY LIMIT OF LT K ACCORDING TO SAID REGISTERED PL 401, BEING ALSO THE WLY LIMIT OF LT 6 ACCORDING TO SAID REGISTERED PL 689E; THENCE SLY ALONG SAID WLY LIMIT OF LT 6 AND ALONG THE WLY LIMIT OF SAID LT 5, 37 FT 11 INCHES MORE OR LESS TO THE S W ANGLE OF SAID LT 5; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 5, 96 FT 4 INCHES MORE OR LESS TO THE S WLY LIMIT OF DAVENPORT RD; THENCE N WLY AND WLY ALONG THE S WLY AND SLY LIMITS OF DAVENPORT RD 170 FT 3/4 OF AN INCH MORE OR LESS TO THE POB, TORONTO CITY OF TORONTO		
<b>Address</b>	145 DAVENPORT ROAD TORONTO		
<b>PIN</b>	21196 - 0327 LT	<i>Interest/Estate</i>	<i>Fee Simple</i>
<b>Description</b>	PART OF LOTS 7 AND 8 PLAN 689E, DESIGNATED AS PART 1 ON PLAN 66R20718, CITY OF TORONTO		
<b>Address</b>	TORONTO		

**Consideration**

**Consideration** 5 26,278,150 69

**Transferor(s)**

The transferor(s) hereby transfers the land to the transferee(s)

**Name** ONEBONE DAVENPORT INC  
Acting as a company

**Address for Service** 189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

I, Sam Mirzahi, President, have the authority to bind the corporation

This document is not authorized under Power of Attorney by this party

**Transferee(s)****Capacity****Share**

**Name** BRIDGING FINANCE INC, AS AGENT FOR SPROTT  
BRIDGING INCOME FUND LP  
Acting as a company

**Address for Service** 77 King Street West  
Suite No. 2925  
Toronto, Ontario  
M5K 1K7

**Statements**

Schedule: Other Out Claim Deed

**Calculated Taxes**

Provincial Land Transfer Tax	\$302,647.26
Municipal Land Transfer Tax	\$391,897.26

**File Number**

Transferee Client File Number 56580

**PROVINCIAL AND MUNICIPAL LAND TRANSFER TAX STATEMENTS**

In the matter of the conveyance of 21196 - 0019 FCL 5-1 SEC A689E; LT 5 S/S DAVENPORT RD PL 689E TORONTO LT 6 S-S DAVENPORT RD PL 689E TORONTO PT LT 7 S/S DAVENPORT RD PL 689E TORONTO; PT LT 8 S/S DAVENPORT RD PL 689E TORONTO; PT LT K PL 401 TORONTO; PT LT 4 PL 411 TORONTO COMM AT A POINT IN THE SLY LIMIT OF DAVENPORT RD DISTANT 55 FT 8 5/8 INCHES MEASURED ELY THEREON FROM THE N WLY ANGLE OF SAID LT 8; THENCE SLY IN A STRAIGHT LINE 61 FT 9 INCHES MORE OR LESS TO A POINT IN THE SLY LIMIT OF THE SAID LT 8 DISTANT 30 FT MEASURED ELY THEREON FROM THE S WLY ANGLE THEREOF; THENCE WLY ALONG THE SLY LIMIT OF SAID LT 8 BEING THE NLY LIMIT OF LT 4 ON SAID REGISTERED PL 411 (YORKVILLE) 40 FT 7 INCHES MORE OR LESS TO A POINT THEREIN DISTANT 105 FT 1/2 AN INCH ELY THEREALONG FROM THE NW ANGLE OF SAID LT THENCE SLY AND PARALLEL TO THE ELY LIMIT OF HAZELTON AV 28 FT TO A POINT, THENCE ELY PARALLEL TO THE NLY LIMIT OF SAID LT 4, 17 FT 8 1/2 INCHES MORE OR LESS TO THE WLY FACE OF THE WLY WALL OF AN OLD FRAME SHED SITUATE ON THE REAR PORTION OF THE SLY PT OF SAID LT 4 PL 411 YORKVILLE THENCE NLY ALONG SAID WLY FACE OF WALL 3 INCHES MORE OR LESS TO THE N W CORNER OF SAID FRAME SHED, THENCE ELY ALONG THE NLY FACE OF THE NLY WALL OF SAID FRAME SHED 17 FT 8 1/2 INCHES MORE OR LESS TO THE N E CORNER OF SAID FRAME SHED; THENCE SLY ALONG THE ELY FACE OF THE ELY WALL OF SAID FRAME SHED 3 INCHES MORE OR LESS TO THE SLY LIMIT OF THE NLY 28 FT OF SAID LT 4, PL 411 (YORKVILLE); THENCE ELY ALONG SAID SLY LIMIT OF THE NLY 26 FT OF SAID LT 4, PL 411 YORKVILLE AND ITS PRODUCTION ELY 47 FT 11 INCHES MORE OR LESS TO THE ELY LIMIT OF LT K ACCORDING TO SAID REGISTERED PL 401, BEING ALSO THE WLY LIMIT OF LT 6 ACCORDING TO SAID REGISTERED PL 689E, THENCE SLY ALONG SAID WLY LIMIT OF LT 6 AND ALONG THE WLY LIMIT OF SAID LT 5 37 FT 11 INCHES MORE OR LESS TO THE S W ANGLE OF SAID LT 5, THENCE ELY ALONG THE SLY LIMIT OF SAID LT 5 96 FT 4 INCHES MORE OR LESS TO THE S WLY LIMIT OF DAVENPORT RD, THENCE N WLY AND WLY ALONG THE S WLY AND SLY LIMITS OF DAVENPORT RD 170 FT 3/4 OF AN INCH MORE OR LESS TO THE POB, TORONTO, CITY OF TORONTO

21196 - 0027 PART OF LOTS 7 AND 8 PLAN 689E, DESIGNATED AS PART 1 ON PLAN 66R20718; CITY OF TORONTO

BY ONF8ONE DAVENPORT INC  
 TO BRIDGING FINANCE INC, AS AGENT FOR SPROTT BRIDGING INCOME FUND LP % (all PINs)

**1 NATASHA SHARPE, CHIEF EXECUTIVE OFFICER AND CHIEF INVESTMENT OFFICER**

I am

- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- (c) A transferee named in the above-described conveyance
- (d) The authorized agent or solicitor acting in this transaction for \_\_\_\_\_ described in paragraph(s) ( ) above
- (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for BRIDGING FINANCE INC, AS AGENT FOR SPROTT BRIDGING INCOME FUND LP described in paragraph(s) (c) above
- (f) A transferee described in paragraph ( ) and am making these statements on my own behalf and on behalf of \_\_\_\_\_ who is my spouse described in paragraph ( ) and as such, I have personal knowledge of the facts herein deposed to

2 I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein, does not contain a single family residence or contains more than two single family residences

3 The total consideration for this transaction is allocated as follows:

(a) Monies paid or to be paid in cash	26,278,150.69
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	26,278,150.69
(h) VALUE OF ALL CHATTELS - items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	26,278,150.69

**PROPERTY Information Record**

A. Nature of instrument: Transfer

LR#	RD	Registration No	Date
<input type="checkbox"/>	Property(s)	PIN 21196 - 0019 Address 145 DAVENPORT ROAD	Assessment Roll No
		TORONTO	

**PROVINCIAL AND MUNICIPAL LAND TRANSFER TAX STATEMENTS**

B Property(s) PIN 21196 - 0327 Address TORONTO Assessment  
Roll No

C Address for Service 77 King Street West  
Suite No. 2925  
Toronto, Ontario  
M5K 1K7

D (i) Last Conveyance(s) PIN 21196 - 0019 Registration No.  
PIN 21196 - 0327 Registration No.

