Court File No. CV-23-00004340-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990 C. C.43 AS AMENDED

B E T W E E N:

CANADIAN WESTERN BANK

Applicant

\- and -

20 CALDARI DEVELOPMENT INC.

Respondent

FIRST REPORT OF THE RECEIVER AND MANAGER

January 25, 2024

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INTRODUCTION

1. This first report (the "**First Report**") is filed by Ernst & Young Inc. ("**EYI**" or the "**Receiver**") in its capacity as receiver and manager of all the assets, undertakings and properties of 20 Caldari Development Inc. (the "**Debtor**") acquired for, or used in relation to the Debtor's business operations, pursuant to the order of Justice Tzimas dated December 7, 2023 (the "**Appointment Order**"). A copy of the Appointment Order is attached hereto at **Appendix "A"**.

2. The purpose of the First Report is to:

   (a) outline the Debtor's background and situation prior to the Receiver's appointment;

   (b) report on the activities of the Receiver since its appointment;

   (c) report on the results to date of the Receiver's efforts to obtain the Debtor's books, records and other relevant information requested by the Receiver;

   (d) set out a proposed marketing and sale process for the real property owned by the Debtors (as described and defined below) to be undertaken by the Receiver, subject to the approval of this Court (the "**Sale Process**").

TERMS OF REFERENCE

3. In preparing this First Report and making the comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, certain of the Debtor's books and records, the motion materials filed in respect of this proceeding and discussions with management and its counsel (collectively, the "**Information**"). Future oriented financial information relied upon in the First Report is based on assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material.

4. The Receiver has not audited or otherwise verified the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants Canada*

Handbook and, accordingly, expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

5. A copy of this Report and related documents with respect to the receivership application are available on the Receiver's website at www.ey.com/ca/Caldari. The Receiver has also established an email address that is referenced on the Receiver's website so that parties may contact the Receiver if they have questions with respect to this proceeding.

6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

7. Capitalized terms, unless otherwise defined in this First Report, have the meaning ascribed to them in the affidavits and the Appointment Order.

BACKGROUND AND OVERVIEW

Background

8. The Debtor, a corporation incorporated under the laws of Ontario, has its registered office located at 20 Caldari Road, Vaughan. Mr. Nakul Aurora and Mr. Jay Khanna ("Khanna"), each apparently holding a 50% share, are the equal shareholders and the directors of the Debtor.

9. The principal asset of the Debtor is the real property known municipally as 20 Caldari Road, Vaughan, Ontario (the "**Property**"). The Property consists of a 95,770 square foot site, and includes an approximately 31,500 square foot[1] steel, two story building, which features a mixture of warehouse and office spaces, segmented into multiple units. These units are currently leased to multiple tenants, as described further herein.

10. The Debtor acquired the Property in or around September 2020.

11. The Property was managed by Nakul Aurora, and his brothers, Akash Aurora and Ravi Aurora (collectively, the "**Auroras**").

[1] This is based on the TREB sale listing from 2020; however, the Receiver was advised by the Auroras that the floor area is larger according to more recent measurements. This information has not yet been verified.

12. The Receiver has been advised by the Auroras that the Debtor's books and records are stored in the computer systems of the Aurora Hotel Group ("**AHG**"), a company controlled by the Auroras. As further discussed in this Report, AHG is the largest tenant at the Property.

CWB Loan

13. On November 23, 2021, to refinance the Debtor's existing secured debt, Canadian Western Bank ("**CWB**") advanced a secured loan to the Debtor in the principal amount of $8,640,000, pursuant to a commitment letter dated August 26, 2021 (the "**Loan Agreement**"). A copy of the Loan Agreement is attached hereto as **Appendix "B"**. Based on CWB's records, the loan balance was approximately $8.43 million as of September 28, 2023.

14. As detailed in the affidavit filed in the Notice Application, dated November 21, 2023 (the "**CWB Affidavit**"), CWB holds the following security in connection with the Loan Agreement:

a) a mortgage over the Property, dated November 9, 2021; and
b) a security interest in all of the Debtor's present and future personal property and undertakings pursuant to a General Security Agreement dated November 24, 2021 (the "**GSA**").

15. The Receiver has obtained an opinion from its independent legal counsel, Goldman Sloan Nash and Haber LLP. This opinion has confirmed, among other things, the validity and enforceability of the security held by CWB against the Property, subject to the customary assumptions and qualifications.

Events Leading up to the Receivership Proceeding

16. The CWB affidavit describes in detail the Debtor's breaches of its obligations under the Loan Agreement.

17. On August 26, 2022, CWB sent a Notice of Default to the Debtor, advising that the Debtor was in default under the Loan Agreement for failure to provide, among other defaults, financial statements as required for both the Debtor and AHG.

18. Further, we have been advised that there appears to have been a breakdown in the relationship between the shareholders. On December 22, 2022, Khanna commenced an Application against Nakul Aurora and the Debtor, seeking relief pursuant to sections 207 and 248 of the *Ontario Business Corporations Act*. This included a request for the appointment of a receiver and a winding-up order concerning the Debtor (the "**Oppression Application**"). The affidavit, sworn by Khanna (the "**Khanna Affidavit**") in support of the Oppression Application, alleged mismanagement and governance issues at the Debtor under the Auroras' management, including failure to file income tax and HST returns, and non-remittance of income tax, HST and realty taxes.

19. In March 2023, CWB consented to extend the maturity date of the Mortgage until June 30, 2023.

20. Given the Debtor's ongoing default in its financial reporting, CWB informed the Debtor on June 30, 2023 that it could no longer continue to offer support and requested that the Debtor repay its indebtedness in full by no later than September 28, 2023. This requested repayment was not made.

21. On September 29, 2023, CWB, through its counsel, made a formal demand for repayment of the Debtor's indebtedness and delivered a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act (*the "**BIA**"*)*.

22. Despite the formal demand, the Debtor failed to repay the CWB loan.

23. On November 21, 2023, CWB brought an application under section 243 of the BIA and section 101 of the *Courts of Justice Act* for the appointment of a receiver and manager over the Debtor.

ACTIVITIES OF THE RECEIVER TO DATE

Taking Possession and Related Matters

24. Following the issuance of the Appointment Order, the Receiver undertook the following actions:
    (a) attended at the Property to inspect the facility and meet with the Auroras and the other tenants;

(b) issued multiple requests to the Auroras for the immediate delivery of books, records and other information relevant for the Receiver to assess the status of the Property, given the Auroras' management role;

(c) conducted a preliminary review of the leases with each of the tenants;

(d) communicated with the tenants to advise them of the receivership proceeding and discuss issues specific to each of their premises and how these will be addressed during the receivership proceedings;

(e) arranged for the extension of certain tenant lease agreements to maintain occupancy;

(f) corresponded with Debtor's insurance broker to obtain a copy of the insurance policy, reviewed it for adequacy, arranged for the continuation of the coverage and payment of premiums, and requested that the Receiver be added as an additional insured and loss payee;

(g) Notified the bank holding a bank account in the name of the Debtor of the Appointment Order, and requested that this bank account be frozen immediately, that no further payments be allowed to clear, and all funds be transferred to the Receiver;

(h) established a new bank account for the Debtor in the name of the Receiver;

(i) arranging for the Appointment Order to be registered against the Property's title;

(j) arranged for continued utility services to the Property and set up new accounts in the Receiver's name;

(k) engaged Epic Investment Services Inc. ("**Epic**") as the property manager and negotiated a property management agreement, as discussed further below;

(l) posted the Appointment Order and other court documents on the Receiver's website;

(m) contacted the Canada Revenue Agency ("**CRA**") to understand the status of the Debtor's HST and corporate tax filings;

(n) contacted the City of Vaughan to obtain information on the property tax arrears; and

(o) prepared and provided to all known creditors a copy of the Receiver's reports pursuant to sections 245 and 246 of the *BIA*;

(p) arranged for funding from CWB to fund the ongoing supply of goods and services relating to the receivership and provided a Receiver's Borrowing Certificate for the same.

<u>*Tenant Matters*</u>

25. Based on the Receiver's preliminary review of the information available, the Debtor has in place the following leases:

a) AHG is the primary tenant, occupying the majority of the space[2] at the Property pursuant to a lease between AHG and the Debtor dated February 1, 2021. AHG subleases a portion of the office space to third party sub-tenants.
b) Stone Quartz Inc. - leases one unit of approximately 11,500 square feet pursuant to a lease dated November 9, 2023;
c) Mirion Technologies ("**Mirion**") - leases one unit covering approximately 9,935 square feet ("**Unit 1**") under a lease that expired on December 31, 2023, and was subsequently extended on a month-to-month basis on substantially the same financial terms, as discussed further below.

26. Mirion was planning to vacate Unit 1 on or before December 31, 2023 prior to the commencement of the receivership. However, on or around December 19, 2023, Mirion contacted the Receiver to express its interest in extending its lease for Unit 1 on a month-to-month basis for a period of 4 to 6 months.

27. At the same time as the Receiver was in discussions with Mirion to extend its lease, the Auroras informed the Receiver that Unit 1 had been leased to a new tenant, Countertop Solutions Inc. ("**CSI**"). The Auroras provided an executed lease agreement, dated November 1, 2023, between the Debtor and CSI. This lease with CSI was scheduled to

[2] 26,000 square feet according to the lease with AHG; however, the Receiver is still in the process of verifying this information.

commence on January 1, 2024 and end on January 1, 2029, with an option for a further five-year extension.

28. The Receiver understands from the Khanna Affidavit that CSI is controlled by the Auroras. Counsel for Khanna advised that Khanna was unaware of this purported lease agreement with CSI. Based on the Receiver's review of the Debtor's existing lease agreements, Khanna signed or co-signed the two leases on behalf of the Debtor with Mirion and Stone Quartz Inc.

29. After consultation with CWB and legal counsel, the Receiver determined that the CSI lease was not capable of being accepted by the Receiver and was otherwise not in the best interest of the estate for the following reasons:

a) The lease document itself contained certain inconsistencies in the language and amounts set out therein raising questions regarding the actual terms of the lease;
b) The Receiver was not provided with any information regarding CSI's financial or operational status, nor with any documentation that CSI paid the security deposit as set out in the lease;
c) There would not be any rent income in the first four months under the CSI lease due to a fixture period. This would affect the estate's liquidity during the receivership proceeding, in comparison to a short-term extension with Mirion; and
d) As the Receiver is seeking Court approval for a process to market and sell the Property in order to repay the CWB loan, adopting a long-term lease with CSI, a party related to the Debtor, could adversely affect the number of parties potentially interested in the purchase of the Property.

30. Accordingly, on December 21, 2023, the Receiver advised the Auroras that it would not adopt the lease with CSI on behalf of the Debtor, noting that the lease could not be considered in effect due to the non-payment of the required deposit. For greater certainty, the Receiver disclaimed the contract, and did not permit CSI to have access to the Property.

31. The extension of the Mirion Lease provided for the following amendments to the expiring lease:

a) Transitioning to a gross rent lease to eliminate the need for calculating Taxes, Maintenance and Insurance expenses during the extension;
b) Setting the monthly rent at $13,000 plus HST, payable on the first day each month, largely reflecting the per-square-foot rate previously used for the utilized space; and
c) A month-to-month extension, subject to a 30-day termination notice by either side.

Property Management Contract

32. The Appointment Order authorized the Receiver to, among other things, engage consultants to assist the Receiver with the exercise of its powers and duties, including the hiring of a third-party property manager.

33. As discussed earlier, the Property was managed by the Auroras prior to the Receivership proceeding. After an inspection of the Property and consultation with CWB, the Receiver concluded that it was necessary to retain a professional property manager to ensure the efficient management of the Property. To this end, the Receiver discussed this mandate with property management services providers. Epic was selected based on:

a) its capacity to manage the Property in a safe and prudent manner;
b) its extensive experience in managing commercial and industrial properties totaling 21.1 million sq.ft. of Assets Under Management, which includes 80 commercial properties, representing approximately over 5 million sq. ft. in Ontario;
c) its proven track record of successfully onboarding over 147 properties in the last 36 months;
d) proposed services tailored to the specific needs of the Property; and
e) a competitive pricing structure in line with market rates.

34. Following consultation with CWB, the Receiver negotiated and entered into a month-to-month property management agreement with EPIC (the "**Property Management Agreement**"), effective from January 15, 2023. Key terms are summarized as follows:

a) Term: Month-to-Month with a 30-day termination notice
b) Services: Epic will provide various services at the request of the Receiver, including:
    i. support the timely collection of Rent, including calculating TMI expenses to

be billed to the tenants;

ii. regular inspection and monitoring of the Property;

iii. arranging and supervising security services, landscaping and snow removal services;

iv. acting as the Receiver's representative and primary contact for local authorities;

v. responding to tenant requests;

vi. coordinating repairs and maintenance to the Property as needed;

vii. as directed by the Receiver, and if agreed to by Epic, providing leasing services to re-let the premises either with temporary short-term tenants or long-term tenants; and

viii. additional services as required by the Receiver and agreed to by Epic.

c) Epic will keep the Receiver informed of all items affecting the Property that Epic becomes aware of, including any government or regulatory orders, any proceedings or actions involving the Property, and any material violations relating to the leasing, use, repair or maintenance of the Property.

d) Management fee: $5,000 plus HST per month for the first two months, followed by reduced monthly fee of $4,000 plus HST thereafter.

