

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

- and -

**CHACON STRAWBERRY FIELDS INC. AND SURINDER KAUR CHAHAL**

Respondents

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**MOTION RECORD – VOLUME I OF II  
(Returnable November 15, 2024)**

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November 11, 2024

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*Lawyers for the Receiver, The Fuller Landau  
Group Inc.*

**TO: SERVICE LIST**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

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**CHACON STRAWBERRY FIELDS INC. AND SURINDER KAUR CHAHAL**

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M	Corporate Profile Search of Chacon Strawberry Fields Inc.
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# TAB 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

- and -

**CHACON STRAWBERRY FIELDS INC. AND SURINDER KAUR CHAHAL**

Respondents

**NOTICE OF MOTION**

The Fuller Landau Group Inc., in its capacity as receiver and manager (in such capacity, the “**Receiver**”) of the real property of Chacon Strawberry Field Inc. (the “**Debtor**”) will make a motion to a judge of the Commercial List on November 15, 2024 at 12:00 pm or as soon after that time as the motion can be heard.

**PROPOSED METHOD OF HEARING:** The motion is to be heard

- In writing under subrule 37.12.1 (1) because it is (*insert one of* on consent, unopposed *or* made without notice);
- In writing as an opposed motion under subrule 37.12.1 (4);
- In person;
- By telephone conference;
- X By video conference.

at the following location:

*By Zoom details to be provided by the Court*

**THE MOTION IS FOR:**

1. The Receiver seeks an order for, amongst other things:
  - (a) approving of the First Report of the Receiver and the actions of the Receiver as described herein;
  - (b) extending the Receiver's appointment to include the property used in connection with, situate at or arising from the ownership, development, use and disposition of the Real Property;
  - (c) approving an amendment to the Restrictive Pharmacy Covenants to allow the operation of a pharmacy at the Real Property, and the disclaimer of the SFEA Amendment (as defined below) by the Receiver; and
  - (d) approving the fees and activities of the Receiver and its counsel.

**THE GROUNDS FOR THE MOTION ARE:**

**Background**

2. On April 3, 2024, First Source Financial Management Inc. (the "**First Source**") commenced an application under 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**"), seeking a court order appointing The Fuller Landau Group Inc. ("**FLG**") as receiver and manager of the lands and premises municipally known as 12550, 12560 and 12570 Kennedy Road, Caledon, Ontario (the "**Real Property**") owned by Chacon Strawberry Fields Inc. (the "**Debtor**"). Prior to the return date for the application on May 15, 2024, First Source and the Debtor executed a forbearance agreement ( the "**FA**") which contemplated First

Source forbearing from enforcing its security until August 13, 2024, subject to a material breach by the Debtor.

3. As a result of breaches of the FA, on July 19, 2024, FLG was appointed receiver and manager (the “**Receiver**”) of all of the Real Property. First Source also amended its notice of application to add Surinder Kaur Chahal as a respondent.

4. The Real Property is a mixed-use retail plaza known as “Strawberry Fields Plaza” situated on a 2.32 acre parcel of land. The plaza on the Real Property measures approximately 40,192 square feet which is currently fully leased to 15 tenants with a diverse mix of needs-based and service-oriented businesses. The Real Property is subject to a number of mortgage charges.

5. Contiguous to the Real Property is a parcel of land which the Receiver understands is owned by Chacon Strawberry Residences (Chacon) Inc. (“**Residences**”). Residences and the Debtor both share the same director and officer. The Receiver had understood that the land owned by Residences, being 12530 & 12540 Kennedy Road (the “**Residences Lands**”) was subject to a Power of Sale Proceeding. However, on November 7, 2024, the Receiver’s counsel was advised by Residences’ lawyer that the Residences Land is not under a power of sale but that there is an agreement of purchase and sale.

### **Expansion of Appointment Order**

6. FLG seeks an order to expand the scope of its appointment such that it is consistent with the nature of First Source’s security. FLG proposes that the Court delete paragraph 2 of the Appointment Order and replace it to have FLG appointed over both the Real Property and the

property used in connection with or situate at or arising from the ownership, development, use and disposition of the Real Property.

### **Restrictive Pharmacy Covenants**

7. The Debtor had entered into shared facilities agreement with 6876285 Canada Limited (the “SFEA”). The SFEA provides, amongst other things, easements rights between the Real Property and the adjoining property. The SFEA was registered on title to the Real Property and the adjoining property on July 29, 2015 as Instrument PR2755663. Subsequent registrations were also made in relation to this instrument.

8. The adjoining property was transferred to Residences. The Receiver inquired for documentation as to how Residences became party to the SFEA, and was advised by the Debtor’s lawyer that no separate documentation was entered into. Rather, the parties relied on the original agreement of purchase and sale to repurchase the site.

9. Schedule “E” of the SFEA contains certain restrictive covenants, which includes a restrictive covenant which prohibits against the lease, license, or use on the Real Property and any abutting lands that were owned by Chacon or its affiliate party as follows:

- (a) the operation of a retail pharmacy and pharmaceutical dispensary;
- (b) a medical clinic;
- (c) the sale or rental of home health care products or merchandise; and

- (d) the sale, dispensing or distribution of any items of merchandise requiring the approval or supervision of a registered or licensed pharmacist (collectively the “**Restrictive Pharmacy Covenants**”).

10. The SFEA also provides for restrictive covenants on the adjoining lands.

11. The Receiver understands that there is currently a pharmacy on the Real Property. The Receiver seeks an order to delete the Restrictive Pharmacy Covenants from title to the Real Property. In the Receiver’s view, this brings the Real Property in compliance with the restrictive covenants and permits the current tenant to continue its business. The restrictive covenant would only be discharged on the closing of a transaction to the Real Property, when an approval and vesting order is registered.

12. To implement this change, the Receiver seeks an order directing the Land Registrar:

- (a) Replace Schedule E of the SFEA, registered as Instrument PR2755663; and
- (b) Replace the notice attached to Application to Annex Restrictive Covenants registered as PR2755797. This notice contains similar restrictive covenants that are reflected in Schedule E of the SFEA.

13. In the Receiver’s view, the removal of the Restrictive Pharmacy Covenants is consistent with the intentions of Residences, the Debtor and First Source. Prior to the appointment of the Receiver, Residences had provided First Source with powers of attorney to amend or delete Instrument No. PR2755797 and Instrument No. PR2755663. The powers of attorney were to come into effect the time the charge from Chacon to First Source on the Real Property is discharged, and this power of attorney is irrevocable without the consent of First Source.

14. First Source had also provided an undertaking that it would not exercise its power of attorney to register a release or amend the restrictive covenants registered as Instrument No. PR2755797:

- (a) Until the property is sold under the power of sale as a result of the Chacon's default; and
- (b) If at the time of sale, Residences is negotiating a lease on its land with a party for certain enumerated uses, or such uses is currently located on the Residences' land.

15. The Receiver is neither a party to nor is it bound by this undertaking. However, the limited relief that the Receiver is seeking in so far to deleting the Restrictive Pharmacy Covenant from title to the Real Property is otherwise consistent with the intention of the Residences, Chacon and First Financial. Should the Receiver close a transaction, the Receiver will be seeking an approval and vesting order that would discharge, amongst other things, First Source's mortgage.

#### **Disclaimer of SFEA Amendment**

16. The Debtor and Residences also entered into an agreement to amend the SFEA (the "**SFEA Amendment**"). This amendment provides that the Debtor and Residences agreed to create a stratified air parcel. Based on the terms of the SFEA Amendment, the air parcel was to be transferred to Residences, with the right to use the area for building a residential structure.

17. The Receiver understands that no steps were taken to create this stratified air parcel and the SFEA Amendment was not registered on title to the Real Property.