(ii) Legal Description for Property Conveyed - Same as in last conveyance? Yes  No  Not known



This is Exhibit “E” referred to in the Affidavit of Tyler Ray sworn by Tyler Ray of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 20<sup>th</sup> day of September, 2022 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*



---

A Commissioner for taking affidavits

**ADAM DRIEDGER**

Dated as of November 27, 2015

Mizrahi Development Group Inc.  
189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

Dear Mr. Mizrahi:

Re: Bridging Finance Inc., as agent for Sprott Bridging Income Fund LP (the "**Lender**") loan to Northern Citadel Capital Inc. (the "**Borrower**") pursuant to the loan agreement among, *inter alia*, the Borrower and the Lender dated as of the 17<sup>th</sup> day of December, 2014 as amended by letter agreements dated February 24, 2015, March 11, 2015 and April 10, 2015 (collectively, the "**Loan Agreement**") and the related security described in Schedule "A" attached hereto (collectively, the "**Existing Security**")

---

We confirm your request to extend the term of the Loan Agreement to June 30, 2016. In this regard, we confirm that the Lender has agreed subject to receipt of the Extension Fee (as hereinafter defined) with the execution of this Agreement, to amend the terms and conditions of the Loan Agreement and Existing Security as follows:

1. Effective the date hereof, the term of the loan in Section 1.1(cc) of the Loan Agreement is hereby extended from December 31, 2015 to June 30, 2016.
2. Effective the date hereof, the reference to "26,278,150.69" in Section 2.1 of the Loan Agreement is hereby deleted and replaced with "\$27,910,750.68".
3. Effective the date hereof, the reference to "\$2,940,213.70" in section 3.1 of the Loan Agreement is hereby deleted and replaced with "\$4,572,813.90"
4. Effective the date hereof, the reference to "26,278,150.69" in the heading of the Promissory Note granted by the Borrower in favour of the Lender dated as of the 17<sup>th</sup> day of December 2014 (the "**Promissory Note**") is hereby deleted and replaced with "\$27,910,750.68".
5. Effective the date hereof, the reference to "TWENTY SIX MILLION TWO HUNDRED AND SEVENTY EIGHT THOUSAND ONE HUNDRED FIFTY CANADIAN DOLLARS AND SIXTY NINE (Cdn. \$26,278,150.69) CENTS" in the first paragraph of the Promissory Note is hereby deleted and replaced with "TWENTY SEVEN MILLION NINE HUNDRED AND TEN THOUSAND SEVEN HUNDRED AND FIFTY CANADIAN DOLLARS AND SIXTY EIGHT (Cdn. \$27,910,750.68) CENTS".
6. Effective as of the date hereof, the reference to "26,278,150.69" in the Consideration Field of the Electronic Registration form of the Quit Claim Deed granted by, *inter alia*, the Borrower in favour of the Lender (the "**Quit Claim Deed**"), is hereby deleted and replaced with "\$27,910,750.68".
7. Effective as of the date hereof, the reference to "\$392,647.26" in the Provincial Land Transfer Tax field of the Quit Claim Deed is hereby deleted and replaced with "\$417,136.26".
8. Effective as of the date hereof, the reference to "\$391,897.26" in the Municipal Land Transfer Tax field of the Quit Claim Deed is hereby deleted and replaced with "\$416,386.26".

9. Effective as of the date hereof, the reference to "\$26,278,150.69" in Section 3 in the Provincial and Municipal Land Transfer Tax statements field of the Quit Claim Deed is hereby deleted and replaced with "\$27,910,750.68" in each instance.
10. The Lender is hereby authorized to update the quit claim deed with the amendments noted in Section 7-10 above and attach same to the Acknowledgment and Direction re Quit Claim Deed dated December 17, 2014.
11. Effective as of the date hereof, the reference to "\$26,278,150.69" in the first recital of the Guarantee given by Mizrahi Soaring Developments Inc. and One8One Davenport Inc. (collectively the "**Guarantors**") in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with "\$27,910,750.68".
12. Effective as of the date hereof, the reference to "\$26,278,150.69" in the first recital of the Postponement Agreement given by Sam Mizrahi in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with "\$27,910,750.68".
13. The Borrower, the Guarantors, Sam Mizrahi and Mizrahi Enterprises Inc. (collectively, the "**Obligors**") confirm that to the extent a party thereto, that the Loan Agreement and Existing Security has not been discharged, waived or varied except as provided herein, that it is binding upon the Obligors, as applicable, and that it is valid and enforceable in accordance with its written terms and it shall constitute, and shall be held by the Lender as, general and continuing security for the payment and fulfillment of all of the indebtedness, liabilities and obligations of the Obligors, , as applicable, present or future, direct or indirect, contingent or not, matured or not, including, without limitation, the obligations under the Promissory Note, as amended by this Agreement.
14. The net proceeds of the additional amount of the loan hereunder of \$1,632,661.50 shall be retained by the Lender in accordance with Section 3.1 of the Loan Agreement as amended by this Agreement.
15. The Borrower shall pay to the Lender an extension fee in the amount of \$50,000 (the "**Extension Fee**") upon acknowledgement of this letter and shall be responsible for all legal fees and disbursements incurred by the Bank in connection with the preparation and negotiation of this Agreement.
16. This Agreement is supplemental to and shall be read with and be deemed to be part of the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Loan Agreement, the Promissory Note, the Guarantee, the Existing Security and any agreements or documents entered into in connection with the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security shall mean the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, all as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.
17. All the terms and conditions of the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be



extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.

18. The Obligors agree to execute such further assurances with respect to this Agreement, the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, as may be required to evidence the true intent and meaning of this Agreement.
19. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
20. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable hereina.

[Signature Page Follows]

Handwritten initials or signatures in the bottom right corner of the page.


Provided that the foregoing meets with your approval, kindly execute where indicated and return two original copies of this letter to the Lender.

**BRIDGING FINANCE INC., as agent for  
Sprott Bridging Income Fund LP**


Per:   
Name: David Sharpe  
Title: President

**We Acknowledge and Accept** the terms and conditions of this Agreement as of this 27th day of November, 2015.


**NORTHERN CITADEL CAPITAL INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation


**MIZRAHI SOARING DEVELOPMENTS INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**ONE8ONE DAVENPORT INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI ENTERPRISES INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**Schedule "A"**  
Existing Security

Each dated as of December 17, 2014:

1. Loan Agreement.
2. Promissory Note.
3. Quit Claim Deed.
4. General Assignment of Rents.
5. General Security Agreement from the Borrower and the Guarantors.
6. Beneficial Owners' Agreement in respect of 145 Davenport Road.
7. Assignment of Material Agreements from the Borrower and the Guarantors.
8. Assignment of Insurance from the Borrower and the Guarantors.
9. Guarantee from the Guarantors.
10. Postponement Agreement executed by Sam Mizrahi, the Borrower and the Guarantors.
11. Environmental Indemnity executed by the Borrower and the Guarantors.
12. Direction in favour of Harris Sheaffer LLP in respect to of the net proceeds received on closing of the project unit sales, executed by the Borrower, the Guarantors and Mizrahi Enterprises Inc., acknowledged by Harris Sheaffer LLP.

Handwritten initials or signature in the bottom right corner of the page.