35. A copy of the Property Management Agreement is attached hereto as **Appendix "C"**.

ACCESS TO THE DEBTOR'S INFORMATION

36. Paragraphs 4, 5, 6 of the Appointment Order outline the obligations of all Persons including the Auroras and AHG, to cooperate with the Receiver and provide timely access to the Debtor's Records.

37. Following the issuance of the Appointment Order on December 8, 2023, the Receiver immediately sent to the Auroras a list of information and documents required by the Receiver, including the books, records and other information pertaining to the recent financial and operating performance of the Property (as updated from time to time, the "**Information Requests**").

38. On December 11 and 18, 2023, the Receiver attended at the Property to, among other things,

take possession of the Debtors' books and records, including electronic records. The Auroras informed the Receiver that these records are stored in AHG's computer system. Notwithstanding the Auroras' commitment to promptly deliver these records, it has not been fulfilled to date.

39. The Receiver has repeatedly followed up with the Auroras regarding the Information Requests through discussions and emails. However, the Auroras have responded slowly to certain requests, and have not yet delivered many of the other requested items. As a result, the Receiver sought information from alternative accessible sources such as the tenants, the Debtor's service providers, the City of Vaughan and CRA.

40. On January 18, 2024, the Receiver's legal counsel sent a letter to the Auroras, reiterating these outstanding Information Requests and the Auroras' non-compliance with these requests continues despite the numerous follow-ups by the Receiver. A copy of this letter is attached hereto as **Appendix "D"**. As there was no response from the Auroras to this letter, the Receiver sent another follow-up email to the Auroras on January 22, 2024.

41. On January 25, 2024, the Auroras responded with additional information via email. However, at the time of this Report, there are significant Information Requests that remain outstanding, including:

Information Requests	Status
Historical financial statements, trial balances and the current general ledger, together with supporting documentation	The Receiver has received the financial statement for 2021, trial balance as of December 31, 2023, and various invoices. Other items requested remain outstanding.
Copies of any HST and corporate tax returns as filed and/or in their draft form, if any, as the CRA portal indicates no record of any filings	Outstanding. Note that the Auroras informed the Receiver that HST returns and corporate returns were either in the process of being prepared or had been filed.

Property Data, including as-built drawings, floor plans and recent modifications to the Property	The Auroras have provided a sketch of the floor plan and a draft appraisal. However, other items requested remain outstanding. Note the Receiver has received additional information pertaining to the Property from one tenant, although this information has yet to be reviewed.
Access to all other corporate records	Outstanding

42. The Auroras' lack of cooperation in providing the requested information adversely affects the estate administration, potentially leading to substantial additional costs to reconstruct relevant records, and the Receiver's inability to address information requests required for the proposed Sale Process.

43. The Receiver believes it is important for this Court to grant an order compelling the Auroras and AHG to cooperate with the Receiver's Information Requests, including facilitating the Receiver's access to the Debtor's information stored in AHG's computer system, along with necessary supporting documentation and information. The Receiver intends to seek the reimbursement of the additional legal and other costs incurred as a result of the lack of cooperation by the Auroras and AHG.

PROPOSED MARKETING AND SALE PROCESS

44. The Receiver is requesting that the Court approve the marketing and sale process as set out below (the "**Sale Process**") such that the Receiver can commence the process to realize on the Property in order to repay the CWB loan.

45. To conduct the Sale Process, the Receiver will engage a real estate broker with significant experience in dealing with properties of this type and in this location to market the Property and to solicit bids for the Property with the objective of completing a transaction to sell the Property to the highest bidder, subject to Court approval.

46. The Receiver has been advised that discussions regarding a potential sale of the Property

occurred among the Debtor, its shareholders and certain brokers prior to the receivership proceeding, and will leverage such information to the extent possible.

47. The proposed Sale Process will require a 60-day timeline as follows. Prior to Court approval, the Receiver plans to solicit and receive proposals from qualified real estate brokers so that a listing agreement can be finalized as soon as possible following Court approval. In the meantime, the Receiver will take steps to prepare a data room and materials for sale process.

Prior to Court approval	The Receiver will canvass and receive proposals from qualified real estate brokers. The Receiver will prepare a data room and materials for the proposed Sale Process, including a confidentiality agreement.
Day 0	Court approval of the Sale Process
As soon as practicable following Court Approval of the Sale Process	The Receiver will engage a listing broker responsible for: compiling a list of prospective buyers, preparing a teaser letter (the "**Teaser**") and a draft confidential information memorandum ("**CIM**"). These materials will be provided to the Receiver for approval.
Commencement of Marketing As soon as practicable following Court Approval of the Sale Process	The listing broker will be responsible for: • contacting interested parties and distributing the Teaser and the confidentiality agreement; • distributing the CIM to interested prospective purchasers who provide a signed confidentiality agreement; • responding to requests for information; and • arranging site visits and due diligence conference calls. Interested parties to conduct due diligence.
Approximately 45-50 days after Court Approval of the Sale Process	Proposed bidders shall submit an executed Asset Purchase Agreement ("**APA**") with a blackline to the form provided in the data room.

Approximately 51 to 56 days after Court Approval of the Sale Process	If multiple APAs are received, the Receiver, with the assistance of the listing broker, may shortlist bids for the purpose of requesting the resubmission of improved bids from the shortlisted parties.
Approximately 60 days after Court Approval of the Sale Process	Selection of a successful bid (the "**Successful Bid**") and finalize the APA with the successful bidder.
As soon as possible after final negotiations of the Successful Bid	Court approval of the Successful Bid.

<u>Selection of a Real Estate Broker</u>

48. The Receiver is in the process of contacting four nationally reputable real estate brokerages for proposals to list the Property. The selected broker will collaborate with the Receiver in preparing marketing materials, advertising the Property, negotiating confidentiality agreements, updating and managing the data room, coordinating site visits, facilitating due diligence, reviewing offers, summarizing and reporting on the Sale Process outcome, and assisting in closing the transaction.

49. The Receiver will select the real estate broker based on the broker's proposed marketing strategy, experience in selling similar real estate properties, especially in the Property's vicinity, its compensation structure, expertise in managing court-supervised sale processes and other factors in the Receiver's sole discretion.

<u>Sale Process Requirements</u>

50. The Sale Process may be extended by the Receiver, acting reasonably, with a view to completing a transparent and equitable sales process to generate interest in and offers for the Property.

51. The Property shall be transferred free and clear of all liens and claims, subject to any permitted encumbrances, pursuant to an approval and vesting order issued by the Court approving the transaction.

52. The sale of the Property will be on an "as is, where is" basis, without representations or warranties from the Receiver or any of its respective directors, officers, partners, employees, agents, advisors or estates, except those specified in the APA.

Evaluation of APA

53. Each APA received will be reviewed and evaluated by the Receiver, considering factors such as the proposed purchase price, net value provided by such bid, deposit amount, the counterparties to such transactions, transaction speed and certainty, transaction costs, and the feasibility and timing of transaction completion, and such other matters as the Receiver may consider.

Selection of Successful Bid

54. The Receiver may identify the highest or otherwise best offer for the Property as the Successful Bid.

55. If multiple APAs are received, the Receiver may exercise its sole discretion, with the assistance of the broker, to

a) shortlist bids for the purpose of requesting the resubmission of improved bids from the shortlisted parties; and/or
b) negotiate with selected bidders with a view to improving the bids received.

Sale Process Recommendation

56. The Receiver recommends that the Court issue an Order approving the Sale Process for the following reasons:

a) the Sale Process is reasonable and appropriate at this time based on the reasons identified above;
b) the Sale Process is fair, open and transparent and is intended to canvass the market broadly on an efficient basis to obtain the highest and best price; and
c) the Sale Process and the timelines set out herein are flexible and provide sufficient time to obtain bids that maximize value for the Property.

RECOMMENDATION

57. For the reasons enumerated above, the Receiver requests an Order, inter alia:

a) approving the Receiver's activities as outlined in this First Report;

b) compelling the Auroras and AHG to cooperate with the Receiver's Information Requests, including facilitating the Receiver's access to the Debtor's information stored in AHG's computer system, along with necessary supporting documentation and information; and
c) approving the proposed Sale Process, including the Receiver's engagement of a real estate broker and the execution of the Sale Process, as described in this First Report.

All of which is respectfully submitted this 25th day of January, 2024.

ERNST & YOUNG INC.,
in its capacity as Receiver and Manager of
20 Caldari Development Inc.
and not in its personal capacity

Per:

Allen Yao
Senior Vice-President

This is Appendix “A”

to the First Report of the Receiver

Court File No. CV-23-00004340-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	THURSDAY, THE 7th
	)	
JUSTICE TZIMAS	)	DAY OF DECEMBER, 2023

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990 C. C.43, AS AMENDED

B E T W E E N:

CANADIAN WESTERN BANK

Applicant

- and -

20 CALDARI DEVELOPMENT INC.

Respondent

O R D E R

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Ernst & Young Inc., as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 20 Caldari Development Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard on December 5, 2023, and December 7, 2023,via judicial videoconference, at 7755 Hurontario Street, Brampton, Ontario.

ON READING the affidavit of Tyson Hartwell sworn October 19, 2023 and the Exhibits thereto, the consent of Ernst & Young Inc. to act as the Receiver, and on hearing the submissions of counsel for the Applicant, Canadian Western Bank, counsel for Jay Khanna, and the submissions of Akash Aurora, no one else appearing, although served, as appears from the affidavit of service dated November 21, 2023 filed,

APPOINTMENT

1. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Ernst & Young Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

2. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

(d) to engage construction managers, project managers, contractors, subcontractors, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, property managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(g) to settle, extend or compromise any indebtedness owing to the Debtor;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $150,000.00, provided that the aggregate consideration for all such transactions does not exceed $500,000.00; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

4. THIS COURT ORDERS that all Persons including, without limitation, Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., and each of them shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. THIS COURT ORDERS that all Persons, including, without limitation, Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., and each of them shall be required to cooperate and share information with the Receiver in connection with all books and records, contracts, agreements, permits, licences and insurance policies and other documents in respect of the Debtor and/or the Property. In addition to the foregoing general cooperation and information sharing requirements, Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., shall be required to do the following things: (a) in respect of any and all such contracts, agreements, permits, licences and insurance policies and other documents

(1) maintain them in good standing and provide immediate notice and copies to the Receiver of any communications received from regulators or providers in respect thereof; (2) provide immediate notice to the Receiver of any material change and/or pending material change to the status quo in respect thereof; and (3) provide thirty days' notice of any renewal days, termination date, election date or similar date in respect thereof; and (b) assist, and cooperate with, the Receiver in obtaining any further permits and licences that may be required.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons, including without limitation Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all

material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless

otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $300,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

24. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL www.ey.com/ca/Caldari.

25. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business

day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

26. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

28. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

29. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

31. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party

likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

32. THIS COURT ORDERS that notwithstanding the engagement of Dickinson Wright LLP as counsel for Canadian Western Bank, the Receiver may engage Dickinson Wright LLP as its legal counsel in respect of matters where there is no conflict of interest. The Receiver shall, however, engage independent legal counsel in respect of any matter where a conflict of interest arises.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $_____________________

1. THIS IS TO CERTIFY that Ernst & Young Inc., the receiver (the "Receiver") of the assets, undertakings and properties of 20 Caldari Development Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 5th day of December, 2023 (the "Order") made in an action having Court file number CV-23-00004340-0000, has received as such please insert court file # Receiver from the holder of this certificate (the "Lender") the principal sum of $___________, being part of the total principal sum of $___________ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the _______ day of each month after the date hereof at a notional rate per annum equal to the rate of ______ per cent above the prime commercial lending rate of Bank of _________ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of ______________, 20__.

Ernst & Young Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: ________________________________

Name: Allen Yao

Title: Senior Vice President

CANADIAN WESTERN BANK
Applicant

-and-

20 CALDARI DEVELOPMENT INC.
Respondent

Court File No. CV-23-00004340-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
BRAMPTON

O R D E R

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, Box 447
Commerce Court Postal Station
Toronto, ON M5L 1G4

LISA S. CORNE (27974M)
Email: lcorne@dickinsonwright.com
Tel: 416-646-4608
Fax: 844-670-7009

Lawyers for the Applicant

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This is Appendix “B”

to the First Report of the Receiver

CWB Financial Group

August 26, 2021

20 Caldari Development Inc.
20 Caldari Road
Vaughan, ON L4K 4N8

Attention: Mr. Nakul Aurora and Mr. Jay Khanna

Dear Sirs:

On the basis of the financial statements and other information provided by 20 Caldari Development Inc. (the "Borrower"), and by Nakul Aurora, Akash Aurora, Jay Khanna, Aurora Hotel Group Inc., JIS Contract Furniture Inc. and 2107307 Ontario Inc. (the "Guarantor(s)") in connection with your request for financing, Canadian Western Bank (the "Bank") has authorized the following loan(s) subject to the terms and conditions outlined in this Commitment Letter (the "Agreement").

1. LOAN AMOUNT:

1.1. Loan Segment (1): Demand Loan $8,640,000.

1.2. Loan Segment (2): Letter of Credit/Guarantee (L/C) $2,000.

Collectively referred to as "the Loans".

2. PURPOSE OF LOAN:

Amounts advanced by the Bank are to be used by the Borrower as follows:

2.1. Loan Segment (1): To provide term financing over property legally described as PCL 1-1 SEC 65M2681; LT 1 PL 65M2681; S/T LT552714, LT586315; S/T LT546620, LT546628 VAUGHAN, PIN 032760125 and civically known as 20 Caldari Road, Vaughan, ON ("the Project").