18. On this basis, the Receiver seeks an order to disclaim the SFEA Amendment on the closing of a sale transaction related to the Real Property. In the Receiver's view, an order providing the

Receiver the authority to disclaim the SFEA Amendment will provide greater certainty to parties participating in the sales process.

19. The form of order also seeks that the SFEA Amendment shall cease to be continuing obligations against the either Real Property or the Residences Land (described as the “**SFEA Lands**” in the proposed form of order), or any registered owner of the SFEA Lands including for greater clarity, any purchaser of the Real Property.

### **Approval of Fees and Activities**

20. The Receiver seeks approval from the Court for its professional fees and disbursements and the fees and disbursements of its legal counsel, Aird & Berlis LLP.

21. The Receiver also seeks approval of its activities as described in this First Report.

### **Tenancy Dispute**

22. The Receiver is aware of a dispute regarding the rightful tenant of Units 15 and 16 at 12570 Kennedy Road. Both tenants have retained counsel, and a case conference has been scheduled regarding this matter.

### **Other Grounds**

23. The equitable and inherent jurisdiction of the Court;

24. The *Rules of Civil Procedure* (Ontario), including but not limited to, Rules 1.04, 1.05, 2.01, 2.03, 16.04, 37, 60.03 and 60.10 of the Rules of Civil Procedure (Ontario).

25. The BIA, including but not limited to sections 243;

26. Sections 96 and 97 of the *Courts of Justice Act*;
27. The grounds as detailed in the First Report; and
28. Such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

29. The First Report of the Receiver dated November 9, 2024; and
30. Such further and other material as counsel may submit and this Court may permit.

November 9, 2024

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Group Inc.*

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**  
Applicant

- and -

**CHACON STRAWBERRY FIELDS INC. et al.**  
Respondents

Court File No. CV-24-00717742-00CL

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

**Proceedings commenced at Toronto**

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**NOTICE OF MOTION**

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# TAB 2

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

- and -

**CHACON STRAWBERRY FIELDS INC. and SURINDER KAUR CHAHAL**

Respondents

**APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3 AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43**

**FIRST REPORT OF THE COURT APPOINTED RECEIVER OF  
CHACON STRAWBERRY FIELDS INC.**

**NOVEMBER 11, 2024**

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<b>“Z”</b>	Blackline showing proposed changes to Schedule E of SFEA
<b>“AA”</b>	Clean Copy with proposed changes to Schedule E of SFEA
<b>“BB”</b>	Blackline showing proposed changes to notice
<b>“CC”</b>	Clean Copy with proposed changes to notice
<b>“DD”</b>	Powers of Attorney and Undertaking
<b>“EE”</b>	Fee Affidavit of the Receiver
<b>“FF”</b>	Fee Affidavit of the Receiver’s Counsel

## A. INTRODUCTION

1. On April 3, 2024, First Source Financial Management Inc. (the “**First Source**”) commenced an application under 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**”), seeking a court order appointing The Fuller Landau Group Inc. (“**FLG**”) as receiver and manager of the lands and premises municipally known as 12550, 12560 and 12570 Kennedy Road, Caledon, Ontario (the “**Real Property**”) having the legal description described in **Appendix “A”**, owned by Chacon Strawberry Fields Inc. (the “**Debtor**”), Prior to the return date for the application on May 15<sup>th</sup> 2024, First Source and the Debtor executed a forbearance agreement ( the “**FA**”) which contemplated First Source forbearing from enforcing its security until August 13, 2024, subject to a material breach by the Debtor.
2. As a result of breaches of the FA, on July 19, 2024, FLG was appointed receiver and manager (the “**Receiver**”) of all the Real Property. A copy of the appointment order is attached hereto as **Appendix “B”** (the “**Appointment Order**”).
3. First Source also obtained a judgment to amend its notice of application to add Surinder Kaur Chahal as a respondent. A copy of the judgment is attached as **Appendix “C”**. A copy of the amended notice of application is attached as **Appendix “D”**.
4. The purpose of this First Report of the Receiver (the “**First Report**”) is to:
  - (a) provide background regarding the Real Property;
  - (b) report on the Receiver’s activities and events to date in the receivership proceeding;
  - (c) advise the Court of an error in a PIN description;
  - (d) advise the Court of certain restrictive covenants concerning the leasing of the premises to a pharmacy (the “**Restrictive Pharmacy Covenants**”);
  - (e) set out the basis for the Receiver’s recommendation that this Court issue an Order:

- i) approving this First Report and the actions of the Receiver as described herein;
  - ii) extending the Receiver's appointment to include the property used in connection with, situate at or arising from the ownership, development, use and disposition of the Real Property;
  - iii) approving an amendment to the Restrictive Pharmacy Covenants to allow the operation of a pharmacy at the Real Property, and the disclaimer of the SFEA Amendment (as defined below) by the Receiver; and
  - iv) approving the fees and activities of the Receiver and its counsel.
5. The reader is cautioned that this First Report has been prepared for use by the Court and may not be appropriate for any other purpose. The Receiver will not assume any responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report for any other purpose. In preparing this First Report, the Receiver has relied upon financial information, and discussions and correspondence with former management. The Receiver has not performed an audit or verification of the Information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises or International Financial Reporting Standards, and the Receiver expresses no opinion, or other form of assurance, in respect of the Information.

**B. BACKGROUND**

6. The Debtor is a company incorporated pursuant to the laws of the Province of Ontario, which owns and operates a mixed-use retail plaza known as "Strawberry Fields Plaza" situated on a 2.32 acre parcel of land. The plaza on the Real Property measures approximately 40,192 square feet which is currently fully leased to 15 tenants with a diverse mix of needs-based and service-oriented businesses.
7. The Real Property is subject to a number of mortgage charges.

8. Contiguous to the Real Property is a parcel of land which the Receiver understands is owned by Chacon Strawberry Residences (Chacon) Inc. (“**Residences**”). Attached as **Appendix “E”** is an aerial photograph showing the Chacon Property and the Residences Property. The Residences Land is also subject to various mortgage and lien charges.
9. The Receiver had understood that the land owned by Residences, being 12530 & 12540 Kennedy Road (the “**Residences Lands**”) was subject to a Power of Sale Proceeding. Attached as **Appendix “F”** is a copy of the listing broker’s brochure advertising the Residences Land for sale.
10. On November 7, 2024, the Receiver’s counsel was advised by Residences’ lawyer that the Residences Land is not under a power of sale but that there is an agreement of purchase and sale. At the time of this report, the Receiver has not been provided with the agreement of purchase and sale, and the Receiver has requested more information from counsel for Residences.

### **C. OVERVIEW OF THE RECEIVER’S ACTIVITIES**

11. Since its appointment, the Receiver activities have included:
  - (a) attending at the Real Property;
  - (b) meeting with and corresponding on numerous occasions with the Debtor’s representatives, to enquire about:
    - i) the existence and location of books and records pertaining to the Debtor and the Real Property;
    - ii) the Real Property, including:
      - the most recent rent roll with details of term, unit square fee, renewal dates and rates, taxes, maintenance and insurance calculations for 2023;
      - all tenant lease agreements and correspondence regarding renewals;
      - hydro account details;