This is Exhibit “F” referred to in the Affidavit of Tyler Ray sworn by Tyler Ray of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 20<sup>th</sup> day of September, 2022 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*



---

A Commissioner for taking affidavits

**ADAM DRIEDGER**

Dated as of June 30, 2016

Mizrahi Development Group Inc.  
189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

Dear Mr. Mizrahi:

Re: Bridging Finance Inc., as agent for Sprott Bridging Income Fund LP (the "**Lender**") loan to Northern Citadel Capital Inc. (the "**Borrower**") pursuant to the loan agreement among, *inter alia*, the Borrower and the Lender dated as of the 17<sup>th</sup> day of December, 2014 as amended by letter agreements dated February 24, 2015, March 11, 2015, April 10, 2015 and November 27, 2015 (collectively, the "**Loan Agreement**") and the related security described in Schedule "A" attached hereto (collectively, the "**Existing Security**")

---

We confirm your request to extend the term of the Loan Agreement to October 31, 2016. In this regard, we confirm that the Lender has agreed to amend the terms and conditions of the Loan Agreement and Existing Security as follows:

1. Effective the date hereof, the term of the loan in Section 1.1(cc) of the Loan Agreement is hereby extended from June 30, 2016 to November 30, 2016.
2. Effective the date hereof, the reference to "\$27,910,750.68" in Section 2.1 of the Loan Agreement is hereby deleted and replaced with "\$29,271,251.00".
3. Effective the date hereof, the reference to "\$4,572,813.90" in section 3.1 of the Loan Agreement is hereby deleted and replaced with "\$5,933,313.90"
4. Effective the date hereof, the reference to "\$27,910,750.68" in the heading of the Promissory Note granted by the Borrower in favour of the Lender dated as of the 17<sup>th</sup> day of December 2014 (the "**Promissory Note**") is hereby deleted and replaced with "\$29,271,251.00".
5. Effective the date hereof, the reference to "TWENTY SEVEN MILLION NINE HUNDRED AND TEN THOUSAND SEVEN HUNDRED AND FIFTY CANADIAN DOLLARS AND SIXTY EIGHT (Cdn. \$27,910,750.68) CENTS" in the first paragraph of the Promissory Note is hereby deleted and replaced with "TWENTY NINE MILLION TWO HUNDRED SEVENTY ONE THOUSAND TWO HUNDRED AND FIFTY ONE CANADIAN DOLLARS (Cdn. \$29,271,251.00)".
6. Effective as of the date hereof, the reference to "27,910,750.68" in the Consideration Field of the Electronic Registration form of the Quit Claim Deed granted by, *inter alia*, the Borrower in favour of the Lender (the "**Quit Claim Deed**"), is hereby deleted and replaced with "\$29,271,251.00".
7. Effective as of the date hereof, the reference to "\$417,136.26" in the Provincial Land Transfer Tax field of the Quit Claim Deed is hereby deleted and replaced with "\$581,900.02".
8. Effective as of the date hereof, the reference to "\$416,386.26" in the Municipal Land Transfer Tax field of the Quit Claim Deed is hereby deleted and replaced with "\$581,150.02".




9. Effective as of the date hereof, the reference to "\$27,910,750.68" in Section 3 in the Provincial and Municipal Land Transfer Tax statements field of the Quit Claim Deed is hereby deleted and replaced with "\$29,271,251.00" in each instance.
10. The Lender is hereby authorized to update the quit claim deed with the amendments noted in Section 7-9 above and is authorized to updated the PIN/legal description,, as applicable, and attach same to the Acknowledgment and Direction re Quit Claim Deed dated December 17, 2014.
11. Effective as of the date hereof, the reference to "\$27,910,750.68" in the first recital of the Guarantee given by Mizrahi Soaring Developments Inc. and One8One Davenport Inc. (collectively the "**Guarantors**") in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with "\$29,271,251.00".
12. Effective as of the date hereof, the reference to "\$27,910,750.68" in the first recital of the Postponement Agreement given by Sam Mizrahi in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with "\$29,271,251.00".
13. The Borrower, the Guarantors, Sam Mizrahi and Mizrahi Enterprises Inc. (collectively, the "**Obligors**") confirm that to the extent a party thereto, that the Loan Agreement and Existing Security has not been discharged, waived or varied except as provided herein, that it is binding upon the Obligors, as applicable, and that it is valid and enforceable in accordance with its written terms and it shall constitute, and shall be held by the Lender as, general and continuing security for the payment and fulfillment of all of the indebtedness, liabilities and obligations of the Obligors, , as applicable, present or future, direct or indirect, contingent or not, matured or not, including, without limitation, the obligations under the Promissory Note, as amended by this Agreement.
14. The net proceeds of the additional amount of the loan hereunder of \$5,933,313.90 shall be retained by the Lender in accordance with Section 3.1 of the Loan Agreement as amended by this Agreement.
15. The Borrower shall be responsible for all legal fees and disbursements incurred by the Bank in connection with the preparation and negotiation of this Agreement.
16. This Agreement is supplemental to and shall be read with and be deemed to be part of the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Loan Agreement, the Promissory Note, the Guarantee, the Existing Security and any agreements or documents entered into in connection with the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security shall mean the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, all as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.
17. All the terms and conditions of the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.

18. The Obligors agree to execute such further assurances with respect to this Agreement, the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, as may be required to evidence the true intent and meaning of this Agreement.
19. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
20. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

[Signature Page Follows]


Provided that the foregoing meets with your approval, kindly execute where indicated and return two original copies of this letter to the Lender.

**BRIDGING FINANCE INC., as agent for  
Sprott Bridging Income Fund LP**


Per:   
Name: Natasha Sharpe  
Title: CEO and Chief Investment Officer

**We Acknowledge and Accept** the terms and conditions of this Agreement as of this 30<sup>th</sup> day of June, 2016.

**NORTHERN CITADEL CAPITAL INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI SOARING DEVELOPMENTS INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**ONESONE DAVENPORT INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI ENTERPRISES INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**Schedule "A"**  
Existing Security

Each dated as of December 17, 2014:

1. Loan Agreement.
2. Promissory Note.
3. Quit Claim Deed.
4. General Assignment of Rents.
5. General Security Agreement from the Borrower and the Guarantors.
6. Beneficial Owners' Agreement in respect of 145 Davenport Road.
7. Assignment of Material Agreements from the Borrower and the Guarantors.
8. Assignment of Insurance from the Borrower and the Guarantors.
9. Guarantee from the Guarantors.
10. Postponement Agreement executed by Sam Mizrahi, the Borrower and the Guarantors.
11. Environmental Indemnity executed by the Borrower and the Guarantors.
12. Direction in favour of Harris Sheaffer LLP in respect to of the net proceeds received on closing of the project unit sales, executed by the Borrower, the Guarantors and Mizrahi Enterprises Inc., acknowledged by Harris Sheaffer LLP.

This is Exhibit “G” referred to in the Affidavit of Tyler Ray sworn by Tyler Ray of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 20<sup>th</sup> day of September, 2022 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*



---

A Commissioner for taking affidavits

**ADAM DRIEDGER**

Dated as of November 30, 2016

Mizrahi Development Group Inc.  
189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

Dear Mr. Mizrahi:

Re: Bridging Finance Inc., as agent for Sprott Bridging Income Fund LP (the “**Lender**”) loan to Northern Citadel Capital Inc. (the “**Borrower**”) pursuant to the loan agreement among, *inter alia*, the Borrower and the Lender dated as of the 17<sup>th</sup> day of December, 2014 as amended by letter agreements dated February 24, 2015, March 11, 2015, April 10, 2015, November 27, 2015 and June 30, 2016 (collectively, the “**Loan Agreement**”) and the related security described in Schedule “A” attached hereto (collectively, the “**Existing Security**”)

---

We confirm your request to obtain an additional advance of \$6,556,500 under the Loan (the “**Additional Advance**”) and an extension to the term of the Loan Agreement. In this regard, we confirm that the Lender has agreed subject to receipt of the Work Fee (as hereinafter defined) with the execution of this Agreement, to amend the terms and conditions of the Loan Agreement and Existing Security as follows (all capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement):