2.2. Loan Segment (2): Provided in favour of Alectra Hydro (the "Beneficiary").

3. INTEREST RATE:

Loans shall bear interest while outstanding before and after maturity and default at the following rates:

3.1. Loan Segment (1): The interest rate payable shall be a fixed annual rate, calculated and compounded monthly, not in advance which, subject to availability of funds, the Bank shall exercise its best efforts to obtain funds on a fixed rate basis acceptable to the Borrower and the Bank for the term selected. The following rates are provided for reference purposes only and are subject to fluctuations up to and including the date of drawdown.

TERM	INTEREST RATE	INITIAL CHOICE OF TERM
1 Year	2.55%	X
2 Years	2.95%	
3 Years	3.35%	

Unless otherwise specified, all interest shall be payable without demand on the dates specified by the Bank and shall be calculated daily, compounded monthly. Overdue interest shall bear interest at the same rate.

NA

4. **ADVANCES:**

4.1. Loan segment (1): Shall be advanced on a lump sum basis following satisfaction of the Conditions Precedent as set forth in Schedule "C" herein attached.

4.2. Loan segment (2): Shall be advanced on a lump sum basis following satisfaction of the Conditions Precedent as set forth in Schedule "C" herein attached.

5. **TERM AND LOAN MATURITY DATE:**

5.1. Loan Segment (1): The Loan is repayable in full, together with all interest, costs and charges, the earlier of 1 – 3 years (the "Loan Maturity Date") or the date payment is demanded as a result of default by the Borrower.

5.2. Loan Segment (2): The Loan is repayable in full, together with all interest, costs and charges, the earlier of 12 months from the date of issuance (the "Loan Maturity Date") or the date payment is demanded as a result of default by the Borrower.

6. **REPAYMENT:**

All amounts outstanding under all segments shall be repaid on demand. Unless demanded, the Bank will accept payment as follows:

6.1. Loan Segment (1): An interest adjustment shall be payable for the period from the date of advance to the first day of the month following the date of advance and shall be deducted from the amount of the advance. Thereafter, so long as the loan is not in default, the Borrower shall make monthly blended payments of principal and interest each in an amount sufficient to amortize the loan, at the interest rate, over a 25 year period, payable the first day of each month.

6.2. Loan Segment (2): If called upon by the Beneficiary.

7. **PREPAYMENT:**

7.1. Loan Segment (1): The Borrower may prepay the whole, but not part, of the sum unpaid principal balance under the loan(s) at any time, by payment of a prepayment charge equal to the greater of the following:

(a) three (3) months interest calculated on the unpaid principal balance at the rate provided herein; or

(b) a prepayment charge equal to the Bank's Unwinding Costs.

8. **AVAILABILITY:**

8.1. Loan Segment (1): Subject to satisfaction or waiver by the Bank of all conditions, the Loan(s) will be advanced in one lump sum.

8.2. Loan Segment (2): Subject to satisfaction or waiver by the Bank of all conditions, the Loan(s) will be advanced in one lump sum.

9. **SECURITY AND SUPPORTING DOCUMENTS:**

The attached Schedule "A" forms part of this Agreement.

NH

10. **INSURANCE:**

The attached Schedule "B" forms part of this Agreement.

10.1. Assignment of all risk (including flood and collapse), fire and theft replacement cost insurance satisfactory to the Bank covering all machinery, equipment, fixtures and building which shall contain the Standard Mortgage Clause approved by the Insurance Bureau of Canada. The policy shall contain comprehensive general Public Liability coverage of not less than $5,000,000.

11. **CONDITIONS PRECEDENT TO DRAWDOWN:**

The attached Schedule "C" forms part of this Agreement.

12. **GENERAL CONDITIONS/EVENTS OF DEFAULT:**

The attached Schedule "D" forms part of this Agreement.

13. **REPORTING REQUIREMENTS:**

The attached Schedule "E" forms part of this Agreement.

14. **STANDARD LOAN TERMS & DEFINITIONS:**

The attached Schedule "F" forms part of this Agreement.

15. **FEES:**

15.1. The Bank acknowledges prior receipt of the sum of $30,000, representing the non-refundable portion of the full commitment fee ($58,000). This fee was paid in consideration to the Bank for the completion of the loan application. Upon acceptance of this Agreement by the Borrower, the entire fee shall be deemed to have been fully earned and shall not be refundable under any circumstances. The borrower may have the option to pay the balance of the commitment fee ($28,000) by way of bank draft or have the amount deducted from the loan advance.

15.2. The Borrower shall pay an annual review fee of $10,000 each year in conjunction with the annual review (based on the Borrower's fiscal yearend financial statements) to renew outstanding loans.

15.3. The Borrower shall pay a late reporting fee of $120 per month, or portion thereof, shall apply for the late provision of annual financial statements/reporting after expiry of the 120 period.

15.4. Renewal Fee – The Borrower will pay a renewal fee of 0.10%% of the principal sum outstanding to renew the loan for an extended term of 1 – 5 year(s).

15.5. The Borrower shall pay an L/C fee of 2% upon issuance as well as for each subsequent renewal, paid annually.

16. **INTEREST AND FEES:**

The Bank has underwritten the Loan to the Borrower on the basis that the interest rate and fees provided for in this letter will be paid to the Bank over the period from the date of acceptance of this letter to the Loan Maturity Date and that the Loan will be fully repaid by the Loan Maturity Date. The Borrower acknowledges to the Bank that unless the Loan Maturity Date has been extended by agreement between the Borrower and the Bank by the Loan Maturity Date, then the Bank is entitled to be compensated for:

(i) loss of ability to earn additional fee income on the Loan principal after the Loan Maturity Date:

(ii) loss of opportunity to reinvest the Loan funds at then current market rates after the Loan Maturity Date; and

(iii) the increased risk to the Bank of the Loan being outstanding after the Loan Maturity Date;

NB

17. **PARTIAL DISCHARGES:**

17.1. Shall not be permitted.

18. **COSTS:**

The cost of all appraisals and environmental reports, the legal costs of the Bank on a solicitor-client basis, costs of the Bank's insurance consultant and all other reasonable out-of-pocket expenses incurred in the approval and making of the Loan and the preparation, execution, delivery and registration of the Security and Supporting Documents (including the cost of delivering copies of any documents required by law to be given to the Borrower or any other party) or in the collection of any amount owing under the terms of the Loan shall be for the account of the Borrower and may be debited to advances to be made under the terms of the Loan. Until paid, all such costs and expenses shall bear interest at the rate described in Section 3 of this Agreement.

19. **ASSIGNMENT BY BORROWER:**

The Borrower shall not assign or encumber its rights and obligations under the Loan(s), this Agreement or the whole or any part of any advance to be made hereunder, without the prior written consent of the Bank.

20. **BANK'S COUNSEL:**

Legal work and documentation to be performed at the Borrower's expense through the Bank's counsel:

TBD

21. **MATERIAL CHANGE:**

Acceptance of this Agreement by the Borrower provides full and sufficient acknowledgement that if, in the opinion of the Bank, any material adverse change in risk occurs, including without limiting the generality of the foregoing, any material adverse change in the financial condition of the Borrower, any obligation by the Bank to advance all or any portion of the loan may be withdrawn or cancelled at the sole discretion of the Bank, acting in a commercially reasonable manner.

22. **NON-MERGER:**

The terms and conditions set out herein shall not be superseded by nor merge in and shall survive the execution, delivery and/or registration of any instruments of security or evidences of indebtedness granted by the Borrower(s) and/or any Guarantor(s) hereafter, and the advancement of any funds by the Bank. In the event of a conflict between the security documents and the terms of this letter, the terms of the security documents shall govern.

24. **ACCOUNTING CHANGES:**

In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in the Commitment Letter, then the Borrower and the Bank agree to enter into negotiations in order to amend such provisions of the Commitment Letter so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as an amendment shall have been executed and delivered by the Borrower(s) to the Bank all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

Accounting Changes refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants, and all events including changes resulting from implementation of the International Financial Reporting Standards to the extent required by the Canadian Accounting Standards Board.

NA

ACCEPTANCE:

To become effective, this Agreement must be accepted in writing by the Borrower and all Guarantor(s).

If you are in agreement with the above terms and conditions (which includes by reference, all of those terms and conditions set forth in all of the attached Schedules), please sign and return the enclosed copy of this letter. The Borrower may have the option to pay the balance of the commitment fee by way of bank draft or have it deducted from the loan advance. This Agreement will expire if not accepted by September 8, 2021.

The foregoing Agreement is offered in good faith and is to be held in strict confidence.

Yours truly,
CANADIAN WESTERN BANK

Amodi
Ani Modi
Senior Manager, Business Development

Aneil D'Lima
AVP Commercial Accounts

NH

ACKNOWLEDGEMENT:

The Borrower(s) certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

BORROWER(S): 20 CALDARI DEVELOPMENT INC.

Signed: ______________________

Signed: ______________________

Accepted: September 8, 2021
Date

We/I acknowledge receiving advice of the Agreement described above and agree our/my guarantee is binding even if the Bank changes or waives compliance with the terms of this Agreement.

CORPORATE GUARANTOR(S):

Signed: ______________________ Accepted: September 8, 2021
Aurora Hotel Group Inc. Date

Signed: ______________________ Accepted: September 8, 2021
JIS Contract Furniture Inc. Date

Signed: ______________________ Accepted: September 8, 2021
2107307 Ontario Inc. Date

PERSONAL GUARANTOR(S):

Signed: ______________________ Accepted: September 8, 2021
Jay Khanna Date

Signed: ______________________ Accepted: September 8, 2021
Nakul Aurora Date

Signed: ______________________ Accepted: September 8, 2021
Akash Aurora Date

NA

SCHEDULE "A" – TERM LOANS/MORTGAGES

SECURITY

All security documentation described herein must be prepared, executed and registered, as required by the Bank, prior to drawdown of any funds. The types of security, supporting resolutions and agreements to be provided by the Borrower to the Bank will be in form and content satisfactory to the Bank and/or its solicitors, and without restricting the generality of the foregoing, will include:

1. Loan Agreement executed by the Borrower and Guarantor(s);

2. General Security Agreement registered in first position providing a perfected security interest in all of the Borrower's present and after acquired personal property;

3. Demand Collateral Mortgage First Charge in the amount of $13,120,000 on real property described in Section 2 and owned by the Borrower(s). The mortgage document shall contain a "Due on Sale" clause, a Re-advancement clause, as well as a clause addressing the appointment of a Receiver Manager of the property in the event of default. Notwithstanding the registration amount noted above this is not a commitment to finance;

4. Assignment of Rents and Leases, with Estoppels;

5. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by Jay Khanna;

6. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by Nakul Aurora;

7. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by Akash Aurora;

8. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by Aurora Hotel Group Inc., supported by first position GSA;

9. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by JIS Contract Furniture Inc., supported by first position GSA;

10. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by 2107307 Ontario Inc., supported by first position GSA;

11. Assignment and Postponement of Creditor's Claim provided by Jay Khanna;

12. Assignment and Postponement of Creditor's Claim provided by Nakul Aurora;

13. Assignment and Postponement of Creditor's Claim provided by Akash Aurora;

14. Assignment and Postponement of Creditor's Claim provided by Aurora Hotel Group Inc.;

15. Assignment and Postponement of Creditor's Claim provided by JIS Contract Furniture Inc.;

16. Assignment and Postponement of Creditor's Claim provided by 2107307 Ontario Inc.;

17. Debt Service Agreement executed by all Guarantor(s);

18. Priority and Standstill Agreement with all subordinated creditors as required;

19. Letter of Credit Agreement;

20. Assignment of Bank Instrument ($2,000 GIC securing L/C);

NA

21. Creditor Life Insurance/Waiver covering the life of principals(s)/guarantors in the Borrower(s);

22. Unconditional and Unlimited Environmental Agreement and Indemnity (Form 1164) executed by the Borrower and Guarantor(s);

23. Assignment of all risk Casualty and Liability insurance as set out under "Insurance", of the Agreement;

24. Solicitor's Letter of Opinion;

25. such of the following supporting documents as may be required by the Bank's solicitors:

    (i) satisfactory Real Property Report/Surveyor's Certificate with respect to the mortgaged property previously described in Section 2;

    (ii) satisfactory Zoning or Building Memorandum, or Letter from applicable Zoning official (Compliance Certificate), from the applicable municipal authority;

    (iii) Tax Certificate showing all property taxes and charges paid or a holdback sufficient to pay taxes when due;

    (iv) standard form documents relating to authorization of the borrowing and operation of the loan account;

    (v) Statutory Declaration from the Borrower(s) or the Officer or an officer of the Borrower as to residency, title, use of premises, actions or claims and such other matters as Canadian Western Bank's counsel may advise;

26. such additional security instruments, assurances and supporting documents (including legal opinion of the Borrower's solicitor) as the Bank may deem necessary or advisable for the purpose of obtaining and perfecting the foregoing security.

The Borrower(s) and Guarantor(s) acknowledge and agree(s) to give the Bank other reasonable documents, assurances, information and covenants as the solicitors for the Bank may reasonably require with regard to the loan or the security documents to be given hereunder.