- the status of insurance policies; and
  - contact details of vendors and copies of all service and maintenance contracts;
- (c) reviewing the financial information and Real Property related documents received from the Debtor;
- (d) in advance of the annual expiration of the Debtor's insurance policy, arranging to continue commercial general liability insurance coverage through a new provider;
- (e) retaining a third party to perform a fire and safety inspection and attending to retaining this party to rectify deficiencies;
- (f) retaining Richmond Advisory Services Inc. to manage the Real Property including any required repairs and maintenance and to collect monthly rents going forward;
- (g) corresponding with the tenants to advise of the appointment of the Receiver and to redirect monthly rent going forward to the Receiver;
- (h) corresponding with tenants as necessary regarding overdue rent and other lease issues;
- (i) corresponding with two tenants claiming the right to occupy the same space/unit as on the Real Property as of November 1, 2024 and holding multiple discussions with the tenants and Receiver's counsel regarding this matter;
- (j) reviewing with counsel the Restrictive Pharmacy Covenants and shared facility agreement on title and holding discussions concerning a course of action regarding these matters;
- (k) corresponding with certain vendors to advise of the Appointment Order and to request the continuation of services as necessary at the Real Property;
- (l) opening new bank accounts for the purposes of this engagement;
- (m) issuing the prescribed notice in accordance with sections 245 and 246 of the BIA;

- (n) preparing a request for real estate broker services proposals (the “RFP”), and contacted and corresponded with realtors in order to obtain realtor proposals for the marketing and disposition of the Real Property;
- (o) drafting a non-disclosure agreement for execution by the prospective realtors;
- (p) compiling and uploading documents related to the Real Property in a data room for realtor due diligence purposes;
- (q) compiling detailed lease information for the purposes of obtaining estoppel certificates from tenants, discussing the lease with the Receiver’s counsel and responded to multiple enquiries regarding the estoppel certificates;
- (r) conducting the process for the selection of the realtor and held various discussions with the realtors;
- (s) holding numerous discussions and corresponded with stakeholders in relation to various issues;
- (t) arranging for the payment of necessary expenses and performed all banking activities; and
- (u) performing other matters incidental to and in respect of the Receiver’s appointment pursuant to the Appointment Order, including, without limitation, preparing this First Report.

**D. ERROR IN APPOINTMENT ORDER**

12. The Appointment Order contained an error in the description of the Real Property, wherein the firstly described PIN in the schedule to the Appointment Order incorrectly referenced PIN 14235-4995, as opposed to PIN 14235-3468. The Receiver’s lawyers provided such clarification on the application to register the court order, a copy of which is attached as **Appendix “G”**.

**E. EXPANSION OF APPOINTMENT ORDER**

13. Pursuant to the Appointment Order, FLG was appointed receiver and manager of the Real Property.
14. FLG seeks an order to expand the scope of its appointment such that it is consistent with the nature of First Source's security.
15. Pursuant to the affidavit sworn by Kunj Patel on April 17, 2024 (the "**Patel Affidavit**") filed by First Source in its application materials, a copy of which is attached without exhibits as **Appendix "H"**, as part of its security for the loan, the Debtor had granted a General Security Agreement pursuant to which the Debtor granted security to the Lender over its personal property as well. A copy of the commitment letter and general security agreement that was appended to the Patel Affidavit are attached as **Appendix "I"** and **Appendix "J"** respectively.
16. The General Security Agreement describes the collateral as follows:

*"Collateral" means all Goods including, without limitation, Equipment and Inventory that is now or hereafter owned or acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any rights and which is now or hereafter may become located on, affixed or attached to, placed upon, situate in or on, or which may arise out of, from or in connection with the ownership, use or disposition of the Lands or the Buildings or any part thereof including, without limitation, all increases, additions, substitutions, repairs, renewals, replacements, Accessions, accretions and improvements to any such Goods and all Proceeds and other amounts derived directly or indirectly from any dealings with any such personal property.*

17. First Source registered a security interest pursuant to the *Personal Property Security Act* (Ontario) against the following collateral classifications: Inventory, Equipment, Accounts and Other. It further provided the following general collateral description:

PROPERTY USED IN CONNECTION WITH OR SITUATE AT OR ARISING FROM THE OWNERSHIP, DEVELOPMENT, USE AND DISPOSITION OF THE PROPERTY KNOWN AS 12550, 12560 AND 12570 KENNEDY ROAD, TOWN OF CALEDON AND THE PROCEEDS THEREOF.

18. A copy of the certified PPSA search as of October 30, 2024 is attached as **Appendix “K”**.
19. The Receiver seeks an order to expand the scope of its appointment such that it is consistent with the nature of First Source’s security and covers the assets reflected in the security.
20. The Receiver proposes that the Court grant an order deleting paragraph 2 of the Appointment Order in its entirety and replacing it as follows:

THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, the Fuller Landau Group Inc. is hereby appointed Receiver, without security of, **a) the Real Property including all proceeds thereof; and b) the property used in connection with or situate at or arising from the ownership, development, use and disposition of the Real Property (collectively** the “Property”).

21. The additional language is in blue and underlined.
22. The Receiver’s view is that this is consistent with the nature of the First Source’s security and better enables the Receiver to monetize all the assets of Chacon covered by that security, and, arguably, enhance the value of the Real Property.

## **F. RESTRICTIVE COVENANTS**

### **a) Original Shared Facilities Agreement**

23. The Receiver understands from its counsel’s review of title that Chacon entered into shared facilities agreement with 6876285 Canada Limited (the “SFEA”). The SFEA provides,

amongst other things, easements rights between the Real Property and the adjoining property. The SFEA was registered on title to the Real Property and the adjoining property on July 29, 2015 as Instrument PR2755663. A copy of the registered SFEA is attached as **Appendix “L”**.

24. The adjoining property was transferred to Chacon Strawberry Residences (Chacon) Inc. (“**Residences**”). Residences shares the same director and officer as Chacon. A copy of the corporate profile search for Chacon is attached as **Appendix “M”** and for Residences as **Appendix “N”**.
25. The Receiver has inquired with Chacon’s lawyer for any documentation pursuant to which Residences became a party to the SFEA. Chacon’s lawyer has advised the following:
- “There is no separate document, when our client repurchased, the parties relied on the original APS to repurchase the site, attached are the relevant pages. The parties didn’t enter into another APS. Section 23 (D) covers the issues.”*
26. Chacon’s lawyer provided the Receiver with an excerpt of Section 23 (D), a copy of which is attached as **Appendix “O”**.
27. Subsequent registrations were also made in relation to this instrument, copies of which are attached as follows:

<b>Appendix</b>	<b>Instrument</b>
<b>“P”</b>	Transfer Easement registered as PR2755721 on July 29, 2015
<b>“Q”</b>	Transfer Easement registered as PR2755775 on July 29, 2015
<b>“R”</b>	Application to Annex Restrictive Covenants registered as PR2755797 on July 29, 2015
<b>“S”</b>	Transfer Easement registered as PR2858994 on January 27, 2016
<b>“T”</b>	Transfer Easement registered as PR2859003 on January 27, 2016
<b>“U”</b>	Transfer Release and Abandonment registered as PR2901507 April 22, 2016

**b) Amendment to Shared Facilities Agreement**

28. The Receiver understands that Chacon and Residences entered into an agreement to amend the SFEA, a copy of which is attached as **Appendix “V”** (the “**SFEA Amendment**”).
29. The SFEA Amendment purportedly provides that Chacon and Residences agreed to create a stratified air parcel. Based on the terms of the SFEA Amendment, the air parcel was to be transferred to Residences, with the right to use the area for building a residential structure.
30. The Receiver understands, based on its counsel’s review of title to the Real Property and discussions with Chacon’s counsel, that:
  - (a) the SFEA Amendment was not registered on title to the Real Property; and
  - (b) no steps were taken to create the stratified air parcel.
31. On this basis, the Receiver seeks an order to disclaim the SFEA Amendment on the closing of a sale transaction related to the Real Property. In the Receiver’s view, an order providing the Receiver the authority to disclaim the SFEA Amendment will provide greater certainty to parties participating in the sales process.
32. The form of order also seeks that the SFEA Amendment shall cease to be continuing obligations against the either Real Property or the Residences Land (described as the “SFEA Lands” in the proposed form of order), or any registered owner of the SFEA Lands including for greater clarity, any purchaser of the Real Property. As certain of the PINs have subdivided, the Receiver understands the current legal description of the Residences Land to be PINs 14235-4994 and 14235-4996. A copy of the parcel search for Real Property is attached as **Appendix “W”**. A copy of the parcel search for Residences is attached as **Appendix “X”**.