1. Effective the date hereof, Borrower shall mean collectively and on a joint and several basis Northern Citadel Capital Inc., Mizrahi Inc. and 2495159 Ontario Inc. (“**249**”) as though each were an original party to the Loan Agreement and the Existing Security, as applicable, provided, however, that recourse by the Lender against Mizrahi Inc. shall be limited to the Accounts (as hereinafter defined). For greater certainty, for the purposes of this section, the Existing Security includes, without limitation, items 2, 5, 7, 8, 10 and 11 thereof.
2. Effective the date hereof, Guarantors shall mean collectively and on a joint and several basis Mizrahi Soaring Developments Inc., One8One Davenport Inc. and 181 Davenport Retail Inc. (“**181**”) as though each were an original party to the Loan Agreement and the Existing Security, as applicable. For greater certainty, for the purposes of this section, the Existing Security includes, without limitation, items 5, 7, 8, 9, 10 and 11 thereof.
3. Effective the date hereof, Obligors shall mean collectively, Northern Citadel Capital Inc., Mizrahi Inc., 249, Mizrahi Enterprises Inc., Mizrahi Soaring Developments Inc., One8One Davenport Inc., 181 Davenport Retail Inc. and Sam Mizrahi.
4. Mizrahi Inc., 181 and 249 acknowledge that they have each received a copy of the Loan Agreement and the Existing Security and, by execution of this Agreement, that they each agree to be bound by same, as applicable, as though an original party thereto, as aforesaid.
5. The Additional Advance shall be used to fund the legal fees, the Work Fee, improvements to the approximately 4,097 square foot unit at 181 Davenport to be sold to 181 and to be used as a sales and presentation gallery for the Project (the “**Unit**”), the purchase of 14 Dundonald Street, Toronto (the “**Dundonald Property**”) and for no other purpose and disbursed as set out herein.
6. Effective the date hereof, the term of the Loan in Section 1.1(cc) of the Loan Agreement is hereby extended from November 30, 2016, to the earliest of: (i) the first draw by Mizrahi Development Group (The One) Inc. (“**The One**”) under its construction loan facility (the

- “**Construction Facility**”) for 1 Bloor Street West (the “**Project**”) which at the option of the Borrower, provided there has been no Event of Default, may be extended to the second draw under the Construction Facility; and (ii) November 30, 2018 (the “**Maturity Date**”).
7. Effective the date hereof, the reference to “\$29,271,251.00” in Section 2.1 of the Loan Agreement is hereby deleted and replaced with “\$35,827,751”.
  8. The Borrower acknowledges and agrees that effective the date hereof, the Interest Reserve has been fully depleted.
  9. From and after the date hereof, interest on any outstanding principal amount of the Loan shall be calculated daily at the rate of 12% per annum and shall accrue and be compounded monthly on the last day of each month and be payable on the earliest of: (i) and Event of Default; (ii) prepayment of the Loan for any reason whatsoever; and (iii) the Maturity Date.
  10. Effective the date hereof, the reference to “\$29,271,251.00” in the heading of the Promissory Note granted by the Borrower in favour of the Lender dated as of the 17<sup>th</sup> day of December 2014 (the “**Promissory Note**”) is hereby deleted and replaced with “\$35,827,751”.
  11. Effective the date hereof, the reference to “TWENTY-NINE MILLION TWO HUNDRED SEVENTY-ONE THOUSAND TWO HUNDRED AND FIFTY-ONE CANADIAN DOLLARS (Cdn. \$29,271,251.00)” in the first paragraph of the Promissory Note is hereby deleted and replaced with “THIRTY-FIVE MILLION EIGHT HUNDRED AND TWENTY-SEVEN THOUSAND SEVEN HUNDRED AND FIFTY-ONE CANADIAN DOLLARS (Cdn. \$35,827,751)”.
  12. Effective as of the date hereof, the reference to “\$29,271,251.00” in the first recital of the Guarantee given by Mizrahi Soaring Developments Inc., One8One Davenport Inc. and, as a result of this Agreement, 181 Davenport Retail Inc. in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with “\$35,827,751”.
  13. Effective as of the date hereof, the reference to “\$29,271,251.00” in the first recital of the Postponement Agreement given by Sam Mizrahi and the Obligors in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with “\$35,827,751”.
  14. The Obligors shall cause the following security to be provided to the Lender (collectively the “**New Security**” and with the Existing Security, the “**Security**”):
    - a. forthwith after the registration of the transfer of the Unit to 181 by 181 in favour of the Lender:
      - i. a collateral charge / mortgage of land from 181 in the amount of the principal amount of the Loan then outstanding plus \$5,000,000 subject only to a conventional first mortgage in the principal amount of \$5,400,000 with a lender listed in Schedule 1, 2 or 3 to the *Bank Act* (Canada) or a Credit Union regulated by The Deposit Insurance Corporation of Ontario and otherwise acceptable to the Lender, not to unreasonably or arbitrarily withheld, conditioned or delayed and on terms and conditions acceptable to the Lender in its sole discretion, acting

reasonably (the “**First Mortgage**”), together with an assignment of rents all in the standard form of the Lender;

- ii. a general security agreement from 181 registered under the PPSA subject only to a prior registration by the lender under the First Mortgage in the standard form of the Lender;
  - iii. a quit claim deed from 181 in favour of the Lender in the amount of the lesser of:
    - (i) the principal amount of the Loan then outstanding; and
    - (ii) 6,556,500 which is to be held by the Lender's solicitors in escrow and may not be registered unless the Borrower has committed an Event of Default and following receipt of written notice of such default has failed to remedy same, during the applicable cure period (save and except as noted below where no notice or cure period shall be required). For greater certainty, a default by the Borrower shall not constitute an Event of Default unless: (a) in the case of a default in payment of money by the Borrower, which has continued for at least ten (10) days after receiving notice of such monetary default; and (b) in the case of default in performance of any other obligation, it has continued for at least thirty (30) days after notice thereof has been given to the Borrower. Notwithstanding the foregoing, the Borrower shall be deemed to have committed an Event of Default, without having received notice of such default and an opportunity to cure same, in the event the Borrower gives or creates a mortgage, charge, lien (save and except for the First Mortgage and any construction liens, in respect of which the Borrower shall have received notice with an opportunity to bond off and vacate such lien) or encumbrance upon the Unit, or in the event the Borrower sells, agrees to sell or otherwise disposes of all or any part of the Unit or any collateral secured by the Existing Security or the New Security except as otherwise permitted by the Lender in the standard form of the Lender. For greater certainty, any registration of the quit claim deed shall only satisfy that portion of the Loan that is equal to the amount of the quit claim deed less applicable taxes;
  - b. a security interest by Mizrahi Inc. in the Accounts. In order to effect same, Mizrahi hereby grants a security interest in the Accounts in accordance with the provisions of the PPSA it being agreed that the Lender shall not register such security interest until the occurrence of an event of default subject to the same cure periods set out in a. (iii) above. The Obligors hereby covenant that all payments by Mizrahi Inc. to the Lender shall be free and clear of any prior security interest whatsoever;
  - c. a first charge/mortgage of land in the principal amount of \$15,000,000 and assignment of rents by 249 over the Dundonald Property supported by a policy of title insurance and such other standard mortgage closing documents as the Lender may reasonably require (collectively the “**Dundonald Charge**”);
  - d. an opinion of counsel to the Mizrahi Inc., 181 and 249 and related documentation in a form satisfactory to the Lender and its solicitors.
15. The Obligors acknowledge and agree that items 7, 8 and 11 of the Existing Security are amended *mutatis mutandis* to reflect the fact that the Existing Security is intended to include the Unit and



the Dundonald Property and all such agreements are also hereby amended *pro tanto* to give effect to the foregoing.