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SCHEDULE "B" – TERM LOANS/MORTGAGES

INSURANCE

1. All policies must show every Borrower as a named insured.

2. All policies covering physical loss or damage (that is, property, builders risk and boiler and machinery insurance) must be on a full replacement cost basis and:

   (a) provide coverage for all risks of physical loss or damage, including earthquake, flood, sewer back-up and collapse;

   (b) include insurance on the foundation and all parts below ground level;

   (c) provide in case of destruction:

      (i) that reconstruction will not be limited to "on the same or an adjacent site";

      (ii) coverage for increased costs of reconstruction through by-law and code changes and demolition and debris removal for damaged and undamaged property and resultant loss of income;

   (d) either contain a stated amount co-insurance clause or not be subject to co-insurance.

3. The Bank is to be shown both as mortgagee and loss payee under all policies covering physical loss or damage. Loss is to be payable using this wording:

   "CANADIAN WESTERN BANK, Plaza 1, Suite 101, 2000 Argentia Road, Mississauga, ON L5N 1P7 as first mortgagee and loss payee."

NA

SCHEDULE "C" – TERM LOANS/MORTGAGES

CONDITIONS PRECEDENT TO DRAWDOWN

The following conditions must be fulfilled prior to the Bank having any obligations to make any drawdown:

1. the Bank shall be satisfied with the business assets and financial condition of the Borrower and Guarantor(s) and all security documentation and supporting agreements and documents must be completed in a form satisfactory to the Bank and its solicitors, and must be executed and registered as appropriate, and the Bank shall have received a solicitor's letter of opinion with respect to same;

2. the Bank shall be provided with an appraisal of the subject lands confirming a market value of not less than $13,120,000 (using the Income Approach and Direct Comparison methods of valuation). Such appraisal shall be prepared by an appraiser approved by the Bank and shall be used for lending purposes. The appraisal is to be addressed to the Bank and shall be at the cost of the Borrower;

3. appraiser to issue a reliance for the most recent appraisal if it is not addressed to the Bank;

4. the Borrower(s) shall cause to be conducted environmental assessments, audit and other inspections with respect to the mortgaged property and the business of the Borrower(s) and the obligation of the Bank to advance funds hereunder shall be subject to the Bank receiving reports prepared by a Bank approved Environmental Consultant, satisfactory to the Bank in its sole discretion and subject to the Bank being satisfied in its sole discretion that there are no environmental matters that are adverse to the value of the mortgage property or the business of the Borrower(s);

5. environmental consultant is to issue a reliance letter if the environmental assessment is not addressed to the Bank;

6. finalized April 20, 2021 Pinchin Groundwater Sampling and Verification Soil Sampling Program report. If the report is not addressed to the bank, a reliance letter is to be obtained;

7. satisfactory review of a building condition assessment completed by an engineer which addresses the structural condition of the building, current condition of the roof, estimated remaining economic life of the property (minimum of 35 years) and a maintenance program outlining work to be completed over the next 10 years, as well as the level of deferred maintenance, if any;

8. the engineer is to issue a reliance letter for the building condition report if it is not addressed to the Bank;

9. satisfactory review by the Bank of the Borrower's financial statements and credit reports;

10. re-instated accountant prepared December 31, 2020 yearend financial statements for 20 Caldari Development Inc. (accurately reflecting property value and shareholder loans);

11. satisfactory review of financial projections for a minimum of 3 years provided by the Borrower;

12. satisfactory review by the Bank of the financial statements for the corporate guarantors;

13. the Borrower shall provide a property tax receipt confirming payment of all taxes including the current year;

14. satisfactory review by the Bank's solicitor of all leases and addendums/amendments to leases. The Bank's solicitor is also to provide Estoppel Certificates;

15. final executed copy of Stone Quartz Inc. lease/amending agreement;

16. satisfactory review of the rent roll for the property;

17. current account receivables, payables, and inventory listing for Aurora Hotel Group Inc., including a separate list for holdbacks;

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18. organizational chart to be provided by the Borrower/Guarantor(s);

19. receipt and satisfactory review by the Bank and the Bank's solicitor of the shareholder and partnership agreements, including any joint venture/beneficial owner agreement;

20. satisfaction of all conditions precedent under the Aurora Hotel Group Inc. Agreement;

21. the Bank shall be satisfied as to the zoning of the Project and the availability of all municipal and regulatory permits and approvals required for the operation of the Project;

22. any participation by way of equity, shareholders' loan, or other cash injection required under the terms of this agreement must be in place;

23. any other information that the Bank may reasonably require;

24. the Bank will require two (2) full business days prior written notice of disbursement.

NA

SCHEDULE "D" - TERM LOANS/MORTGAGES

GENERAL CONDITIONS

The Borrower agrees:

1. no Event of Default has occurred and is continuing;

2. the Loan Maturity Date has not occurred;

3. the conditions of this Agreement and of all previous advances have been satisfied or waived;

4. the loan shall be advanced by October 31, 2021 unless otherwise extended by the Bank;

5. to maintain (on a combined basis with Aurora Hotel Group Inc.) a "Cash Flow Coverage Ratio" of not less than 1.30x at all times;

6. to maintain (on a combined basis with Aurora Hotel Group Inc.) a "Current Ratio" of not less than 1.20x;

7. to maintain (on a combined basis with Aurora Hotel Group Inc.) a "Debt to Tangible Net Worth" no greater than 4.00x. Aurora Hotel Group Inc. will be subject to a stand alone "Debt to Tangible Net Worth" covenant of no greater than 2.50x;

8. if at any fiscal yearend the Borrower fails to meet the Cash Flow Coverage Ratio covenant the Borrower and Guarantor(s) agree, upon the Bank's request, to make a lump-sum prepayment on the Loan within 60 days sufficient that pro-forma Cash Flow Coverage Ratio is met;

9. not to pay shareholders, officers or directors of the Borrower, whether by way of salary, dividend, bonus, management or director fees, loan, repayment of loan or other form payment withdrawal that would cause breach in the "Cash Flow Coverage Ratio" before and after, in any fiscal year;

10. not to invest in, lend to, guarantee or otherwise provide for, on a direct or indirect or contingent basis, the payment of any monies or performance of any obligations by third party except as provided herein;

11. not to incur commitments for Capital Expenditures or lease obligations in any one fiscal year of the Borrower, which would cause a breach in any of the aforementioned covenants before and after, which commitments shall not be cumulative from year to year unless previously approved in writing by the Bank;

12. not to incur any additional long term debt or issue guarantees other than in the normal course of business;

13. no other loans may be secured against the Project, except the Subordinate Mortgages satisfactory to the Bank and, at the Borrower's option, a mortgage to secure Borrower's Equity contributed by the Guarantor or other affiliate of the Borrower, provided such mortgage is fully subordinated to the Security and supporting documents in accordance with a Priority and Standstill Agreement;

14. the Bank's opinions, approvals and decisions are in its sole discretion and are not subject to judicial review as to their reasonableness;

15. the Borrower shall remain the sole registered and beneficial owner of the Project until the Loan has been repaid in full, unless otherwise approved by the Bank;

16. to give the Bank 30 days prior notice in writing of any intended change in the ownership of its shares or any its subsidiaries;

17. not to change its name or merge, amalgamate or consolidate with any other corporation;

18. not to grant, create, assume or suffer to exist any mortgage charge, lien, pledge, security interest, including a Purchase Money Security Interest (PMSI), or other encumbrance affecting any of its properties, assets or other rights other than a Normal Course Lien;

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19. not to sell, transfer, convey, lease or otherwise dispose of any part of its property or assets, without the prior written consent of the Bank, except in the ordinary course of business;

20. to file on a timely basis, all material tax returns which are or will be required to be filed, to pay or make provision for payment of all material taxes (including interest and penalties) and other potential Priority Claims which are or will become due and payable and to provide adequate reserves for the payment of any tax, the payment of which is being contested;

21. to comply with all applicable environmental laws and regulations; to advise the Bank promptly of any breach of any environmental regulations or licenses or any control orders, work orders, stop orders, action requests or violation notices received concerning any of the Borrower's property; to comply with any such requests or notices, to diligently clean up any spills; and to hold the Bank harmless for any costs or expenses which the Bank incurs for any environmental related liabilities existent now or in the future with respect to the Borrower's property;

22. The Borrower and Aurora Hotel Group agree to maintain their operating accounts with the bank through which all banking activity of the Borrower and Corporate Guarantor will be transacted from the secured properties;

23. Confirmation / undertaking from all parties involved that the lease with Corporate Guarantor (Aurora Hotel Group) shall be in effect at least until the expiry of the credit facilities extended to the Borrower;

24. to provide the Bank and its agents, nominees, and consultants with the right to enter the premises of the Borrower from time to time, and to carry out such environmental reviews as the Bank in its sole discretion deems advisable and in that connection to make good faith enquiries with government agencies and to examine the records, books, assets, affairs and business operations of the Borrower.

25. to maintain adequate insurance on the property and acknowledges that failure to do so will hereby authorize the Bank to purchase insurance to protect the Bank's interest in the project to the value of the outstanding loan/mortgage. The Borrower authorizes the Bank to add the cost of said insurance to the loan/mortgage balance.

EVENTS OF DEFAULT:

1. The full amount of the indebtedness and liability of the Borrower then outstanding, together with accrued interest and any other charges then owing by the Borrower to the Bank shall, at the option of the Bank, forthwith be accelerated and be due and payable, and upon being declared to be due and payable, the securities shall immediately become enforceable and the Bank may proceed to realize and enforce the same upon the occurrence and during the continuance of any of the following events or circumstances (which events or circumstances are herein referred to as the "Events of Default"):

   (a) the Borrower or any Guarantor fails to make due, whether on demand or at a fixed payment date, by acceleration or otherwise any payment of interest, principal, fees, commissions or other amounts payable to the Bank;

   (b) there is a breach by the Borrower of any other term or condition contained in this Agreement or in any other agreement to which the Borrower and the Bank are parties and the Borrower has not corrected such breach within 15 days of notice having been provided to the Borrower;

   (c) any default occurs under the terms of any security to be provided in accordance with this Agreement or under any other credit, loan or security agreement to which the Borrower are party and the Borrower have not corrected such breach within 15 days of notice having been provided to the Borrower;

   (d) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other analogous proceedings are instituted by or against the Borrower and, if instituted against the Borrower are allowed against or consented to by the Borrower or are not dismissed or stayed within 60 days after such institution;

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(e) a receiver is appointed over any property of the Borrower or any judgement or order or any process of any court becomes enforceable against the Borrower or any property or any creditor takes possession of any property of the Borrower;

(f) any adverse change occurs in the financial condition of the Borrower or any Guarantor;

(g) any adverse change occurs in the environmental condition of:

(i) the Borrower(s), or either of them, or any Guarantor of the Borrower, or

(iii) any property, equipment, or business activities of the Borrower or any Guarantor of the Borrower.

MISCELLANEOUS CONDITIONS:

1. The rights and remedies of the Bank pursuant to this Agreement and the securities taken pursuant hereto are cumulative and not alternative, and not in substitution for any other rights, remedies, or power of the Bank.

2. Any failure or delay by the Bank to exercise, or exercise fully, its rights and remedies pursuant to this Agreement and the securities taken pursuant hereto shall not be construed as a waiver of such rights and remedies.

3. In the absence of a formal Loan Agreement being entered into, this Agreement shall continue in full force and effect and shall not merge in any securities provided by the Borrower to the Bank.

4. the Bank reserves the sole and absolute right to syndicate part or all of the loan facility contemplated herein, with various syndication partners with whom the Bank syndicates loans from time to time, on terms and conditions satisfactory to the Bank;

5. This Agreement and the security documentation to be provided by the Borrower pursuant hereto shall be construed in accordance with and governed by the laws of the Province of Ontario.

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SCHEDULE "E" – TERM LOANS/MORTGAGES

REPORTING REQUIREMENTS

The Borrower agrees to provide the undernoted information to the Bank:

1. an Officers Compliance Certificate form 1636 annually (within 120 days of year end), certifying that all lending conditions and requirements are being complied with;

2. Review Engagement, annual financial statements of the Borrower and Corporate Guarantor(s) prepared by a firm of qualified professional accountants within 120 days of the borrower's fiscal year-end, together with annual business plan including proforma balance sheets with profit and loss and cash flow statements as well as capital expenditure forecasts for the current fiscal year, showing purpose and source of financing;

3. Quarterly, internal financial statements of the Borrower and Aurora Hotel Group (Corporate Guarantor), inclusive of at least an income statement and balance sheet within 45 days of quarter end;

4. Annually, summary of maintenance expenditures incurred at the property;

5. project rent roll on an annual basis;

6. provisions of any new lease agreements;

7. annual updated personal net worth statements of the Personal Guarantors on the Canadian Western Bank forms duly completed and signed;

8. confirmation of Payable Status form 1054 on an annual basis;

9. any further information, data, financial reports and records, accounting or banking statements, certificates, evidence of insurance and other assurances which the Bank may from time to time require in its sole discretion, acting reasonably.

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CANADIAN WESTERN
BANK & TRUST

SCHEDULE "F" – TERM LOANS/MORTGAGES

SCHEDULE – STANDARD LOAN TERMS

ARTICLE 1 – GENERAL

1.1. **Interest Rate.** You will pay interest on each Loan at nominal rates per year at the rate specified in this Agreement.

1.2. **Floating rate of Interest.** Each floating rate of interest provided for under this Agreement will change automatically, without notice, whenever the Bank's Prime Rate or the U.S. Base Rate, as the case may be, changes.