### c) Restrictive Pharmacy Covenants

33. Schedule “E” of the SFEA contains certain restrictive covenants. This includes a restrictive covenant which prohibits against the lease, license, or use on the Chacon Lands and any abutting lands that were owned by Chacon or its affiliate party as follows:
- (a) the operation of a retail pharmacy and pharmaceutical dispensary;
  - (b) a medical clinic;
  - (c) the sale or rental of home health care products or merchandise; and
  - (d) the sale, dispensing or distribution of any items of merchandise requiring the approval or supervision of a registered or licensed pharmacist (collectively the “**Restrictive Pharmacy Covenants**”).
34. The SFEA also provides for restrictive covenants on the adjoining lands.
35. The Receiver further understands that there is currently a pharmacy on the Real Property. A copy of the lease with respect to the pharmacy is attached as **Appendix “Y”**.
36. The Receiver seeks an order to delete the Restrictive Pharmacy Covenants from title to the Real Property. In the Receiver’s view, this brings the Real Property in compliance with the restrictive covenants and permits the current tenant to continue its business. The restrictive covenant would only be discharged on the closing of a transaction to the Real Property, when an approval and vesting order is registered.
37. To implement this change, the Receiver seeks an order directing the Land Registrar to replace Schedule E. A blackline showing the proposed changes to Schedule E are attached as **Appendix “Z”**. A clean copy of new form of Schedule E is attached as **Appendix “AA”**.
38. The Restrictive Pharmacy Covenant is also reflected in addition instrument registered on title as the Application to Annex Restrictive Covenants registered as PR2755797 on July 29, 2015, attached as **Appendix “R”**.

39. The Receiver seeks a similar order to amend this instrument by replacing the notice attached thereto. A blackline showing the proposed changes to notice are attached as **Appendix “BB”**. A clean copy of revised notice is attached as **Appendix “CC”**.
40. Further, the SFEA describes the lands owned by Chacon as PIN 14235-2917, 14235-3468, 14235-3470, and 14235-3559, as more fully described in Schedule A of the SFEA.
41. The Receiver understands from its counsel that PIN 14235-2917 and PIN 14235-3559 have been subdivided. As such, the portion of these lands owned by Chacon are now described in as PIN 14235-4997 and PIN 14235-4995 (as reflected in the terms of the Appointment Order). As such, the proposed form of order seeks the removal of the restrictive covenants from land now described as PIN 14235-4997, PIN 14235-4995, PIN 14235-3468 and 14235-3470.

**d) Power of Attorney**

42. The Receiver has also been provided with a power of attorney executed by Residences in favour of First Source. The powers of attorney provided that:
  - (a) First Source would be Residences’ attorney solely with respect to amending or deleting the restrictive covenant registered as Instrument No. PR2755797 and Instrument No. PR2755663 on PINs 14235-4995, 14235-4997, 14235-3470 and 14235-3468; and
  - (b) The power of attorney comes into effect at the time the Charge from Chacon to First Source on PINS 14235-4995, 14235-4997, 14235-3470 and 14235-3468 is discharged and is otherwise irrevocable without the consent of First Source.
43. The powers of attorney are attached as **Appendix “DD”**.
44. The Receiver was further provided with an undertaking addressed to Chacon, Residences and S&S Law LLP, executed by First Source. The undertaking provided that First Source would not exercise its power of attorney to register a release or amend the restrictive covenants registered as Instrument No. PR2755797:

- (a) Until the property is sold under the power of sale as a result of the Chacon's default; and
  - (b) If at the time of sale, Residences is negotiating a lease on its land with a party for certain enumerated uses, or such uses is currently located on the Residences' land.
45. A copy of this undertaking is attached as **Appendix "DD"**.
46. The Receiver is neither a party to nor is it bound by this undertaking. However, the limited relief that the Receiver is seeking in so far to deleting the Restrictive Pharmacy Covenant from title to the Real Property is otherwise consistent with the intention of the Residences, Chacon and First Financial. Should the Receiver close a transaction, the Receiver will be seeking an approval and vesting order that would discharge, amongst other things, First Source's mortgage.

**G. APPROVAL OF FEES AND ACTIVITIES**

47. The Receiver seeks approval from the Court for its professional fees and disbursements and the fees and disbursements of its legal counsel, A&B. The Receiver and A&B have maintained detailed records of their professional time and costs since the Appointment Order was granted as detailed in the appended fee affidavits.
48. The Receiver's professional fees for the period from April 18, 2024 to September 30, 2024 total \$64,991.44 (inclusive of HST). The Receiver's affidavit of fees is attached hereto as **Appendix "EE"**.
49. The fees of the Receiver's legal counsel, A&B for the period from July 19, 2024 to October 31, 2024 total \$82,936.00, together with HST in the amount of \$11,012.35 and disbursements in the amount of \$2,044.33 totalling \$95,992.68. A&B's affidavit of fees is attached hereto as **Appendix "FF"**. The Receiver has reviewed the time entries submitted by A&B and believes that the work performed, and charges incurred to be appropriate and reasonable.
50. The Receiver also seeks approval of its activities as described in this First Report.

**H. TENANCY DISPUTE**

51. The Receiver is aware of a dispute regarding the rightful tenant of Units 15 and 16 at 12570 Kennedy Road. Both tenants have retained counsel, and a case conference has been scheduled regarding this matter.

**I. REQUESTS FOR APPROVAL**

52. The Receiver respectfully recommends and requests that this Court grant the relief as requested at paragraph 4(e) of this First Report.

All of which is respectfully submitted this 11<sup>th</sup> day of November 2024.

A handwritten signature in black ink that reads "The Fuller Landau Group Inc." The signature is written in a cursive, flowing style.**The Fuller Landau Group Inc.**

in its capacity as Court appointed-receiver of  
the Real Property of Chacon Strawberry Fields Inc.  
and not in its personal, corporate or any other capacity

# APPENDIX A

## **Appendix A – Real Property**

### **PIN 14235-3468 (LT)**

PART OF RESERVE BLOCK 111, PLAN 43M1855, BEING PART 7, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 11 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON

### **PIN 14235-3470 (LT)**

PART OF DOUGALL AVENUE LYING NORTH OF RESERVE BLOCK 110, PLAN 43M1855, BEING PART 8, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 12 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON

### **PIN 14235-4995 (LT)**

PART OF BLOCK 172, PLAN 43M1860, BEING PART 1 ON PLAN 43R-36418; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 1 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON

### **PIN 14235-4997 (LT)**

BLOCK 97, PLAN 43M1855, PART 4 ON PLAN 43R-36418; EXCEPT PART 3 ON PLAN 43R-36522; SUBJECT TO AN EASEMENT OVER PART 4 ON PLAN 43R36522 IN FAVOUR OF PART OF BLOCK 97, PLAN 43M1855, PARTS 2 AND 3 ON PLAN 43R36522 AS IN PR2755721; TOGETHER WITH AN EASEMENT OVER PART BLOCK 97, PLAN 43M1855, PARTS 2 AND 3 PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PART OF BLOCK 172, PLAN 43M1860, PART 1 ON PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PARTS 2, 3 & 4, PLAN 43R36883 AS IN PR2885670; SUBJECT TO AN EASEMENT AS IN PR2858994; TOWN OF CALEDON

# APPENDIX B



from the lawyer's certificate of service of Ryan Shah dated April 17 and June 21, 2024, and on reading the consent of The Fuller Landau Group Inc. to act as the Receiver,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, The Fuller Landau Group Inc. is hereby appointed Receiver, without security, of the Real Property including all proceeds thereof (the "Property").