16. The Loan shall be permanently reduced by the Net Proceeds (as defined in the direction to Harris Sheaffer LLP dated June 21, 2012, delivered in connection with the Loan).
17. The Obligors and the Lender acknowledge and agree that the remaining balance of the Loan, including, without limitation, the Additional Advance, after receipt of the Net Proceeds shall be secured by the Existing Security and the New Security.
18. The Obligors shall ensure that 50% of all sales commissions, marketing and advertising fees, 100% of the reimbursement of all costs incurred in respect of the presentation gallery in the Unit (the "**Presentation Gallery**"), including, without limitation, leasehold improvements and furniture, earned and actually received by Mizrahi Inc. from The One in connection with the Project (as set out in the Altus Group ("**Altus**") budget dated April 6, 2016 (the "**Budget**")) and 100% of the reimbursement of the parkland dedication costs in respect of the Dundonald Property as set out in the Budget (collectively, the "**Accounts**"), shall be directed to the Lender to be applied as a permanent reduction of the Loan.
19. Mizrahi Inc. shall retain Altus to oversee and report on the construction of the presentation gallery in the Unit including, without limitation, leasehold improvements and furniture (the "**Consultant**").
20. The Obligors shall use their best efforts to refinance the Dundonald Property with a lender listed in Schedule 1, 2 or 3 to the *Bank Act* (Canada) or a Credit Union regulated by The Deposit Insurance Corporation of Ontario and otherwise acceptable to the Lender, not to unreasonably or arbitrarily withheld, conditioned or delayed, on or before May 31, 2017 in the principal amount of \$1,500,000 and on terms and conditions acceptable to the Lender in its sole discretion (the "**Dundonald Financing**").
21. The Obligors hereby undertake to provide written updates as to the status of the Dundonald Financing by 12:00pm every other Monday.
22. The Obligors acknowledge and agree that net proceeds (after payment of only reasonable broker fees and legal fees) of the Dundonald Financing shall be directed to the Lender to be applied as a permanent reduction of the Loan.
23. The Lender hereby acknowledges and agrees it shall subordinate and standstill the Dundonald Charge and related security in favour of the Dundonald Financing on terms and conditions acceptable to the Lender in its sole discretion, including, without limitation, the length of the standstill, not to unreasonably delayed, provided that: (i) there has been no default by any of the Obligors under any of their obligations to the Lender; and (ii) the Dundonald Financing is on terms and conditions acceptable to the Lender in its sole discretion not to be unreasonably withheld or delayed.
24. The Obligors confirm that, to the extent a party thereto, the Loan Agreement and Existing Security has not been discharged, waived or varied except as provided herein, that it is binding upon the Obligors, as applicable, and that it is valid and enforceable in accordance with its written terms and it shall constitute, and shall be held by the Lender as, general and continuing security

for the payment and fulfillment of all of the indebtedness, liabilities and obligations of the Obligor, as applicable, present or future, direct or indirect, contingent or not, matured or not, including, without limitation, the obligations under the Promissory Note, as amended by this Agreement.

25. The Borrower shall pay a work fee of \$56,500 (including HST) to Bridging Finance Inc. (the "**Work Fee**") which shall be paid on the earlier of December 15, 2016 and the date of the Additional Advance.
26. The Borrower shall be responsible for all legal fees and disbursements incurred by the Lender in connection with the preparation and negotiation of this Agreement and all matters relating thereto which fees shall be paid on the earlier of December 15, 2016, and the date of the Additional Advance.
27. In the event that 181 fails to provide the New Security as aforesaid, 181 hereby irrevocably constitutes and appoints any officer of the Lender its due and lawful attorney with full power of substitution in its name and on its behalf, to execute and deliver the New Security to the Lender; such appointment, coupled with an interest, being irrevocable to the maximum extent permitted by applicable law.
28. In the event that on or before December 12, 2016: (i) the Dundonald Charge is not received; and (ii) the Additional Advance has not taken place, the Additional Advance shall be cancelled. For greater certainty, notwithstanding the terms of this Agreement, interest shall accrue on the Additional Advance commencing December 1, 2016.
29. The Lender covenants that, provided that the New Security has been executed and delivered to the Lender's solicitor together with the Work Fee and legal fees to date, \$3,927,931.02 of the Additional Advance shall be disbursed to Fogler Rubinoff LPP for the completion of the purchase of Dundonald Property and the balance of the Additional Advance shall be disbursed to Mizrahi Inc. for the improvements to the Unit.
30. Upon completion of the Presentation Gallery as determined by Altus, Altus shall conduct, at no expense to the Lender, a full and complete cost review and analysis on behalf of The One, Mizrahi Inc. and the Lender to determine the value of the goods and services supplied and provided in connection with the completion of the Presentation Gallery. In the event that Altus determines that the value of the goods and services supplied exceeds \$2,500,000 then Mizrahi Inc. shall be solely responsible for such excess. In the event that Altus determines that the value of the goods and services supplied is less than \$2,500,000, then Mizrahi Inc. covenants to forthwith repay to the Lender the difference between \$2,500,000 and such value. All amounts are inclusive of any applicable taxes, including, without limitation, HST. The Altus determination shall be final and binding upon the parties hereto.
31. Notwithstanding the terms and conditions of the Loan Agreement and the Existing Security, all Obligor may be provided with notice or any other commutation in accordance with section 12.12 of the Loan Agreement to the address for the Borrower set out therein.
32. For the purposes of item 5 of the Existing Security, the collateral locations shall be as set out therein together with the Unit and the Dundonald Property.

33. This Agreement is supplemental to and shall be read with and be deemed to be part of the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Loan Agreement, the Promissory Note, the Guarantee, the Existing Security and any agreements or documents entered into in connection with the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security shall mean the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, all as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.
34. All the terms and conditions of the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.
35. The Obligors agree to execute such further assurances with respect to this Agreement, the Loan Agreement, the Promissory Note, the Guarantee and the Existing Security, as may be required to evidence the true intent and meaning of this Agreement.
36. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
37. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

[Signature Page Follows]


Provided that the foregoing meets with your approval, kindly execute where indicated and return two original copies of this letter to the Lender.

**BRIDGING FINANCE INC., as agent for  
Sprott Bridging Income Fund LP**


Per:   
Name: Natasha Sharpe  
Title: CEO and Chief Investment Officer

**We Acknowledge and Accept** the terms and conditions of this Agreement as of this 30<sup>th</sup> day of November, 2016.


**NORTHERN CITADEL CAPITAL INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation


**MIZRAHI INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation


**2495159 ONTARIO INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have authority to bind the corporation


**ONEZONE DAVENPORT INC.**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation


**MIZRAHI ENTERPRISES INC.**

Per:   
Name: ~~Sam Mizrahi~~  
Title: President  
I have the authority to bind the corporation

**MIZRAHI SOARING DEVELOPMENTS INC.**

Per:   
Name: ~~Sam Mizrahi~~  
Title: President  
I have the authority to bind the corporation

**181 DAVENPORT RETAIL INC.**

Per:   
Name: ~~Sam Mizrahi~~  
Title: President  
I have the authority to bind the corporation

**Schedule "A"**

Existing Security

Each dated as of December 17, 2014 (as may have been amended):

1. Loan Agreement.
2. Promissory Note.
3. Quit Claim Deed.
4. General Assignment of Rents.
5. General Security Agreement from the Borrower and the Guarantors.
6. Beneficial Owners' Agreement in respect of 145 Davenport Road.
7. Assignment of Material Agreements from the Borrower and the Guarantors.
8. Assignment of Insurance from the Borrower and the Guarantors.
9. Guarantee from the Guarantors.
10. Postponement Agreement executed by Sam Mizrahi, the Borrower and the Obligors.
11. Environmental Indemnity executed by the Borrower and the Guarantors.
12. Direction in favour of Harris Sheaffer LLP in respect to of the net proceeds received on closing of the project unit sales, executed by the Borrower, the Guarantors and Mizrahi Enterprises Inc., acknowledged by Harris Sheaffer LLP.