1.3. **Payment of Interest.** Interest is calculated on the daily balance of the Loan at the end of each day. Interest is due once a month, unless the Agreement states otherwise. Unless you have made other arrangements with us, we will automatically debit your Operating Account for interest amounts owing. If your Operating Account is in overdraft and you do not deposit to the account an amount equal to the monthly interest payment, the effect is that we will be charging interest on overdue interest (which is known as compounding). Unpaid interest continues to compound whether or not we have demanded payment from you or started a legal action, or got judgment, against you.

1.4. **Fees.** You will pay the Bank's fees for the Loans as outlined in the Agreement. You will also reimburse us for all reasonable fees (including legal fees on a solicitor and his own client basis) and out-of-pocket expenses incurred in registering any security, and in enforcing our rights under this Agreement or any security. We will automatically debit your Operating Account for fee amounts owing.

1.5. **Our rights re demand Loans.** We believe that the banker-customer relationship is based on mutual trust and respect. It is important for us to know all the relevant information (whether good or bad) about your business. Canadian Western Bank is itself a business. Managing risks and monitoring our customers' ability to repay is critical to us. We can only continue to lend when we feel that we are likely to be repaid. As a result, if you do something that jeopardizes that relationship, or if we no longer feel that you are likely to repay all amounts borrowed, we may have to act. We may decide to act, for example, because of something you have done, information we receive about your business, or changes in the economy that affect your business. Some of the actions that we may decide to take include requiring you to give us more financial information, negotiating a change in the interest rate or fees, or asking you to get further accounting assistance, put more cash into the business, provide more security, or produce a satisfactory business plan. It is important to us that your business succeeds. We may demand immediate repayment of any outstanding amounts under any demand Loan. We may also, at any time and for any cause, cancel the unused portion of any demand Loan.

1.6. **Payments.** If any payment is due on a day other than a Business Day, then the payment is due on the next Business Day.

1.7. **Applying money received.** If you have not made payments as required by this Agreement, or if you have failed to satisfy any term of this Agreement (or any other agreement you have that relates to this Agreement), or at any time before default but after we have given you appropriate notice, we may decide how to apply any money that we receive. This means that we may choose which Loan to apply the money against, or what mix of principal, interest, fees and overdue amounts within any Loan will be paid.

1.8. **Information requirements.** We may from time to time reasonably require you to provide further information about your business. We may require information from you to be in a form acceptable to us.

1.9. **Insurance.** You will keep all our business assets and property insured (to the full insurable value) against loss or damage by fire and all other risks usual for property such as yours (plus for any other risks we may reasonably require). If we request, those policies will include a loss payee clause (and if you are giving us mortgage security, a Standard Mortgagee Clause). As further security, you assign all insurance proceeds to us. If we ask, you will give us either the policies themselves or adequate evidence of their existence. If your insurance coverage for any reason stops, we may (but do not have to) insure the property. We will automatically debit your Operating Account for this amount. In the event there are no funds on deposit, we may add the insurance cost to your Loan. Finally, you will notify us immediately of any loss or damage to the property.

1.10. **Environmental Matters.** You will carry on your business, and maintain your assets and property, in accordance with all applicable environmental laws and regulations. If (a) there is any release, deposit, discharge or disposal of pollutants of any sort (collectively, a "Discharge") in connection with either your business or your property, and we pay any fines or for any clean-up, or (b) we suffer any loss or damage as a result of any Discharge, you will reimburse the Bank, its directors, officers, employees and agents for any and all losses, damages, fines, costs and other amounts (including amounts spent preparing any necessary environmental assessment or other reports, or defending any lawsuits) that result. If we ask, you will defend any lawsuits, investigations or prosecutions brought against the Bank or any of its directors, officers, employees and agents in connection with any Discharge. Your obligation to us under this section continues even after all Loans have been repaid and this Agreement has terminated.

1.11. **Consent to release information.** We may from time to time give any loan or other information about you to, or receive such information from, (a) any financial institution, credit reporting agency, rating agency or credit bureau, (b) any person, firm or corporation with whom you may have or propose to have financial dealings, and (c) any person, firm or corporation in connection with any dealings you have or propose to have with us. You agree that we may use that information to establish and maintain your relationship with us and offer any services as permitted by law, including services and products offered by our subsidiaries when it is considered that this may be suitable to you.

1.12. **Proof of debt.** This Agreement provides the proof, between the Bank and you, of the loans made available to you. There may be times when the type of loan you have requires you to sign additional documents. Throughout the time that we provide you loans under this Agreement, our loan accounting records will provide complete proof of all terms and conditions of your loan (such as principal loan balances, interest calculations, and payment dates).

1.13. **Renewals of this Agreement.** This Agreement will remain in effect for your Loans for as long as they remain unchanged. If there are no changes to the Loans this Agreement will continue to apply, and you will not need to sign anything further. If there are any changes, we will provide you with either an amending agreement, or a new replacement Letter, for you to sign.

1.14. **Confidentiality.** The terms of this Agreement are confidential between you and the Bank. You therefore agree not to disclose the contents of this Agreement to anyone except your professional advisors and where required by law.

NA

1.15. Pre-conditions. You may use the Loans granted to you under this Agreement only if:

(a) we have received properly signed copies of all documentation that we may require in connection with the operation of your accounts and your ability to borrower and give security;

(b) all the required security has been received and registered to our satisfaction;

(c) any special provisions or conditions set forth in the Agreement have been complied with; and

(d) if applicable, you have given us the required number of days notice for a drawing under a Loan.

1.16. Notices. We may give you any notice in person or by telephone, or by letter that is sent either by fax or by mail.

1.17. Non-Revolving Loans. The following terms apply to each Non-Revolving Loan:

(a) Non-revolving Loans. Unless otherwise stated in the Agreement, any principal payment made permanently reduces the available Loan Amount. Any payment we receive is applied first to overdue interest, then to current interest owing, then to overdue principal, then to any fees and charges owing, and finally to current principal.

(b) Floating Rate Non-Revolving Loans. Floating Rate Loans may have either (i) blended payments or (ii) payments of fixed principal amounts, plus interest as described below:

(i) Blended payments. If you have a Floating Rate Loan that has blended payments, the amount of your monthly payment is fixed for the term of the loan, but the interest rate varies with changes in the Prime Rate or U.S. Base Rate (as the case may be). If the Prime Rate or U.S. Base Rate during any month is lower than what the rate was at the outset, you may end up paying off the loan before the scheduled end date. If, however, the Prime Rate or U.S. Base Rate is higher than what it was at the outset, the amount of principal that is paid off is reduced. As a result, you may end up still owing principal at the end of the term because of these changes in the Prime Rate or U.S. Base Rate. We will advise you from time to time of any changes in the blended payment necessary to maintain the original amortization period, should we chose to do so.

(ii) Payments of fixed principal plus interest. If you have a Floating Rate Loan that has regular principal payments, plus interest, the principal payment amount of your Loan is due on the payment date specified in the Agreement. Although the principal payment amount is fixed, your interest payment will usually be different each month, for at least one and possibly more reasons, namely: the reducing principal balance of your loan, the number of days in the month, and changes to the Prime Rate or U.S. Base Rate (as the case may be).

(c) Demand of Fixed Rate Term. If you have a Fixed Rate Term Loan and we make demand for payment, you will owe us (i) all outstanding principal, (ii) interest, (iii) any other Amount due under this Agreement, and (iv) a prepayment charge. The prepayment charge is equal to the greater of three (3) months interest calculated on the unpaid balance at the rate authorized or the Bank's Unwinding Costs.

NA

ARTICLE 2 – DEFINITIONS

2.1. Definitions. In this Agreement, the following terms have the following meanings:

"Agreement" means the letter agreement between you and Canadian Western Bank to which this Schedule and any other Schedules are attached.

"Business Day" means any day (other than a Saturday or a Sunday) that the CWB Branch/Centre is open for business.

"Cash Collateral Account" means funds on deposit held by the Bank in an interest bearing account pending satisfaction of certain terms and/or conditions.

"Cash Flow Coverage Ratio" means for any fiscal year the ratio of X to Y where:

X =
Net profit after tax
+ amortization/depreciation
+ all interest expenses
+ all taxes
= EBITDA

Y =
All interest paid or accrued during the trailing fiscal year + the Borrower's actual principal payment obligations for the trailing fiscal year under the CWB credit facility and any other document or agreement including without limitation:

- in respect of any indebtedness for borrowed money as classified in the balance sheet of the Borrower and in accordance with generally accepted accounting principals; and
- in respect of any capital lease in accordance with generally accepted accounting principles entered into by the Borrower.

"Customer Automated Funds Transfer (CAFT)" is a WEB based service that provides non-personal customers the ability to make multiple electronic transactions for purposes of direct deposit for payroll or direct payment of accounts payable.

"CWB Branch/Centre" means the Canadian Western Bank branch or banking centre noted on the first page of this Agreement, as changed from time to time by agreement between the parties.

"Demand Non-Revolving Loan" means an installment loan that is payable upon demand. Such a Loan may be either at a fixed or a floating rate of interest.

"Fixed Rate Loan" means any loan drawn down, converted or extended under a Loan at an interest rate which was fixed for a term, instead of referenced to a floating rate such as the Prime Rate or U.S. Base Rate, at the time of such drawdown, conversion or extension.

"Intangibles" means assets of the business that have no value in themselves but represent value. They include such things as copyright, goodwill, patents and trademarks; franchises, licenses, leases, research and development costs, and deferred development costs.

"Lease-Up Reserve" means the amount of the Loan that is funded into a Cash Collateral Account pending lease-up of the Project in accordance with the Loan authorization.

"Letter of Credit" or *"L/C"* means a documentary or stand-by Letter of Credit, a Letter of Guarantee, or a similar instrument in form and substance satisfactory to us.

"Lien" includes a mortgage, charge, lien, security interest or encumbrance of any sort on an asset, and includes conditional sales contracts, title retention agreements, capital trusts and capital leases.

"Loan" means any loan segment referred to in the Agreement and if there are two or more segments, "Loan" includes reference to each segment.

"Loan Amount" of any Loan means the amount specified in the Agreement and if there are two or more segments, "Loan Amount" includes reference to each segment.

"Loan Maturity Date" means the date the loan is to be repaid or extended by for further term, at the option of the Bank.

"Mandatory Capital Expenditures" means net capital expenditures incurred by you not financed by long term debt. Net capital expenditures means all capitalized fixed asset purchases less fixed asset sales.

"Normal Course Lien" means a Lien that (a) arises by operation of law or in the ordinary course of business as a result of owning any such asset (but does not include a Lien given to another creditor or to secure debts owed to that Loan) and (b) taken together with all other Normal Course Liens, does not materially affect the value of the asset or its use in the business.

"Operating Account" means the account that you normally use for the day-to-day cash needs of your business, and may be either or both of a Canadian dollar and a U.S. dollar account.

"Postponed Debt" means any debt owed by you that has been formally postponed to the Bank.

"Prime Rate" means the variable reference rate of interest per year declared by the Bank from time to time to be its Prime rate for Canadian dollar loans made by the Bank in Canada.

"Principal Sum" means the loan balance outstanding.

"Priority Claims" means priorities that are created when a borrower does not remit monies due for Income Tax, Workers Compensation, Canada Pension Plan, Employment Insurance, GST, Provincial Sales Tax, wage claims including unpaid holiday entitlement, unpaid utility bills and arrears of rent for business premises. These are considered to be deemed trust and rank in priority to all security interests.

"Purchase Money Lien" means a Lien incurred in the ordinary course of business only to secure the purchase price of an asset, or to secure debt used only to finance the purchase of the asset.

"Shareholders' Equity" means paid-in capital, retained earnings and attributed or contributed surplus.

"Standard Overdraft Rate" means the variable reference interest rate per year declared by the Bank from time to time to be its standard overdraft rate on overdrafts in Canadian or U.S. dollar accounts maintained with the Bank in Canada.

"Tangible Net Worth" means the total Shareholders' Equity, minus (a) amounts due from/investments in related parties, and the value of all intangibles, plus (b) all postponed debt.

"Unwinding Costs" means the costs the Bank incurs when a fixed rate loan is paid out early. The unwinding costs are based on an interest rate differential between the loan rate and the bid side yield for Government of Canada securities with the same maturity as the loan, for the remaining term of the loan at the time of repayment.

"U.S. Base Rate" means the variable reference rate of interest per year as declared by the Bank from time to time to be its base rate for U.S. dollar loans made by the Bank in Canada.

NA

This is Appendix “C”

to the First Report of the Receiver

20 Caldari Development Inc., by its court-appointed receiver and manager, Ernst & Young Inc.

(hereinafter referred to as the "Owner")

and

Epic Investment Services Inc. in its capacity as general partner of Epic Investment Services Limited Partnership

(hereinafter referred to as the "Manager")

PROPERTY MANAGEMENT AGREEMENT

Effective as of January 15, 2024

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PROPERTY MANAGEMENT AGREEMENT

This Agreement is made as of the 15th day of January, 2024.