### **RECEIVER'S POWERS**

3. **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 consultants, appraisers, agents, experts, auditors, accountants, 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 \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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, and in each case the Ontario Bulk Sales Act shall not apply.

- (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**

4. **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.

5. **THIS COURT ORDERS** that all Persons 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.

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.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon

application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. **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**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor in relation of the Property 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 in relation to the Property or the Property are hereby stayed and suspended pending further Order of this Court.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor in relation to the Property, 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**

11. **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**

12. **THIS COURT ORDERS** that all Persons 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**

13. **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**

14. **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**

15. **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**

16. **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**

17. **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**

18. **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.

19. **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 Commercial List of the Ontario Superior Court of Justice.

20. **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**

21. **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 \$500,000 (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.

22. **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.

23. **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.

24. **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**

25. **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 [fullerllp.com/active\\_engagements/chacon-strawberry-fields-inc.](http://fullerllp.com/active_engagements/chacon-strawberry-fields-inc.)

26. **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**

27. **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.

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

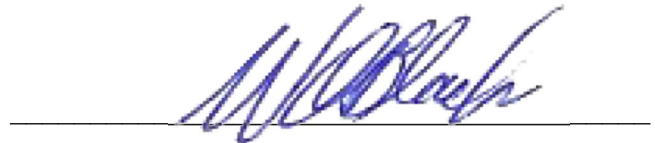
29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

30. **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.

31. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff'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.

32. **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.



## Appendix "A"

PIN 14235-4995 (LT): PART OF RESERVE BLOCK 111, PLAN 43M1855, BEING PART 7, PLAN 43R34665 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 11 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON;

PIN 14235-3470 (LT): PART OF DOUGALL AVENUE LYING NORTH OF RESERVE BLOCK 110, PLAN 43M1855, BEING PARTS, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1 855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 12 ON PLAN 43R36883A5 IN PR2885670; TOWN OF CALEDON;

PIN 14235-4995 LT: PART OF BLOCK 172, PLAN 43M1860, BEING PART 1 ON PLAN 43R-36418; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M 1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 1 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON;

PIN 14235-4997 (LT): BLOCK 97, PLAN 43M1855. PART 4 ON PLAN 43R-36418; EXCEPT PART 3 ON PLAN 43R-36522; SUBJECT TO AN EASEMENT OVER PART 4 ON PLAN 43R36522 IN FAVOUR OF PART OF BLOCK 97, PLAN 43M1855, PARTS 2

AND 3 ON PLAN 43R36522 AS IN PR2755721; TOGETHER WITH AN EASEMENT OVER PART BLOCK 97, PLAN 43M1855, PARTS 2 AND 3 PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PART OF BLOCK 172, PLAN 43M1860, PART 1 ON PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PARTS 2, 3 & 4, PLAN 43R36883 AS IN PR2885670; SUBJECT TO AN EASEMENT AS IN PR2858994; TOWN OF CALEDON

## SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that The Fuller Landau Group Inc., the receiver (the "Receiver") of the properties municipally known as known as 12550, 12560 and 12570 Kennedy Road Caledon, Ontario owned by Chacon Strawberry Fields Inc. ( the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an application having Court file number CV-24-00717742-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$500,000 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 daily 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\_\_.

The Fuller Landau Group Inc., solely in its  
capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**  
Applicant

-and-

**CHACON STRAWBERRY FIELDS INC.**  
Respondent

Court File No. CV-24-717742-00CL

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

**ORDER**  
(Appointing Receiver)

**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**  
155 Wellington Street West, 35<sup>th</sup> Floor  
Toronto, ON M5V 3H1  
Fax: (416) 646-4301

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[jeff.larry@paliareroland.com](mailto:jeff.larry@paliareroland.com)

**Daniel Rosenbluth** (LSO# 71044U)  
Tel: 416.646.6307  
[daniel.rosenbluth@paliareroland.com](mailto:daniel.rosenbluth@paliareroland.com)

**Ryan Shah** (LSO# 88250C)  
Tel: 416.646.6356  
[ryan.shah@paliareroland.com](mailto:ryan.shah@paliareroland.com)

**Lawyers for the Applicant**

# APPENDIX C



Court File No. CV-24-717742-00CL

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

THE HONOURABLE )  
JUSTICE W.D. BLACK )  
FRIDAY, THE 19<sup>TH</sup> DAY  
OF JULY, 2024

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

- and -

**CHACON STRAWBERRY FIELDS INC. and SURINDER KAUR CHAHAL**

Respondent

**JUDGMENT**

**THIS APPLICATION** made by the Applicant for judgment against the Respondent was heard this day at 330 University Avenue, Toronto, Ontario via remote videoconferencing.

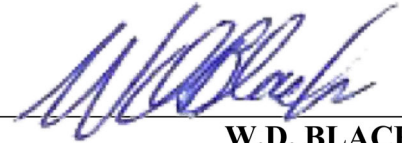
**ON READING** the consent of the parties and on hearing the submissions of counsel listed on the counsel slip, no one else appearing for the other parties although duly served as appears from the lawyer's certificates of service of Ryan Shah dated April 17 and June 21, 2024,

1. **THIS COURT ORDERS** that the Applicant, First Source Financial Management Inc., is hereby granted leave to amend its Notice of Application to add Surinder Kaur Chahal as a respondent, in accordance with the Applicant's Amended Notice of Application.
2. **THIS COURT ORDERS AND ADJUDGES** that the Respondents, Chacon Strawberry Fields Inc. and Surinder Kaur Chahal, are jointly and severally liable to pay to the Applicant the

sum of \$17,527,119.27 plus the Applicant's legal costs of enforcing this order on a full indemnity basis.

3. **THIS COURT ORDERS AND ADJUDGES** that the amount referred to in paragraph two of this judgment bears postjudgment interest at the following annual rates:

- (a) until August 5, 2024, the higher of 6.00% or CIBC Prime + 2.80%; and
- (b) from and including August 5, 2024, the higher of 18.00% or CIBC Prime + 14.80%.



---

**W.D. BLACK J.**

**First Source Financial Management Inc.**  
Applicant

-and- **Chacon Strawberry Fields Inc. et al.**  
Respondent

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

PROCEEDING COMMENCED IN  
**TORONTO**

**JUDGMENT**

**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**  
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**Ryan Shah (88250C)**  
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E: [ryan.shah@paliareroiland.com](mailto:ryan.shah@paliareroiland.com)

Lawyers for the Applicant

# APPENDIX D

AMENDED THIS 23 October 2024 PURSUANT TO  
 MODIFIÉ CONFORMÉMENT À \_\_\_\_\_  
 € RULE/LA RÈGLE 26.02 (\_\_\_\_\_)  
 € THE ORDER OF \_\_\_\_\_  
 L'ORDONNANCE DU \_\_\_\_\_  
 DATED/FAIT LE 19 July 2024  
 Digitally signed by \_\_\_\_\_  
 REGISTRAR / GREFFIER \_\_\_\_\_  
 SUPERIOR COURT OF JUSTICE / COUR SUPÉRIEURE DE JUSTICE  
**Maggie Sawka**  
 Date: 2024.10.23  
 15:54:50 -04'00'

Court File No: CV-24-00717742-00CL

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

**BETWEEN:**

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

- and -

**CHACON STRAWBERRY FIELDS INC. and SURINDER KAUR CHAHAL**

Respondents

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act*,  
R.S.O. 1990, c. C.43**

**AMENDED NOTICE OF APPLICATION**

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing (*choose one of the following*)

- In person
- By telephone conference
- By video conference

at the following location: 330 University Ave., Toronto ON M5G 1R7 on a date to be fixed by the Registrar.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: Issued by: \_\_\_\_\_  
Local registrar

Address of court office: 330 University Ave.,  
Toronto ON M5G 1R7

TO: **CHACON STRAWBERRY FIELDS INC.**  
25 Sun Pac Boulevard  
Brampton, ON L6S 5P6

AND TO: **JITESH BHALLA**  
Bridge Lawyers  
13-7015 Tranmere Drive  
Mississauga, ON L5S 1T7

Lawyer for 1794523 Ontario Inc.,

AND TO: **SURINDER KAUR CHAHAL**  
25 Sun Pac Boulevard  
Brampton, ON L6S 5P6

## APPLICATION

The Applicant makes an application for an order:

a) if necessary, abridging the time for and validating the manner of service of the Notice of Application and Application Record in respect of this application and dispensing with further service thereof;

b) appointing the Fuller Landau Group Inc. as receiver and manager (the “**Receiver**”) of the Property (as defined below);

c) granting judgment against the Borrower and the Guarantor (each as defined below) in the amount of \$17,093,968.97 plus interest, substantially in the form of the Consent Judgment (as defined below);

d) awarding costs of this application on a full indemnity basis; and

e) awarding such further and other relief which this Honourable Court deems appropriate and just.