This is Exhibit “H” referred to in the Affidavit of Tyler Ray sworn by Tyler Ray of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 20<sup>th</sup> day of September, 2022 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*



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A Commissioner for taking affidavits

**ADAM DRIEDGER**

Dated as of November 1, 2017

Mizrahi Development Group Inc.  
189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

Dear Mr. Mizrahi:

Re: Bridging Finance Inc., as agent for Sprott Bridging Income Fund LP (the “**Lender**”) loan to Northern Citadel Capital Inc., Mizrahi Inc. and 2495159 Ontario Inc. (collectively, the “**Borrower**”) pursuant to a loan agreement among, *inter alia*, the Borrower and the Lender dated as of December 17, 2014, as amended by letter agreements dated February 24, 2015, March 11, 2015, April 10, 2015, November 27, 2015, June 30, 2016, and November 30, 2016 (collectively, the “**Loan Agreement**”)

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We confirm your request to obtain an additional advance of \$5,584,750 under the Loan (the “**Additional Advance**”). In this regard, we confirm that the Lender has agreed, subject to receipt of the Work Fee (as hereinafter defined), to amend the terms and conditions of the Loan Agreement and the Security as follows (all capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement):

1. The Additional Advance shall be disbursed as set out herein and used to fund the Work Fee and to finish the Project in such amounts and for such purposes as approved by Altus and the Lender.
2. Effective the date hereof, the reference to “\$35,827,751” in Section 2.1 of the Loan Agreement is hereby deleted and replaced with “\$41,412,501”.
3. The Obligors acknowledge and agree that interest on the outstanding principal amount of the Loan is calculated daily at the rate of 12% per annum and since November 30, 2016, has been and shall continue to accrue and be compounded monthly on the last day of each month and is payable on the earliest of: (i) an Event of Default; (ii) prepayment of the Loan for any reason whatsoever; and (iii) the Maturity Date. Interest on the Additional Advance shall commence as of the date hereof regardless of the date of disbursement.
4. As of November 1, 2017, the Obligors acknowledge and agree that there is \$39,976,188.61 outstanding under the Loan and that they do not dispute their liability to the Lender on any ground whatsoever. The Obligors further confirm that they have no claim, demand, setoff or counter-claim against the Lender on any basis whatsoever and that there is no matter, fact or thing which may be asserted by any of them in extinction or diminution of their indebtedness to the Lender or result in any bar to or delay in the recovery thereof. If there are any such claims for setoff, counter-claim, damages or otherwise, they are hereby expressly released and discharged.
5. Advances of the Additional advance shall be made at the request of the Borrower and be at the sole discretion of the Lender. The first advance of the Additional Advance shall be \$3,200,000 plus the Work Fee and legal fees and shall be made on or about November 10, 2017.
6. Effective the date hereof, the reference to “\$35,827,751” in the heading of the Promissory Note granted by the Borrower in favour of the Lender dated as of the 17<sup>th</sup> day of December 2014 (the “**Promissory Note**”) is hereby deleted and replaced with “\$41,412,501”.





7. Effective the date hereof, the reference to “THIRTY-FIVE MILLION EIGHT HUNDRED AND TWENTY-SEVEN THOUSAND SEVEN HUNDRED AND FIFTY-ONE CANADIAN DOLLARS (Cdn. \$35,827,751)” in the first paragraph of the Promissory Note is hereby deleted and replaced with “FORTY-ONE MILLION FOUR HUNDRED AND TWELVE THOUSAND FIVE HUNDRED AND ONE CANADIAN DOLLARS (Cdn. \$41,412,501)”.
8. Effective as of the date hereof, the reference to “\$35,827,751” in the first recital of the Guarantee given by the Guarantors in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with “\$41,412,501”.
9. Effective as of the date hereof, the reference to “\$35,827,751” in the first recital of the Postponement Agreement given by the Obligors in favour of the Lender on the 17<sup>th</sup> day of December, 2014 is hereby deleted and replaced with “\$41,412,501”.
10. The Obligors confirm that the Unit has not yet been transferred to 181 and agree that any transfer of the Unit shall require the prior written consent of the Lender in its sole discretion such consent not be unreasonably or arbitrarily withheld, conditioned or delayed. For greater certainty, the Obligors shall cause the New Security to be delivered forthwith after the registration of the transfer of the Unit.
11. The Obligors confirm that the Loan shall be permanently reduced by the Net Proceeds (as defined in the direction to Harris Sheaffer LLP dated June 21, 2012, delivered in connection with the Loan). The Obligors confirm that the remaining balance of the Loan, including, without limitation, the Additional Advance, after receipt of the Net Proceeds shall be secured by the Security.
12. The Obligors confirm that on the payout of the obligations owing to United Overseas Bank in respect of the Project the Obligors shall deliver to the Lender in respect of the Project (including, without limitation, the Unit) the following (collectively, the “**Project Security**” and with the Security, the “**Security**”):
  - a. a collateral charge / mortgage of land in the amount of the principal amount of the Loan then outstanding plus \$5,000,000, together with an assignment of rents and a general security agreement all in the standard form of the Lender and registered on title and under the PPSA as applicable. The collateral charge / mortgage of land shall contain a covenant by the Lender to register a partial discharge of this collateral charge / mortgage of land upon the sale of any unit to a bona fide third party purchaser for value, upon receipt of the Net Proceeds;
  - b. a quit claim deed in favour of the Lender in the amount of the principal amount of the Loan then outstanding plus \$5,000,000 which is to be held by the Lender's solicitors in escrow and may not be registered unless the Borrower has committed an Event of Default and following receipt of written notice of such default has failed to remedy same, during the applicable cure period (save and except as noted below where no notice or cure period shall be required). For greater certainty, a default by the Borrower shall not constitute an Event of Default unless: (a) in the case of a default in payment of money by the Borrower, which has continued for at least ten (10) days after receiving notice of such monetary default; and (b) in the case of default in performance of any other obligation, it has continued for at least thirty (30) days after notice thereof has been given to the



Borrower. Notwithstanding the foregoing, the Borrower shall be deemed to have committed an Event of Default, without having received notice of such default and an opportunity to cure same, in the event the Obligors give or create a mortgage, charge, lien (save and except for any construction liens, in respect of which the Obligors (or any of them) shall have received notice with an opportunity to bond off and vacate such lien) or encumbrance upon the remaining units at the Project. For greater certainty, any registration of the quit claim deed shall only satisfy that portion of the Loan that is equal to the value of the remaining units at the time of registration less any encumbrances.

13. On the transfer of the Unit, the Lender shall provide a subordination in respect of the Unit to a conventional first mortgage in the principal amount of up to \$5,400,000 with a lender listed in Schedule 1, 2 or 3 to the Bank Act (Canada) or a Credit Union regulated by The Deposit Insurance Corporation of Ontario and otherwise acceptable to the Lender, not to unreasonably or arbitrarily withheld, conditioned or delayed and on terms and conditions acceptable to the Lender in its sole discretion, acting reasonably, together with an assignment of rents all in the standard form of the Lender.
14. The Obligors shall ensure that 100% of all sales commissions, less payments made to any unaffiliated or related co-operating real estate brokers (provided said percentage does not exceed 50%), 50% of all marketing and advertising fees, 100% of the reimbursement of all costs incurred in respect of the Presentation Gallery, including, without limitation, leasehold improvements and furniture, earned and actually received by Mizrahi Inc. (which the Obligors represent and warrant is the entity entitled to such funds) from The One in connection with the Project (as set out in the Budget) and 100% of the reimbursement of the parkland dedication costs in respect of the Dundonald Property as set out in the Budget (collectively, the “**Accounts**”), shall be directed to the Lender to be applied as a permanent reduction of the Loan until indefeasibly repaid in full. The Lender confirms that its sole recourse against Mizrahi Inc. shall be limited to the Accounts (as defined in this section 14 herein).
15. In the event that the Obligors fail to provide the Project Security, the Obligors hereby irrevocably constitute and appoint any officer of the Lender its due and lawful attorney with full power of substitution in its name and on its behalf, to execute and deliver such documentation to the Lender; such appointment, coupled with an interest, being irrevocable to the maximum extent permitted by applicable law.
16. The Obligors confirm that, to the extent a party thereto, the Loan Agreement and the Security have not been discharged, waived or varied except as provided herein, that they are binding upon the Obligors, as applicable, and that they are valid and enforceable in accordance with their written terms and shall constitute, and shall be held by the Lender as, general and continuing security for the payment and fulfillment of all of the indebtedness, liabilities and obligations of the Obligors, as applicable, present or future, direct or indirect, contingent or not, matured or not, including, without limitation, the obligations under the Promissory Note, as amended by this Agreement.
17. The Borrower shall pay a work fee of \$84,750 (including HST) to Bridging Finance Inc. (the “**Work Fee**”) which shall be paid on the earlier of November 15, 2017 and the date of the Additional Advance.