B E T W E E N:

20 Caldari Development Inc., by its court-appointed receiver and manager, Ernst & Young Inc.

and

Epic Investment Services Inc. in its capacity as general partner of Epic Investment Services Limited Partnership

RECITALS:

(A) 20 Caldari Development Inc. is the owner of the Property;

(B) Ernst & Young Inc. has been appointed receiver and manager of the property, assets, and undertakings of the Owner and is executing this agreement solely in that capacity and not in its personal or corporate capacity and without liability or obligation in respect of such personal or corporate capacities;

(C) The Owner desires to engage the Manager as an independent contractor to operate, maintain and manage the Property, and the Manager desires to accept such engagement, all subject to the terms and conditions of this Agreement; and

(D) The Parties hereto acknowledge the truth and accuracy of these Recitals and agree that they are incorporated into and form part this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained and the sum of $10.00 paid by each party to each other party and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS, APPOINTMENT

Section 1.1 Definitions

The following terms have the meanings hereinafter set forth:

(a) "**Agreement**" means this agreement, every schedule to this agreement and every properly executed instrument which by its terms amends or supplements this agreement;

(b) "**Authority**" means any Person, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial, regional, municipal or other governmental department having jurisdiction over the whole or any part of the Property, this Agreement, the Owner or the Manager, and includes a board or association of insurance underwriters;

(c) “**Business Day**” means Monday to Friday, both inclusive, except any such day which is a statutory holiday under the laws of Canada or the Province of Alberta;

(d) “**Control**” means the possession, directly or indirectly, of the power to direct and manage or cause the direction and management of the policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “**Controls**”, “**Controlling**”, and “**Controlled**” have corresponding meanings;

(e) “**Effective Date**” means January 15, 2024;

(f) “**Event of Default**” means, in respect of the Manager:

(i) the failure of the Manager to satisfy its Standard of Care as set-out in Section 2.2 hereof;

(ii) the commission by the Manager or any of its senior employees or executives of any fraudulent act, any embezzlement, or deliberate misrepresentation;

(iii) the Manager or any of the Manager’s Employees or principals being charged with and/or convicted of a criminal act or breach of a securities act;

(iv) the Manager committing a material breach of this Agreement that has not been remedied within thirty (30) days from the breach; or

(v) an Event of Insolvency of the Manager.

(g) “**Event of Insolvency**” means, with respect to any Person (which in the case of a Person that is a limited partnership shall be deemed to mean and include the limited partnership or the general partner of such limited partnership), the occurrence of any one of the following events:

(i) if the Person:

(A) is wound up, dissolved or liquidated, or becomes subject to the provisions of the *Winding up and Restructuring Act* (Canada), or have its existence terminated or has any resolution passed therefor;

(B) makes a general assignment for the benefit of its creditors or a proposal under the *Bankruptcy and Insolvency Act* (Canada), or any similar legislation, or has any resolution passed authorizing any such action; or

(C) proposes or supports a compromise or arrangement under the *Companies' Creditors Arrangement Act* (Canada), or files any request, application, petition or answer seeking any reorganization, arrangement, composition, readjustments, liquidation, dissolution or similar relief for itself under any present or future law relative to bankruptcy, insolvency, or other relief for debtors or for the benefit of creditors;

(ii) if a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against the Person seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, winding up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to bankruptcy, insolvency, or other relief for or against debtors, and the Person shall acquiesce in the entry of such order, judgment or decree or such order, judgment or decree shall remain unvacated or unstayed for an aggregate of thirty (30) days (whether or not consecutive) from the day of entry thereof; or if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers shall be appointed for the Person or of all or any substantial part of its property with the consent or acquiescence of the Person and such appointment shall remain unvacated or unstayed for an aggregate of thirty (30) days (whether or not consecutive);

(iii) if any other Person commences proceedings against or in respect of the Person pursuant to the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or any other present or future law relating to companies' bankruptcy, insolvency, or other relief for or against debtors or seeking the appointment of any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers for such Person or any material part of such Person's property and such proceedings are not or are no longer being contested in good faith by appropriate proceedings or in any event have not been stayed or terminated prior to the expiry of thirty (30) days after such proceedings have been commenced;

(iv) if the Person becomes insolvent; or

(v) if a creditor of a Person, seizes, whether by way of writ, seizure, garnishee, or otherwise, any portion of the property or the Person's other property, and such seizure, writ, garnishee, or order remains unvacated or unstayed for an aggregate of thirty (30) days, whether or not consecutive;

(h) "**GST/HST**" means the tax levied by the Government of Canada pursuant to Part IX of the *Excise Tax Act* (Canada) on taxable supplies of property and services, commonly known as the Goods and Services Tax and Harmonized Sales Tax;

(i) "**Leases**" means all present and future offers to lease, lease, agreements to lease, renewals of leases, extensions of leases, renegotiations, restructuring of lease arrangements, expansions, surrenders, assignments, binding letters of intent to lease, subleases, and all other tenancy agreements, rights of licenses granted by or on behalf of the Owner or its predecessors in title to possess, use or occupy space in any part of the Property (other than an easement or a right in the nature of an easement), together with all security, guarantees and indemnities of the Tenants', subtenants' and licensees' obligations thereunder, in each case as amended, renewed or otherwise varied, including, without limitation, any parking license agreements or storage space license agreements, and "**Lease**" means any one of them;

(j) "**Leasing Costs**" means all costs related to or associated with the cost of leasing premises in the Property, including, without limitation, Tenant inducements (including free rent, Tenant allowances and other inducements), landlord's work, Lease takeovers, third party brokerage fees, moving costs, costs of Tenant relocations and loans to Tenants;

(k) "**Leasing Management Fee**" means an amount calculated in accordance with Section 4.2;

(l) "**Management Fee**" means an amount calculated in accordance with Section 4.1;

(m) "**Manager**" means **Epic Investment Services Limited Partnership** and its permitted successors and assigns;

(n) "**Manager's Employees**" means, from time to time, those individuals employed by the Manager at the Property (whether full time, part time, salaried, hourly or contract employees);

(o) "**Notice**" has the meaning attributed to that term in Section 6.1;

(p) "**Operating Costs**" means, with respect to any period, and without duplication, any expenses paid or accrued by or on behalf of the Owner during such period in connection with the operation, maintenance, repair or management of the Property and all other expenses associated with the ownership of the Property (whether or not recoverable from Tenants) including, without limiting the generality of the foregoing:

   (i) the aggregate of all taxes, rates, charges, levies and assessments payable by the Owner and imposed from time to time by any competent authority upon or in respect of the Property including any tax payable or assessed, based on the value of rentals or the increase in the value of rentals charged by the Owner and also;

   (ii) the cost of all natural gas, oil, power, electricity, water, sewer, communications, cleaning, janitorial, and all other utilities and services and the cost of the contracts and agreements entered into by or on behalf of the Owner with third parties in respect of the maintenance, operation, cleaning, security, fire protection or servicing of the Property;

(iii) the cost of the operation, repair and maintenance of the systems for heating, ventilating and air-conditioning and servicing and maintaining all of the machinery and equipment of the Property;

(iv) the cost of all business taxes (if any) incurred by the Owner and all other taxes, charges and license fees payable by the Owner;

(v) the cost of all liability, property damage, boiler and machinery, rental or business interruption and other insurance placed and maintained by or on behalf of the Owner in respect of the Property;

(vi) the cost of cleaning, landscaping, removing snow and garbage from, servicing, maintaining, operating, repairing, replacing, supervising and policing the Property and the costs of all supplies, but excluding the costs of the Manager's employees and fees to independent contractors paid by or on behalf of the Owner in respect of the Property;

(vii) all other operating expenses paid or accrued by or on behalf of the Owner or which the Manager is authorized to make under this Agreement;

(viii) the costs of off-site services provided by the Manager to support the Property and the delivery of the Services, provided that such costs shall be allocated among the Property and other properties on a reasonable basis; and

(ix) the rental and insurance cost of the service vehicles used for servicing the Property.

provided always that Operating Costs will be determined without duplication and will not include:

(A) Leasing Costs;

(B) charges for depreciation or other similar non-cash expenses; or

(C) the amount of any debt service payments made on behalf of Owner.

(q) "**Owner**" means 20 Caldari Development Inc.;

(r) "**Person**" means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, loan companies, insurance companies, land trusts, business trusts, pension funds, trust funds, superannuation fund or other organizations or entities, whether or not legal entities, and governments and agencies and political subdivisions thereof;

(s) “**Property**” means the real property and improvements thereon owned by the Owner and municipally described as 20 Caldari Road, Concord, Ontario and legally owned by the Owner, inclusive of the land and improvements situated thereon from time to time;

(t) “**Property Sale Termination Date**” has the meaning attributed to that term in Section 5.4(1).

(u) “**Real Property**” means land and all interests or rights in land (including mortgage interests as mortgagee, leasehold interests as lessee or lessor, interests as a shareholder (as trustee or otherwise) of a corporation, or interests in a partnership, trust or other legal entity or Person whatsoever holding a freehold or leasehold interest in land), and any buildings, structures, improvements and fixtures located thereon or used in connection therewith, and any easements, air rights or appurtenant rights;

(v) “**Regulations**” has the meaning attributed to that term in Section 2.5(1);

(w) “**Sales Taxes**” means the GST/HST and all other value-added taxes, multi-stage sales, sales, retail, use, consumption, transfer or other similar taxes imposed by any taxing and governmental authorities in any jurisdiction whatsoever.

(x) “**Services**” has the meaning attributed to that term in Section 2.1 hereof;

(y) “**Standard of Care**” has the meaning attributed to that term in Section 2.2 hereof; and

(z) “**Tenant**” means a tenant, subtenant, licensee or other occupant of premises in the Property.

Section 1.2 Appointment

Subject to the terms and conditions hereinafter set forth, the Owner hereby appoints the Manager and the Manager hereby accepts the appointment as exclusive property manager of the Property. By its acceptance of this appointment, the Manager represents, warrants and covenants that as of the date of this Agreement (or such other period as otherwise specified below) with respect to the Property:

(a) it is duly organized, validly existing, in good standing under the laws of the Province of its incorporation or formation, qualified to do business in the Provinces in which the Property is located and have all requisite power and authority to enter into and perform its obligations under this Agreement;

(b) it has full capacity and authority to execute and deliver this Agreement and to act as described herein. This Agreement has been duly and validly authorized, executed and delivered on behalf of the Manager and is a valid and binding agreement of the Manager enforceable in accordance with its terms, subject to applicable law. The Manager will not, by entering into this Agreement or performing its obligations hereunder, breach or cause to be breached, any undertaking, agreement, contract, by-laws or other organizational document, statute, rule or Regulation of any court or any governmental body or administrative agency or self-regulatory authority having jurisdiction over it, or any order to which it is party or by which it is bound;

(c) it has secured and will keep in effect during the term hereof all necessary licences, permits and authorizations to enable the Manager, and all agents and employees acting on its behalf, to perform all of the Manager's duties under this Agreement and will notify the Owner immediately should any such license, permit or authorization no longer be in effect or in good standing;

(d) the Manager is knowledgeable about and will continue to inform itself of, and will comply with, all applicable laws and requirements of regulatory authorities applicable to it; and

(e) the Manager and its personnel have, and will continue to have, the knowledge, skills, experience, facilities and equipment needed to effectively perform its duties hereunder.

Section 1.3 General

Headings contained herein are inserted for convenience of reference only and are not to be considered for the purposes of interpretation. All monetary references are to Canadian dollars. References to sections, subsections and parts are to those of this Agreement. The schedules referred to in this Agreement are attached to and form part of it. If any date herein falls on a day which is not a Business Day, the same will be done on the next succeeding Business Day. Words importing the singular include the plural and vice versa.

ARTICLE 2
RESPONSIBILITIES OF MANAGER

Section 2.1 Services

The Manager agrees to cause to be performed the following services at the Property on such terms as the Owner requires (collectively, the "**Services**"):

1. in consultation with the Owner, provide support in the timely collection of Rent to be deposited in the Owner's account, including the calculation of the Tax, Maintenance and Insurance (TMI) expenses that are to be billed to the tenants;

2. to perform regular inspection and monitoring of the Property and as otherwise reasonably directed by the Owner from time to time;

3. if requested by the Owner, to arrange and supervise security services for the Property;

4. to arrange and supervise landscaping services, including litter pick-up for the Property;

5. to arrange and supervise snow removal services for the Property;

6. to review and approve supplier invoices for payment by the Owner;

7. to act as the Owner representative and be the main contact for local authorities;

8. to respond to Tenant requests;

9. to assign property management personnel to the Property to provide the services set out herein;

10. as required by the Owner, to coordinate repairs and maintenance to the Property;

11. At the written direction of the Owner, and if agreed to by the Owner and Manager, and for the Leasing Management Fee, provide leasing services to re-let the premises either with temporary short-term Tenants or long-term Tenants;

12. to provide additional services as required by the Owner and as may be agreed upon by the Manager (over and above the scope listed above) and for such additional compensation as may be agreed upon; and

13. to provide monthly reporting under the following headings:

    A. EXECUTIVE SUMMARY

    B. PROPERTY OVERVIEW

    C. BUILDING OPERATIONS

    D. TENANT MATTERS

There shall be no accounting services included in the Services.

The Manager will procure competitive bids (if and to the extent competitive bids can be obtained) for contracts to be entered into in performance of the Services and provide suggested recommendations to the Owner with respect to same. All contracts in respect of the Property shall be entered into by the Owner, and the Owner shall handle review and approval of all invoices for contractors and service providers and Operating Costs at the Property, at the sole cost and expense of the Owner. Upon request by the Owner, copies of all contracts will be promptly forwarded to the Owner for execution thereof.