### THE GROUNDS FOR THE APPLICATION ARE:

#### A. *The Parties*

1. The applicant First Source Financial Management Inc. (the “**Lender**”) is an Ontario corporation in the business of providing mortgage financing and other loans.

2. The respondent Chacon Strawberry Field inc. (the “**Borrower**”) is an Ontario corporation in the business of real estate development.

3. Surinder Kaur Chahal (the “**Guarantor**”) is an individual resident in Ontario and is an officer, director, and shareholder of the Borrower.

**B. The Property**

4. The Borrower owns the real property municipally known as 12550, 12560 and 12570 Kennedy Road Caledon, Ontario and having the legal description set out in **Schedule “A”** hereto (the “**Property**”).

5. The Property is the site of three commercial buildings that are currently leased by the Borrower to various retail businesses.

**C. The Loan**

6. On or around December 15, 2022, the Lender completed a mortgage loan transaction (the “**Loan**”) with the Borrower in accordance with a Letter of Commitment dated May 2, 2022 (the “**Commitment Letter**”) issued by First Source Mortgage Corporation (an affiliate of the Lender). The Commitment Letter was subsequently assigned to the Lender.

7. The Loan initially contemplated a facility in the amount of the lesser of \$17,000,000 or 62.95% of the appraised value of the Property. Ultimately, on December 15, 2022, the Lender advanced \$17,000,000 to the Borrower.

8. The Commitment Letter contemplated monthly interest-only payments and a repayment of the Loan on maturity, being May 8, 2024.

9. During the first 16 months after the interest adjustment date (being January 1, 2023), the interest rate per annum of the Loan is the higher of 6.00% or CIBC Prime +

2.80%. During the final 7 days of the Loan's term, and thereafter, the interest rate per annum of the Loan is the higher of 18.00% or CIBC Prime + 14.80%.

10. The Borrower's obligations under the Loan are guaranteed by the Guarantor.

11. The Commitment Letter was amended on December 8, 2022 to delay the deadline for the Lender to make its initial advance under the Loan and to amend certain other terms.

**D. Security for the Loan**

12. The Loan was secured by a first mortgage (the "**Mortgage**") registered on December 15, 2022 against the Property as Instrument No. PR4152681 (the "**Charge**") in favour of the Lender.

13. The terms of the Charge expressly provide (beginning on page 13) that the Lender has the right to appoint a receiver in the event of a default by the Borrower.

14. The terms of the Charge also provide that, if a subsequent mortgage is placed on the Property without the Lender's written consent, the Lender shall have the right to immediately declare all unpaid principal, interest, accrued interest, costs and expenses owing to the Lender immediately due and payable.

15. There is a second mortgage registered on the Property with the consent of the Lender (the "**Second Mortgage**") in favour of 1794523 Ontario Inc. (the "**Second Mortgagee**" and, together with the Lender, the "**Secured Creditors**").

16. On March 7, 2023, the Lender, the Second Mortgagee, the Borrower and the Guarantor executed a postponement and subordination agreement which, among other

things, provides for the standstill of the Second Mortgagee's right to seek the enforcement of its security without first providing 60 days' written notice to the Lender.

17. As of April 2024, there are a number of other encumbrances registered on the Property in favour of parties unknown to the Lender, as described below.

18. Other security granted by the Borrower to the Lender includes the guarantee described above and a General Security Agreement by which the Borrower granted security to the Lender over its personal property (the "**GSA**").

19. The Lender registered a financing statement in respect of the GSA under the *Personal Property Security Act* (Ontario) on or around December 13, 2022.

20. Like the Charge's terms, the GSA expressly provides that the Lender can appoint a receiver in respect of the Borrower if the Loan is in default.

***E. The Borrower Defaults***

21. The Borrower has defaulted on its obligations to the Lender under the Charge. The Borrower's defaults under the Charge include:

- (a) Failure to discharge a construction lien and certificate of action registered on title to the Property, in contravention of the Borrower's obligation to prevent the registration of any liens on the Property;
- (b) Starting in April 2023, registering several encumbrances on the Property without the consent of the Lender, in contravention of the Borrower's obligation to obtain the consent of the Lender before doing so. These include charges in favour of:

- (i) 1299400 Ontario Ltd.;
  - (ii) Manjinder Grewal;
  - (iii) Manoj Khindri;
  - (iv) Sandeep Kotra;
  - (v) Inderjit Singh;
  - (vi) Sapinder Gewal;
  - (vii) Moudgill Financial Inc.;
  - (viii) Anubhav Garg; and
  - (ix) Northwood Mortgage Investment Corporation; and
- (c) Permitting realty tax arrears to accrue (\$231,267.91 as of March 1, 2024), in contravention of the Borrower's obligation to pay all property taxes when they become due, in accordance with the terms of the Charge.

22. On February 2, 2024, counsel for the Second Mortgagee advised the Borrower that, if the Borrower did not redeem the Second Mortgage by March 22, 2024, the Second Mortgagee would proceed with enforcement under the Second Mortgage. This represents a further default of the Borrower's obligations under the Charge given that the Borrower has an obligation to keep all encumbrances in good standing (together with the events of default listed in paragraph 21 collectively, the "Defaults").

23. On February 12, 2024, counsel for the Lender advised the Borrower of the Defaults and advised that, if the Defaults were not rectified on or before March 1, 2024, the Lender would issue a Notice of Intention to Enforce Security.

24. The Borrower failed to rectify the Defaults by March 1, 2024 or since.

25. As a result, on March 8, 2024, counsel for the Lender sent a Notice of Intention to Enforce Security under section 244 of the *Bankruptcy and Insolvency Act* to the Borrower.

26. Notwithstanding the demands to date, the Defaults have not been cured and the Loan has not been repaid.

**F. The Forbearance Agreement**

27. On May 10, 2024, the Lender agreed to a forbearance agreement with the Borrower and the Guarantor (the “Forbearance Agreement”).

28. Under the Forbearance Agreement, the parties agreed, among other things, that:

(a) The Lender would forbear from enforcement of the Loan until August 13, 2024 or the material breach of the Forbearance Agreement by the Borrower;

(b) The Borrower would continue to make interest payments under the Loan, including a payment of \$30,453.93 by no later than May 25, 2024; and

(c) The Borrower and the Guarantor consented to:

(i) Judgment in the full amount of the Indebtedness (the “Consent Judgment”); and

(ii) An order appointing a receiver over the Property (the “**Consent to Receivership**” and, together with the Consent Judgment, “**Consent Orders**”).

**G. The Borrower Breaches the Forbearance Agreement**

29. The Borrower failed to pay the Lender the required interest amount of \$30,453.93 by May 25, 2024, in violation of the Borrower’s obligations under paragraph 6 of the Forbearance Agreement.