18. The Borrower shall be responsible for all legal fees and disbursements incurred by the Lender in connection with the preparation and negotiation of this Agreement and all matters relating thereto which fees shall be paid on the earlier of November 15, 2017, and the date of the Additional Advance. If not paid as aforesaid, such amounts may be paid by the Lender and added to the Loan and shall bear interest from the date of such payment in accordance with the terms of the Loan and shall be secured by the Security.
19. This Agreement is supplemental to and shall be read with and be deemed to be part of the Loan Agreement, the Promissory Note, the Guarantee and the Security, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Loan Agreement, the Promissory Note, the Guarantee, the Security and any agreements or documents entered into in connection with the Loan Agreement, the Promissory Note, the Guarantee and the Security shall mean the Loan Agreement, the Promissory Note, the Guarantee and the Security, all as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.
20. All the terms and conditions of the Loan Agreement, the Promissory Note, the Guarantee and the Security, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.
21. The Obligors agree to execute such further assurances with respect to this Agreement, the Loan Agreement, the Promissory Note, the Guarantee and the Security, as may be required to evidence the true intent and meaning of this Agreement.
22. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
23. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

[Signature Page Follows]

A handwritten signature in black ink, appearing to be the initials 'SM' or similar, enclosed within a circular flourish.

Provided that the foregoing meets with your approval, kindly execute where indicated and return two original copies of this letter to the Lender.

**BRIDGING FINANCE INC., as agent for  
Sprott Bridging Income Fund LP**

Per:   
Name: Natasha Sharpe  
Title: Chief Investment Officer

**We Acknowledge and Accept** the terms and conditions of this Agreement as of this 1<sup>st</sup> day of November, 2017.

**NORTHERN CITADEL CAPITAL INC. (as  
Borrower and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI INC. (as Borrower and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**2495159 ONTARIO INC. (as Borrower and  
Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have authority to bind the corporation

**ONE8ONE DAVENPORT INC. (as Guarantor  
and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

Provided that the foregoing meets with your approval, kindly execute where indicated and return two original copies of this letter to the Lender.

**BRIDGING FINANCE INC., as agent for  
Sprott Bridging Income Fund LP**

Per: \_\_\_\_\_  
Name: Natasha Sharpe  
Title: Chief Investment Officer

**We Acknowledge and Accept** the terms and conditions of this Agreement as of this 1<sup>st</sup> day of November, 2017.

**NORTHERN CITADEL CAPITAL INC. (as  
Borrower and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI INC. (as Borrower and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**2495159 ONTARIO INC. (as Borrower and  
Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have authority to bind the corporation

**ONE8ONE DAVENPORT INC. (as Guarantor  
and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI ENTERPRISES INC. (as Obligor)**

Per:   
Name: Sam Mizrahi  
Title: President

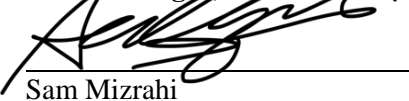
I have the authority to bind the corporation

**MIZRAHI SOARING DEVELOPMENTS INC. (as Guarantor and Obligor)**

Per:   
Name: Sam Mizrahi  
Title: President

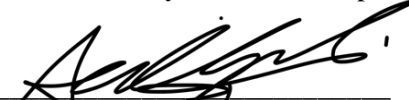
I have the authority to bind the corporation

**181 DAVENPORT RETAIL INC. (as Guarantor and Obligor)**

Per:   
Name: Sam Mizrahi  
Title: President

I have the authority to bind the corporation

\_\_\_\_\_  
Witness:

  
\_\_\_\_\_  
Sam Mizrahi (as Obligor)

This is Exhibit "I" referred to in the Affidavit of Tyler Ray sworn by Tyler Ray of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 20<sup>th</sup> day of September, 2022 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*



---

A Commissioner for taking affidavits

**ADAM DRIEDGER**

May 2, 2018

Mizrahi Development Group Inc.  
189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

Dear Mr. Mizrahi:

Re: Bridging Finance Inc., as agent for Sprott Bridging Income Fund LP (the “**Lender**”) loan to Northern Citadel Capital Inc., Mizrahi Inc. and 2495159 Ontario Inc. (collectively, the “**Borrower**”) pursuant to a loan agreement among, *inter alia*, the Borrower and the Lender dated as of December 17, 2014, as amended by letter agreements dated February 24, 2015, March 11, 2015, April 10, 2015, November 27, 2015, June 30, 2016, November 30, 2016, and November 1, 2017 (collectively, the “**Loan Agreement**”)

---

We confirm that the Lender has agreed, to amend the terms and conditions of the Loan Agreement and the Security as follows (all capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement):

1. As of May 1, 2018, the Obligors acknowledge and agree that there is \$48,340,227.18 outstanding under the Loan and that they do not dispute their liability to the Lender on any ground whatsoever. The Obligors further confirm that they have no claim, demand, setoff or counter-claim against the Lender on any basis whatsoever and that there is no matter, fact or thing which may be asserted by any of them in extinction or diminution of their indebtedness to the Lender or result in any bar to or delay in the recovery thereof. If there are any such claims for setoff, counter-claim, damages or otherwise, they are hereby expressly released and discharged.
2. The Obligors acknowledge that the Project Security has not yet been provided and that the transfer of the Unit is scheduled to take place on May 2, 2018.
3. The Lender hereby consents to the transfer of the Unit in accordance with the terms of the Agreement of Purchase and Sale dated May 20, 2016, as amended by agreement dated December 15, 2016.
4. The Lender hereby consents to a first mortgage over the Unit in favour of KEB Hana Bank Canada on substantially the same terms and conditions as set out in an offer letter dated September 28, 2017.
5. Notwithstanding Section 12 of the amending letter dated November 1, 2017, in respect of the Unit, 181 shall contemporaneously with the transfer and mortgage of the Unit noted above, provide a collateral charge / mortgage of land in the amount of the principal amount of \$12,000,000 (the “**Charge**”) together with an assignment of rents and a general security agreement all in the standard form of the Lender and registered on title to the Unit and under the PPSA as applicable. The Charge shall not provide for an interest rate, however, all interest, costs, fees and other amounts owing to the Lender shall be added to the principal amount and be secured by the Charge.
6. In the event that at any time, the obligations of the Obligors exceed \$12,000,000 and 181 has any equity in the Unit as determined by the Lender, 181 shall provide an agreement to amend the Charge to increase the principal amount thereof to an amount equal to such Obligations plus \$5,000,000. If 181 fails to provide such amending agreement within 3 days of request therefore,



181 hereby irrevocably constitutes and appoints any officer of the Lender its due and lawful attorney with full power of substitution in its name and on its behalf, to execute and deliver such amending agreement to the Lender; such appointment, coupled with an interest, being irrevocable to the maximum extent permitted by applicable law.