Section 2.2 Standard of Care

The Manager agrees to operate, manage and maintain the Property in a diligent, careful, expeditious, and vigilant manner, as would a reasonable and prudent property manager who is experienced in providing property management services for projects similar to the Property, in accordance with, applicable laws, industry standards and the provisions of this Agreement, and shall not be in any way be negligent, fraudulent, or partake in any criminal activity, intentional or gross fault, or willful misconduct and shall maintain all of its obligations set out in Section 1.2 (collectively, the "**Standard of Care**"). Without limiting the generality of the foregoing, the authorities, duties and responsibilities of the Manager in connection with the operation, management and maintenance of the Property are more particularly hereinafter set forth.

Section 2.3 Employ and Supervise Employees

The Manager will employ, train, and supervise such employees or engage or retain such individuals as are necessary for the performance of the Services. The Manager will have in its employ or will engage or retain at all times a sufficient number of capable employees or individuals to enable it to provide the Services in accordance with the provisions of this Agreement. All matters pertaining to the employment or termination of the Manager's Employees are the responsibility of the Manager, who will in all respects be the employer of the Manager's Employees. At no time will any employee of the Manager and/or independent contractors and/or their employees be considered employees of the Owner. The Manager will fully comply with all employment, labour, and tax laws and Regulations, including, but not limited to, workers' compensation, social insurance, employment insurance, hours of labour, wages, working conditions (including occupational health and safety standards), human rights, accessibility, and other employer-employee related subjects. The Manager will be responsible for the preparation of and will file on a timely basis all reports, make all withholdings in respect of taxes and other benefits required by law and will timely make payments of all such withholdings, together with the employer's contributions in respect of any benefits and workers' compensation premiums with respect to its employees. All employment arrangements are therefore solely the Manager's concern, and other than as expressly provided herein the Owner will have no liability with respect thereto. Notwithstanding anything in this Agreement, the Manager and the Owner agree that the Manager shall promptly remove any person that is providing the Services if in the Owner's opinion, acting reasonably, that person is negligent, unfit for work, misconducts themselves or is otherwise detrimental to the operation of the Property. If the Owner requires the Manager to remove any such person, the Manager shall at no cost to the Owner promptly replace them with person who have at least equal experience and are approved by the Owner prior to that replacement person commencing the Services.

Section 2.4 Insurance

(1) The Owner will place or cause to be placed property insurance and commercial general liability insurance with respect to the Property, together with such other insurance coverage determined by the Owner from time to time. The Manager and all those for whom the Manager is at law responsible will be shown as additional insured on all such policies. The Owner shall forward a copy of such insurance policy certificate to the Manager.

(2) The Manager will also obtain and maintain at its own expense the following insurance:

(a) a comprehensive crime insurance policy with a responsible company with coverage of all officers and employees of the Manager acting in any capacity with respect to the property or handling funds, money, documents or papers relating to the property; any such commercial crime policy will insure and protect the Manager, at a minimum, against losses arising from employee dishonesty, forgery, theft, robbery and computer fraud; the protection under such commercial crime insurance will be in the minimum amount of two million dollars ($2,000,000);

(b) an errors and omissions insurance policy with a responsible company with broad coverage of all officers, employees or other Persons for whom the Manager is responsible at law acting in any capacity with respect to the Property; any such errors and omissions policy will insure and protect the Owner and any Mortgagee, at a minimum, against losses, including, without limitation, those arising from errors and omissions and negligent acts of such Persons or misplacement of documents; the protection under such errors and omissions insurance will be in the minimum amount of five million dollars ($5,000,000);

(c) a commercial general liability insurance policy with a responsible company; the protection under such commercial general liability insurance will be in the minimum amount of five million dollars ($5,000,000); and

(d) an automobile liability insurance policy with a responsible company as to any vehicle owned or leased by Manager; the protection under such automobile liability insurance will be in the minimum amount of two million dollars ($2,000,000) for covering losses due to the insurer's liability for bodily injury or property damage and an amount of two million dollars ($2,000,000) for uninsured/underinsured motorists' coverage for any owned vehicle. Notwithstanding the above, it is understood and agreed that automobile insurance premiums in this section shall be for the account of the Owner to the extent they are included in the Operating Costs;

And the Manager agrees to give Notice to the Owner, or cause the Owner to be given Notice, no less than thirty (30) days in advance of any cancellation or termination of any such coverage.

Section 2.5 Compliance with Laws

(1) Subject to the approval of the Owner as to method and timing, the Manager will use best efforts to comply with and cause the Property to comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all Authorities which may be applicable to the Property (the "**Regulations**"), and obtain all necessary certificates of occupancy, licenses and/or operating permits for the Property. The costs of such compliance, if any, will be an Operating Cost borne by the Owner.

(2) The Manager, at the Owner's direction, will use best efforts to also comply with and cause the Property to comply with all terms, covenants and provisions contained in any operating agreement, encroachment agreement, shared services agreement or other agreement now or hereafter affecting the operation, management or maintenance of the Property. The Owner will deliver copies of any such agreements to the Manager and such delivery will be deemed to be adequate direction by the Owner. The costs of complying with any such agreement will be borne by the Owner as an Operating Cost.

(3) Where this Section 2.4Section 2.5 requires the Manager to retain consultants, contractors or additional personnel, the Manager will give Notice to the Owner of its recommendation that such consultants, contractors or additional personnel be retained together with an estimate of the cost of such consultants, contractors or additional personnel and a description of the work that they will do. The Owner will advise the Manager whether or not they approve the retainer any such consultants, contractors or additional personnel. In each case, such consultants, contractors or additional personnel shall be retained at the expense of the Owner and for certainty, if the Owner does not approve retaining such consultants, contractors or additional personnel at the Owner's expense then there shall be no retainer of such parties.

Section 2.6 Dispute Tax Assessments

(1) Only on the express written direction of the Owner, the Manager will retain a tax consultant at the Owner's expense to review the appropriateness of bills for municipal and school taxes, real estate and business improvement assessments and other impositions applicable to the Property which are or may become liens against the Property and such consultant will advise the Owner:

(a) of any material increase in any taxes;

(b) whether the amount of any taxes should be challenged; and

(c) the possible means available for obtaining a reduction of taxes, together with its recommendations as to the course of action to be pursued.

(2) If the Owner so requests in writing, the Manager will instruct the tax consultant to institute appropriate protests or challenges to the taxes or take such other appropriate steps to obtain a reduction of taxes. The Manager will report on the status of appeals periodically and formally in the quarterly report. All taxes and any approved expenses of the Manager incurred in contesting taxes or otherwise seeking a reduction thereof, including legal, professional, appraisal and accounting fees, if required, will be considered Operating Costs to be borne by the Owner.

Section 2.7 Additional Operating Activities

The Manager will perform the following additional operating activities:

(1) be available for communication with the Owner and keep the Owner advised of all items which affect the Property in any manner; and

(2) notify the Owner immediately following receipt of notice by Manager or if it becomes aware of:

(a) any threatened or pending expropriation, condemnation, rezoning or other governmental orders, proceedings or actions involving the Property; and

(b) any material violations relating to the leasing, use, repair or maintenance of the Property.

Section 2.8 Books of Record and Distributions

All books, cards, registers, receipts, documents, warranties, insurance policies, contracts, leases, violations, correspondence, plans and specifications, bid documentation, Tenant records and any other papers, electronic records or the information contained therein which are in any manner connected with the operation of the Property are the sole property of the Owner and will, to the extent in the possession or control of the Manager, be delivered to the Owner at any time upon the Owner's request. Such documents and information will be deemed confidential and will not be published, transmitted or released by the Manager to any party without the approval of the Owner except as may be required by applicable law. If the Manager publishes, transmits or releases any such documents, the Owner will have the right to have the provisions of this Agreement specifically enforced by any court having equitable jurisdiction without being required to post bond or other security and without having to prove the inadequacy of available remedies at law, it being acknowledged and agreed that any such breach will cause irreparable injury to the Owner and monetary damages will not provide an adequate remedy to the Owner. In addition, the Owner may take all such other actions and remedies available to it under law or in equity and will be entitled to such damages as it can show it has sustained by reason of such breach.

Section 2.9 Meeting with Owner

The Manager will be available for monthly meetings with the Owner or its representatives to discuss the management activities to be conducted by the Manager hereunder. The Owner or its representatives will have the right to call more frequent meetings with the Manager in the event that unforeseen circumstances arise.

Section 2.10 Use of Counsel and Other Professionals

If assistance of any attorneys, architects, accountants, engineers or other professionals is necessary for any reason, the Manager will obtain such assistance from only such professionals as may have been previously approved in writing by the Owner (which approval will include the approval of all fee arrangements) after having first secured the Owner's authority for such specific engagement. The Manager will cooperate with all other Persons employed by the Owner in respect of the Property including, without limitation, the Owner's accountants in regard to the preparation and filing by the Owner of income or other tax returns or reports required by any governmental authority. The Manager will not, without the Owner's approval, write, send or respond to any letter or other correspondence or document of a legal nature pertaining or relating to the Property or the Owner with the exception of items of a routine and non-material nature.

Section 2.11 Information Technology

(1) The Manager will, using reasonable best efforts, and will cause the Manager's Employees to: (a) maintain and enforce internal physical, administrative and technological security measures and back-up processes and procedures sufficient to ensure the Manager's and the Property's information technology hardware and software, or combination thereof

(collectively, the "**Systems**") and all data on the Systems are protected at all times throughout the term of this Agreement from any action which adversely affects the Systems or the information or data residing on the Systems, including the insertion or entrance into the Systems of malware that is intended to or has the effect of damaging, destroying or corrupting or providing unauthorized access to or disclosure of or interfering with the normal use of the Systems or any data or files on or used in conjunction with the Systems; (b) comply with the system access (including remote access) operating standards and procedures, user identification or other password control requirements and other security procedures, policies and privacy policies that the Owner may reasonably require from the Manager in writing from time to time.

(2) If the Manager becomes aware of any actual or suspected breach of Section 2.11(1), the Manager will (i) immediately notify the Owner, which in any event shall be within 24 hours of the Manager becoming aware such actual or suspected breach, (ii) report to the Owner the cause for such breach and identify the steps the Manager will take to remediate any failure or damage caused by such breach, (iii) confirm in writing to the Owner that such remediation has occurred, and (iv) provide all other assistance as may be reasonably requested by the Owner to respond to such actual or suspected breach.

Section 2.12 Status of Manager

The parties acknowledge that the Manager will not acquire title to, any security interest in, or any rights in or to the Property (or any income, receipts or revenues therefrom). The parties further acknowledge that unless otherwise provided for herein (a) the retention of the Manager shall in no event constitute an agency and under no circumstance shall the Manager be deemed an agent of the Owner for any purpose, (b) the Manager does not acquire hereunder any delegation of decision-making authority from the Owner, and (c) the Manager shall not bind the Owner to any contract obligation or agreement of any kind whatsoever; unless it (i) is approved by the Owner; or (ii) is otherwise specifically provided for herein, and only in such circumstances may the Manager execute documents as "agent of the Owner".

ARTICLE 3
INDEMNIFICATION

Section 3.1 Owner's Indemnity

The Owner shall save the Manager harmless from any action, cause of action, suit, debt, cost, expense, claim, or demand whatsoever, at law or in equity, in connection with the performance by the Manager of any and all its obligations under this Agreement including, without limitation, any damage or injury whatsoever to any employee or other Person or property arising out of the use, administration or control of the Property or any other assets of the Owner relating to the Property which has occurred during the Term, provided however, that this indemnity shall not extend to any acts outside the scope of the Manager's authority or to a wrongful or negligent act or wilful omission of the Manager or of its employees, servants, or agents or Persons for whom it is in law responsible, and shall not extend to any action taken by the Manager outside the scope of this Agreement.

Section 3.2 Manager's Indemnity

The Manager shall indemnify and save the Owner harmless in respect of any action, cause of action, suit, cost, expense, claim or demand whatsoever, at law or in equity, arising by way of any breach during the Term by the Manager, its employees, servants, agents or Persons for whom it is responsible, of any of the provisions of this Agreement or action taken by the Manager outside the scope of its authority hereunder or by reason of a wrongful negligent act or wilful omission of the Manager, or of its employees, servants, agents, or Persons for whom it is responsible.

Section 3.3 Additional Costs: Survival

The mutual obligation to indemnify set forth in Section 3.1 and Section 3.2 above will include the payment of reasonable legal fees and investigation costs, as well as other reasonable costs and expenses incurred by the indemnified party in connection with such claim. At the option of, and upon receipt of Notice from the indemnified party, the indemnifying party will promptly and diligently defend any such claim, demand, action or proceeding. The provisions of this Article 3 will survive the termination of this Agreement for a period of twelve (12) months.

ARTICLE 4
COMPENSATION

Section 4.1 Management Fee

The Owner will pay the Manager a monthly fee of $5,000.00 per month for the first two months (plus applicable Sales Taxes, if any, payable by the Owner on the Management Fee) monthly in advance for the Services during the immediately following month. After this period, the pre-tax monthly fee will be reduced to $4,000.00 per month (the "**Management Fee**"). The Management Fee will be automatically increased by 3% per annum on each anniversary date of this Agreement. If additional services are to be provided by the Manager in respect of the Property, then there shall be additional fees for such services, to be agreed upon by the Owner and the Manager concurrently with agreeing on the new services to be provided.

Section 4.2 Leasing Management Fees

Should the Owner elect and direct the Manager in writing to have the Manager provide the Services outlined in Section 2.1 Item 10, then the Owner will pay the Manager the Leasing Management Fees (plus applicable Sales Taxes, if any, payable by the Owner on the Leasing Management Fees) in accordance with Schedule "A" for its services, if any, in relation to marketing and leasing space at the Property, as and when occupancy is permitted and as directed by the Owner, and in each case on a short-term basis.