30. Eventually, on June 5, 2024, the Borrower did pay the Lender \$30,000, in partial satisfaction of its obligations under paragraph 6 of the Forbearance Agreement.

31. However, the Borrower failed to pay the Lender the required interest payment by June 10, 2024, in violation of the Borrower’s obligations under paragraph 5 of the Forbearance Agreement.

32. On June 13, 2024, the Borrower made late, partial payment to the Lender.

33. In light of the foregoing, the Lender has lost all confidence in the Borrower to fulfill its obligations under the Forbearance Agreement and the Loan.

34. Per paragraph 7 of the Forbearance Agreement, the failure of the Borrower to pay required interest is a material breach of the Forbearance Agreement.

35. Accordingly, the Borrower and Guarantor have defaulted under the Forbearance Agreement and, per paragraph 12 of the Forbearance Agreement, the Lender is entitled to:

(a) Re-commence enforcement of the Loan; and

(b) Rely on the Consent Orders for both:

(i) Judgment as against the Borrower and the Lender for the  
Indebtedness, as set out in the Consent Judgment; and

(ii) The appointment of a receiver over the Property, as set out in the  
Consent to Receivership.

**F.H. Need for a Receiver**

27-36. Through the Defaults, the value of the Secured Creditors' security and the ability of the Secured Creditors to realize on the same is being compromised. A receiver is urgently required in order to prevent the further deterioration of the Secured Creditors' security.

28-37. In particular, the appointment of a Receiver is needed for the following reasons:

- (a) By virtue of the *Municipal Act, 2001*, S.O. 2001, c. 25, the \$231,267.91 in realty tax arrears accruing interest on the Property rank in priority to the charges of the Secured Creditors. The further accrual of realty taxes by the Borrower thereby deteriorates the value of the Secured Creditors' security;
- (b) The Borrower's encumbrance of the Property, contrary to the terms of the Charge, impinges on the value and transferability of the Property and, further, demonstrates the Borrower's inability and/or unwillingness to obtain the consent of the Lender before further encumbering the Property (as the

Borrower specifically agreed to do under the Charge and the Commitment Letter);

- (c) The Second Mortgagee has indicated an intention to enforce the Second Mortgage. The appointment of a Receiver will ensure the orderly realization upon the assets of the Debtors, for the benefit of all stakeholders; and
- (d) As of April 1, 2024, the Lender's interest reserve in respect of the Loan has been depleted, however the Borrower appears to be diverting rental income earned from the Borrower's tenants at the Property for purposes other than paying realty taxes and maintaining the Property.

38. The Lender is entitled under the terms of the Charge and the GSA to appoint a Receiver in the event the Loan is in default.

29-39. Further, and in any event, the Borrower and the Guarantor have both consented to the appointment of a receiver over the Property by consenting to the Consent to Receivership.

30-40. The Fuller Landau Group Inc. has consented to its appointment as Receiver, if so appointed.

31-41. Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

32-42. Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

33-43. Rules 14.05, 16.08, 41, and 3.02 of the *Rules of Civil Procedure*; and

34-44. Such further and other grounds as counsel may advise.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of this Application:

(a) The affidavit of Kunj Patel, ~~to be affirmed;~~affirmed April 17, 2024;

(a)(b) The supplemental affidavit of Kunj Patel, affirmed June 14, 2024;

(b)(c) The consent of the Receiver; and

(c)(d) Such further and other evidence as counsel may advise and this Honourable Court may permit.

~~June~~April 14, 2023

**Paliare Roland Rosenberg Rothstein LLP**  
155 Wellington Street West, 35th Floor  
Toronto, Ontario M5V 3H1

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**Ryan Shah (LSO# 88250C)**  
Tel: 416.646.6356  
ryan.shah@paliareroland.com

Lawyers for the Applicant

**SCHEDULE "A"**

- (a) PIN 14235-4995 (LT): PART OF RESERVE BLOCK 111, PLAN 43M1855, BEING PART 7, PLAN 43R34665 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 11 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON;
- (b) PIN 14235-3470 (LT): PART OF DOUGALL AVENUE LYING NORTH OF RESERVE BLOCK 110, PLAN 43M1855, BEING PARTS, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1 855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 12 ON PLAN 43R36883A5 IN PR2885670; TOWN OF CALEDON;
- (c) PIN 14235-4995 LT: PART OF BLOCK 172, PLAN 43M1860, BEING PART 1 ON PLAN 43R-36418; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M 1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT

TO AN EASEMENT OVER PART 1 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON;

- (d) PIN 14235-4997 (LT): BLOCK 97, PLAN 43M1855. PART 4 ON PLAN 43R-36418; EXCEPT PART 3 ON PLAN 43R-36522; SUBJECT TO AN EASEMENT OVER PART 4 ON PLAN 43R36522 IN FAVOUR OF PART OF BLOCK 97, PLAN 43M1855, PARTS 2 AND 3 ON PLAN 43R36522 AS IN PR2755721; TOGETHER WITH AN EASEMENT OVER PART BLOCK 97, PLAN 43M1855, PARTS 2 AND 3 PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PART OF BLOCK 172, PLAN 43M1860, PART 1 ON PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PARTS 2, 3 & 4, PLAN 43R36883 AS IN PR2885670; SUBJECT TO AN EASEMENT AS IN PR2858994; TOWN OF CALEDON

FIRST SOURCE FINANCIAL MANAGEMENT INC.  
Applicant

-and- CHACON STRAWBERRY FIELDS INC. et al.  
Respondent

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

**AMENDED NOTICE OF APPLICATION**

**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**  
155 Wellington Street West, 35<sup>th</sup> Floor  
Toronto, ON M5V 3H1  
Fax: (416) 646-4301

**Jeffrey Larry** (LSO#44608D)  
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**Daniel Rosenbluth** (LSO# 71044U)  
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Email: daniel.rosenbluth@paliareroland.com