7. For greater certainty, to the extent the Charge, assignment of rents or general security agreement names only Bridging Finance Inc. as Chargee, Assignee or Creditor (or other similar capacity), the Obligors acknowledge and agree that Bridging Finance Inc. holds such security as agent for Sprott Bridging Income Fund LP.
8. The Obligors confirm that, to the extent a party thereto, the Loan Agreement and the Security have not been discharged, waived or varied except as provided herein, that they are binding upon the Obligors, as applicable, and that they are valid and enforceable in accordance with their written terms and shall constitute, and shall be held by the Lender as, general and continuing security for the payment and fulfillment of all of the indebtedness, liabilities and obligations of the Obligors, as applicable, present or future, direct or indirect, contingent or not, matured or not, including, without limitation, the obligations under the Promissory Note, as amended by this Agreement.
9. The Borrower shall be responsible for all legal fees and disbursements incurred by the Lender in connection with the preparation and negotiation of this Agreement and all matters relating thereto which fees shall be paid within 10 days of request therefore. If not paid as aforesaid, such amounts may be paid by the Lender and added to the Loan and shall bear interest from the date of such payment in accordance with the terms of the Loan and shall be secured by the Security.
10. This Agreement is supplemental to and shall be read with and be deemed to be part of the Loan Agreement, the Promissory Note, the Guarantee and the Security, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Loan Agreement, the Promissory Note, the Guarantee, the Security and any agreements or documents entered into in connection with the Loan Agreement, the Promissory Note, the Guarantee and the Security shall mean the Loan Agreement, the Promissory Note, the Guarantee and the Security, all as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.
11. All the terms and conditions of the Loan Agreement, the Promissory Note, the Guarantee and the Security, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.
12. The Obligors agree to execute such further assurances with respect to this Agreement, the Loan Agreement, the Promissory Note, the Guarantee and the Security, as may be required to evidence the true intent and meaning of this Agreement.
13. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
14. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

[Signature Page Follows]

Provided that the foregoing meets with your approval, kindly execute where indicated and return two original copies of this letter to the Lender.

**BRIDGING FINANCE INC., as agent for  
Sprott Bridging Income Fund LP**

Per:   
Name: Graham Marr  
Title: Senior Managing Director

**We Acknowledge and Accept** the terms and conditions of this Agreement as of this \_\_\_\_ day of May, 2018.

**NORTHERN CITADEL CAPITAL INC. (as  
Borrower and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI INC. (as Borrower and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**2495159 ONTARIO INC. (as Borrower and  
Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have authority to bind the corporation

**ONE8ONE DAVENPORT INC. (as Guarantor  
and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

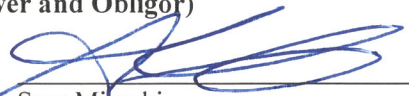
Provided that the foregoing meets with your approval, kindly execute where indicated and return two original copies of this letter to the Lender.

**BRIDGING FINANCE INC., as agent for  
Sprott Bridging Income Fund LP**


Per: \_\_\_\_\_  
Name:  
Title:

**We Acknowledge and Accept** the terms and conditions of this Agreement as of this \_\_\_\_ day of  
May, 2018.


**NORTHERN CITADEL CAPITAL INC. (as  
Borrower and Obligor)**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation


**MIZRAHI INC. (as Borrower and Obligor)**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation


**2495159 ONTARIO INC. (as Borrower and  
Obligor)**

Per:   
Name: Sam Mizrahi  
Title: President  
I have authority to bind the corporation

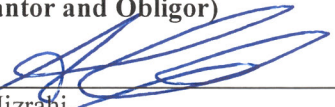
**ONE8ONE DAVENPORT INC. (as Guarantor  
and Obligor)**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation


**MIZRAHI ENTERPRISES INC. (as Obligor)**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**MIZRAHI SOARING DEVELOPMENTS INC. (as Guarantor and Obligor)**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**181 DAVENPORT RETAIL INC. (as Guarantor and Obligor)**

Per:   
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

  
\_\_\_\_\_  
Witness:

  
\_\_\_\_\_  
Sam Mizrahi (as Obligor)

This is Exhibit “J” referred to in the Affidavit of Tyler Ray sworn by Tyler Ray of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 20<sup>th</sup> day of September, 2022 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*



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A Commissioner for taking affidavits

**ADAM DRIEDGER**

Dated as of December 31, 2020

Mizrahi Development Group Inc.  
189 Forest Hill Road  
Toronto, Ontario  
M5P 2N3

Dear Mr. Mizrahi:

Re: Bridging Finance Inc. as agent for Bridging Income Fund LP (formerly Sprott Bridging Income Fund LP) (the “**Lender**”) loan to Northern Citadel Capital Inc., (collectively, the “**Borrower**”) pursuant to a loan agreement among, *inter alia*, the Borrower and the Lender dated as of December 17, 2014, as amended by letter agreements dated February 24, 2015, March 11, 2015, April 10, 2015, November 27, 2015, June 30, 2016, November 30, 2016 (the “**November Letter**”), November 1, 2017 and May 2, 2018 (collectively, the “**Loan Agreement**”)

---

We confirm that the Lender has agreed, to amend the terms and conditions of the Loan Agreement and the Security as follows (all capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement):

1. As of December 31, 2020, the Obligors acknowledge and agree that there is \$45,892,107.79 outstanding under the Loan and that they do not dispute their liability to the Lender on any ground whatsoever. The Obligors further confirm that they have no claim, demand, setoff or counter-claim against the Lender on any basis whatsoever and that there is no matter, fact or thing which may be asserted by any of them in extinction or diminution of their indebtedness to the Lender or result in any bar to or delay in the recovery thereof.
2. Effective the date hereof, the Maturity Date (as defined in the November Letter) is hereby extended to April 30, 2022.
3. The Borrower shall be responsible for all legal fees and disbursements incurred by the Lender in connection with the preparation and negotiation of this Agreement and all matters relating thereto which fees shall be paid within 10 days of request therefore. If not paid as aforesaid, such amounts may be paid by the Lender and added to the Loan and shall bear interest from the date of such payment in accordance with the terms of the Loan and shall be secured by the Security.
4. This Agreement is supplemental to and shall be read with and be deemed to be part of the Loan Agreement, the Promissory Note, the Guarantee and the Security, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Loan Agreement, the Promissory Note, the Guarantee, the Security and any agreements or documents entered into in connection with the Loan Agreement, the Promissory Note, the Guarantee and the Security shall mean the Loan Agreement, the Promissory Note, the Guarantee and the Security, all as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.
5. All the terms and conditions of the Loan Agreement, the Promissory Note, the Guarantee and the Security, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.



6. The Obligors agree to execute such further assurances with respect to this Agreement, the Loan Agreement, the Promissory Note, the Guarantee and the Security, as may be required to evidence the true intent and meaning of this Agreement.
7. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
8. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

[Signature Page Follows]





Provided that the foregoing meets with your approval, kindly execute where indicated and return two original copies of this letter to the Lender.

**BRIDGING FINANCE INC., as agent for  
BRIDGING INCOME FUND LP**

Per: \_\_\_\_\_  
Name:  
Title:

**We Acknowledge and Accept** the terms and conditions of this Agreement as of this 31<sup>th</sup> day of December, 2020.

**NORTHERN CITADEL CAPITAL INC. (as  
Borrower and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**ONE8ONE DAVENPORT INC. (as Guarantor  
and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President

**MIZRAHI ENTERPRISES INC. ( as Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President

**MIZRAHI SOARING DEVELOPMENTS  
INC. (as Guarantor and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

**181 DAVENPORT RETAIL INC. (as  
Guarantor and Obligor)**

Per: \_\_\_\_\_  
Name: Sam Mizrahi  
Title: President  
I have the authority to bind the corporation

*IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended*

**PRICEWATERHOUSECOOPERS INC.**

(solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds)

Applicant

- and - **NORTHERN CITADEL CAPITAL INC., ONE8ONE DAVENPORT INC., and 181 DAVENPORT RETAIL INC.**

Respondents

Court File No. CV-22-00685200-00CL

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

Proceedings commenced at Toronto, Ontario

**SUPPLEMENTAL AFFIDAVIT OF TYLER RAY**

**Thornton Grout Finnigan LLP**

TD West Tower, Toronto-Dominion Centre  
3200 – 100 Wellington Street West  
Toronto, ON M5K 1K7

**John L. Finnigan** (LSO# 24040L)

Email: [jfinnigan@tgf.ca](mailto:jfinnigan@tgf.ca)

**Grant B. Moffat** (LSO# 32380L)

Email: [gmoffat@tgf.ca](mailto:gmoffat@tgf.ca)

**Adam Driedger** (LSO# 77296F)

Email: [adriedger@tgf.ca](mailto:adriedger@tgf.ca)

Tel: 416-304-1616

Lawyers for the Applicant