Section 4.3 Property Sales Taxes on Fees

Any fees due and payable by the Owner under this Article 4 are exclusive of applicable Sales Taxes and the Owner shall pay, in addition to such fees, any Sales Taxes applicable thereto.

The Manager shall provide sufficient documentation to the Owner, in compliance, *inter alia*, with subsection 169(4) of the *Excise Tax Act* (Canada) and the *Input Tax Credit Information (GST/HST) Regulations* and any other applicable Sales Taxes.

Section 4.4 Additional Services

The compensation payable to the Manager pursuant to Section 4.1 and Section 4.2 hereof shall be paid as noted in Section 4.1 and Section 4.2 by the Owner to the Manager and will constitute the only compensation payable by the Owner, or any other party, to the Manager for the services rendered by the Manager or to be rendered by the Manager pursuant to this Agreement unless the Owner requests that the Manager provide additional services for the Property, such as but not limited to capital coordination, arranging financing and assisting with disposition of the Property, in which case, the Owner and the Manager shall agree upon the additional compensation for such additional services prior to such services being provided. All other costs payable to the Manager pursuant to this Agreement shall be paid as specially set out in the applicable Section of this Agreement and shall always be subject to the terms and conditions of this Agreement; in the event timing for a payment is not specified, such payment shall be paid as incurred.

ARTICLE 5
INITIAL TERM, RENEWALS, TERMINATION, AND ASSIGNMENT

Section 5.1 Term and Renewals

The parties hereby agree that this Agreement is effective on the Effective Date and will continue in full force and effect, unless terminated on thirty (30) days prior written notice by either party or;

(a) at any time after an Event of Insolvency by the Manager; or

(b) at any time after an Event of Default subject to any applicable cure periods.

Section 5.2 Termination on Sale of the Property

(1) Notwithstanding anything to the contrary contained in this Agreement and in the event the Owner has entered into a binding agreement for the sale of the Property, the Owner shall notify the Manager of such sale not later than 15 days prior to the closing date of such sale and this Agreement shall be terminated upon the earliest date (the "**Property Sale Termination Date**") of the following: (i) thirty (30) days after Notice of such sale is given to the Manager, and (ii) the date fixed for the closing of the sale of the Property. No further Management Fees, Leasing Management Fees, or any other such fee or payment hereunder shall be payable to the Manager with respect to the Property after the Property Sale Termination Date for services rendered or expenses incurred after the Property Sale Termination Date.

(2) Upon termination of this Agreement, the Manager shall forthwith deliver to and, where applicable, transfer into the name of the Owner, or as the Owner may in writing direct, all

property, documents, data and other information of the Owner then in the custody of the Manager.

(3) This Section 5.4 shall survive termination of this Agreement.

Section 5.3 Continued Responsibility

Notwithstanding the receipt of Notice from the Owner or the Manager terminating this Agreement, the parties agree to use their best efforts in the management and operation of the Property and the performance of this Agreement until the effective date of the termination of this Agreement. If, after the effective date of termination of this Agreement, the Manager provides any services to the Owner which services have been approved by the Owner after the Notice of termination has been given the Manager will be entitled to be paid for such services on an agreed upon hourly basis. This Section 5.5 shall survive termination of this Agreement.

Section 5.4 Manager's Responsibilities upon Termination of this Agreement of a Property

(1) Upon termination of this Agreement, for any reason, the Manager will forthwith, without necessity of demand or Notice, deliver the following to the Owner, or the Owner's appointed agent on the effective date of termination:

(a) all files, records or documents of any kind, including but not limited to, contracts, leases, guarantees, warranties, rent rolls, plans and specifications, inventories, correspondence, Tenant records, receipts, paid and unpaid bills or invoices and maintenance records with respect to the Property, all social media account logins, passwords or other relevant user information used by the Manager in connection with the Property (e.g. Twitter, Facebook, Instagram, Pinterest and LinkedIn); and

(b) an assignment to the Owner, or their designee, of any service contracts relating to the Property.

The obligation of the Manager to deliver the foregoing will survive the termination of this Agreement.

(2) The Manager will, at its cost and expense and within fifteen (15) days prior to the effective date of the termination of this Agreement, remove all signs that it may have placed on the Property indicating that it is the Manager for the Property and, in a good and workmanlike manner, repair any damage caused as a result of the removal of such signs and restore the Property to the condition existing prior to the installation of such signs.

(3) The Manager will, for a period of one hundred and twenty (120) days after the termination of this Agreement, and for such further period as may be necessary, make itself available to consult with and advise the Owner, or such other Person as may be designated by the Owner, regarding the operation and maintenance of the Property. In the event the Owner requests the Manager's consultation after such one hundred and twenty (120) day period, the Manager will make itself available for such further consultation at such reasonable hourly fee to be agreed upon, in writing, in advance by the Owner and the Manager.

(4) This Section 5.6 shall survive termination of this Agreement.

Section 5.5 Assignment

(1) This Agreement shall not be assigned by the Manager without the prior written consent of the Owner.

(2) The Owner shall have the right to assign this Agreement to any transferee of the Owner, or to any affiliate of the Owner, so long as the assignee enters into an agreement with the Manager hereto whereby the assignee shall be bound by the obligations of the assignor under this Agreement whether arising before or after such assignment and entitled to the benefits enjoyed by the assignor under this Agreement, failing which the parties shall terminate this Agreement. Upon such assignment, the Owner shall be released from its obligations hereunder.

ARTICLE 6
MISCELLANEOUS PROVISIONS

Section 6.1 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication (hereinafter referred to as a "**Notice**") to be given under or in connection with this Agreement will be in writing and will be given by electronic communication sent as set out below or to such other address or electronic number as may from time to time be the subject of a Notice:

To the Owner:

20 Caldari Development Inc.
c/o Ernst & Young Inc.
100 Adelaide Street West
Toronto, ON M5H 0B3

Attention: Greg McDonald
E-mail: Greg.McDonald@parthenon.ey.com

and

Attention: Allen Yao
E-mail: Allen.Yao@parthenon.ey.com

To the Manager:

Epic Investment Services Limited Partnership
141 Adelaide Street West
Suite 1201

Toronto, ON M5H 3L5

Attention: Jean-Marc Rouleau
E-mail: jmrouleau@epicis.com

and

Attention: Legal
E-mail: legal@epicis.com

Any Notice, if sent by electronic communication will be deemed to have been validly and effectively given and received on the day it was received, provided that such date is a Business Day and is sent prior to 5:00 p.m. (local time of the recipient); otherwise it will be deemed to have been given on the next following Business Day. Notwithstanding the foregoing, any Notice of a material nature which is sent by electronic communication which does not provide for proof of delivery must be followed by delivery of an original copy of such Notice by personal delivery or by facsimile unless the party to whom the Notice was given by electronic communication expressly or impliedly acknowledges receipt of such Notice.

Any party may change its address for delivery of Notices by Notice given in accordance with this Section 6.1.

Section 6.2 Relationship

Nothing in this Agreement shall be construed so as to make the Owner and the Manager partners or joint venturers with each other or so as to impose any liability as such on either of them. For greater certainty, the Manager and the Owner shall be deemed not to be partners or joint ventures with each other in respect of any matter arising out of their respective rights, duties and obligations under this Agreement. Notwithstanding anything to the contrary contained herein, the Manager will be an independent contractor performing management functions for the Owner but will, at all times, be subject to the provisions of this Agreement with respect to managerial decisions. All records maintained by the Manager with respect to the operation, leasing or maintenance of the Property will, at all times, be and constitute the property of the Owner and will be surrendered to the Owner in accordance with the terms hereof, without charge or expense.

Section 6.3 Approvals

Where in this Agreement any matter is subject for the consent or approval of the Owner or is to be acceptable to the Owner, such consent, approval or determination of acceptability will be in writing and will be in the sole discretion of the Owner unless otherwise expressly provided in this Agreement.

Section 6.4 Entire Agreement

This Agreement, any schedules attached hereto, and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the parties hereto constitute the entire agreements between the parties hereto pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto.

Section 6.5 Governing Law

This Agreement will be construed, interpreted and applied in accordance with, and will be governed by, the laws of the province of Alberta and the laws of Canada applicable therein.

Section 6.6 Waiver

No consent or waiver, expressed or implied, by a party to or any breach or default by another party in the performance by such other party of its obligations hereunder will be deemed or construed to be a consent or waiver to or of any other breach or default in performance by such other party hereunder. Failure on the part of a party to complain of any act or failure to act of another party or to declare the other party in default, irrespective of how long such failure continues, will not constitute a waiver by such first mentioned party of its rights hereunder.

Section 6.7 Further Assurances

Each of the Owner and the Manager will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

Section 6.8 Time of the Essence

Time is of the essence of this Agreement.

Section 6.9 Severability

If any covenant, obligation or agreement of this Agreement, or the application thereof to any Person or circumstance will, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement to Persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected thereby and each covenant, obligation and agreement of this Agreement will be separately valid and enforceable to the fullest extent permitted by law.

Section 6.10 Confidentiality

All information concerning the Property or the affairs of the Owner or the mortgagee of the Property received or obtained by the Manager in its capacity as the Manager hereunder will be used only in the course of performing its duties hereunder and the Manager will not permit unauthorized access such information or disclose such information at any time except with the express written consent of the Owner or unless disclosed in legal proceedings between the parties hereto.

Section 6.11 Successors and Assigns

This Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 6.12 No Registration

This Agreement will not create an interest in Real Property and it will not be recorded, filed or registered against title to the Property or in any other place of public record in any jurisdiction.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

ERNST & YOUNG INC., in its capacity as Court-appointed receiver of 20 Caldari Development **Inc. , and not in its personal or corporate capacity**

By: ______________________________

Name: Allen Yao

Title: Senior Vice President

____

Epic Investment Services Inc. in its capacity as general partner of Epic Investment Services Limited Partnership

By: ______________________________

Name: Craig Coleman

Title: CEO

By: ______________________________

Name:

Title:

Schedule “A”

LEASING MANAGEMENT FEES

Manager shall be entitled to leasing management fees (“**Leasing Management Fees**”) as follows:

Leasing fees

1. Leasing fees payable in respect of Property in respect to Leases shall be as follows:

1.1 New Leases and Expansions

With no 3rd party broker:	$1.00 psf per annum
With 1 broker (listing or tenant)	50% of broker commission
With both listing and tenant broker	25% of tenant broker commission

1.2 Renewals

Tenant not represented by broker:	$0.75 psf per annum
Tenant represented by broker:	40% of broker commission
Tenant is Owner or one of its Affiliates:	No Fee

1.3 Lease Document Preparation Fees

Manager shall also be entitled to the following fees with respect to the preparation of lease documents:

(a) Leases – two thousand ($2,000.00) dollars;

(b) Extension/renewal documents – one thousand ($1,000) dollars;

(c) Consents to assignment, subletting and change of Control, and surrenders of Lease – five hundred ($500.00) dollars;

(d) Estoppel Certificates, lease abstracts, letter agreements, and parking and storage agreements - two hundred fifty ($250.00) dollars,

provided that:

(i) Owner shall be entitled at any time to not have Manager prepare lease documents, in which case the foregoing fees shall not be payable.

The foregoing fees shall be payable monthly in arrears with respect to those documents which have been executed and delivered by all signatories thereto.

Other than as set-out herein, the Owner shall not be required to pay the Manager in respect of any leasing management.

This is Appendix “D”

to the First Report of the Receiver

DICKINSON WRIGHT LLP

199 BAY STREET, SUITE 2200
P.O. BOX 447, COMMERCE COURT POSTAL STATION
TORONTO, ON CANADA M5L 1G4
TELEPHONE: 416-777-0101
FACSIMILE: 844-670-6009
http://www.dickinsonwright.com

LISA S. CORNE
LCorne@dickinsonwright.com
416-646-4608

January 18, 2024

DELIVERED VIA EMAIL

Akash Aurora
Unit# 2, 20 Caldari Road Vaughan, ON L4K 4N8
Email: akash@aurora-group.ca
-and-

Ravi Aurora, CEO
Unit# 2, 20 Caldari Road Vaughan, ON L4K 4N8
Email: ravi@aurora-group.ca
-and-

Nakul (Nick) Auro
Unit# 2, 20 Caldari Road Vaughan, ON L4K 4N8
Email: nick@aurora-group.ca

Dear Sirs:

Re: Canadian Western Bank and Loan to 20 Caldari Development Inc.

I write further to the Receiver's repeated requests for documents and information relating to the business and affairs of 20 Caldari Development Inc. (the "**Company**"), and the property at 20 Caldari Road, in Vaughan (the "**Property**").

The Receiver has received virtually none of the key records requested, nor access to any critical computer, electronic and storage devices. This is entirely unacceptable, after more than a month into these proceedings.

The Receiver is unable to undertake its duties under the Appointment Order in the face of your absence of cooperation, and the dearth of records.

The Receiver will be reporting your continued non-compliance with your obligations under the Appointment Order to the Court, and intends to seek an Order requiring that you provide access to all records relating to the Company and the Property including, any records stored on computers owned by the Aurora Hotel Group Inc.

The Receiver will also intends to seek an Order that you pay all costs incurred by the Receiver as a result of your failure to comply with the Appointment Order.

Sincerely,

DICKINSON WRIGHT LLP

Lisa S. Corne

LSC/jss

cc: Allen Yao