**Ryan Shah** (LSO# 88250C)  
Tel: 416.646.6356  
ryan.shah@paliareroland.com

Lawyers for the Applicant

# APPENDIX E

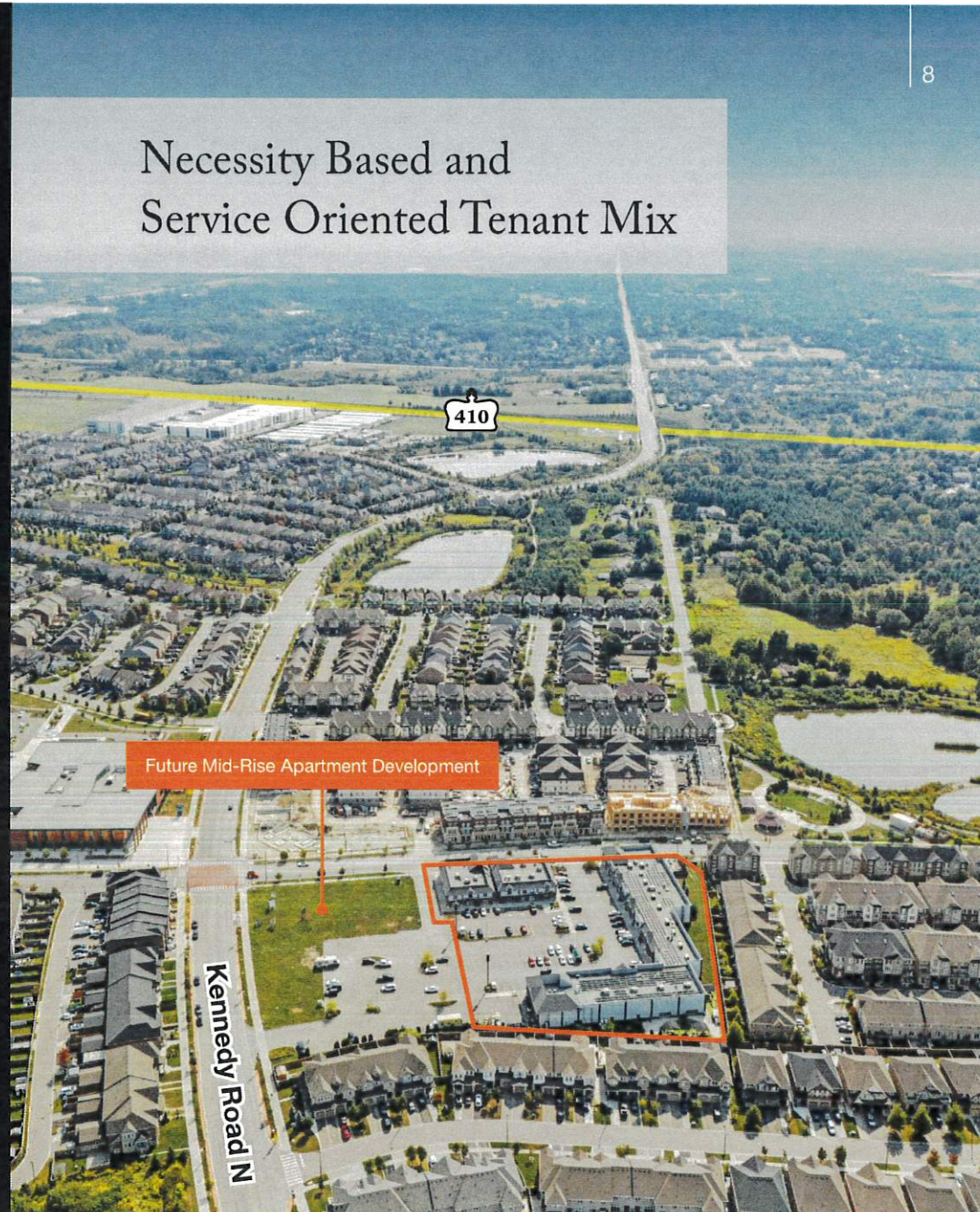
# The Property

Address	12550, 12560, 12570 Kennedy Road, Caledon, ON
Major Intersection	Kennedy Road and Dougall Avenue (just north of Hwy 410)
Construction	Formed concrete slab-on-grade, Constructed in 2015-2017
Land Size	2.32 acres
Gross Leasable Area	40,192 SF
Zoning	CCV – Village Core Commercial Zone
Official Plan	Mixed Use
Parking	90 vehicles (approx.)
HVAC	25 roof mounted HVAC's
Reports	Environmental Phase 1 – March 2022 Property Condition Assessment – April 2022
Financing	Free and clear offering
Net Operating Income (Yr. 1)	\$ 1,170,649 (See Financial Section)

## Tenants

Fresh Food Centre	Venus Salon & Spa
PharmaChoice & Urgent Care	Caledon Dental Centre
Royal Paan	Subway
Mint Leaf Indian Restaurant	Kennedy Meat Shop
Caledon Physiotherapy & Vision Centre	Puddle Jumpers Prepschool
Little Caesars	Simply Play
Computer Host	Shared Network (Cell Tower)
GAM Diagnostic Imaging	

## Necessity Based and Service Oriented Tenant Mix



# APPENDIX F

Land Specialists - For Sale

---

# Residential Development Site

BEING SOLD UNDER POWER OF SALE:  
12530 & 12540 Kennedy Road, Caledon



Brochure

## The Offering

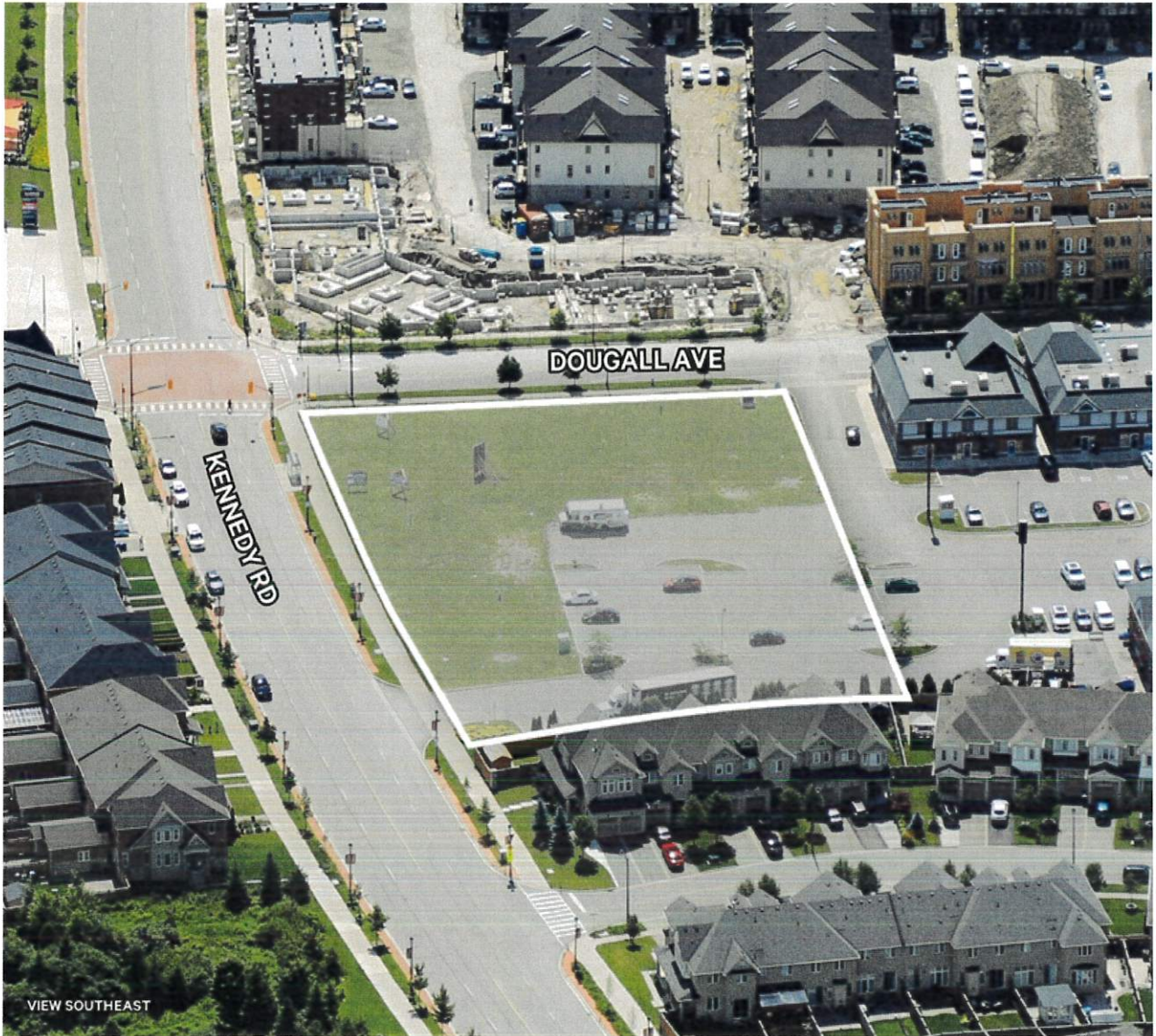
ADDRESS	12530 & 12540 Kennedy Road
PIN's	142354994 & 142354996
LAND AREA	+ 2.059 ac.
OFFICIAL PLAN	Mayfield West Secondary Plan
SECONDARY PLAN	Village Centre Area; General Commercial; Mixed High/Medium Density Residential

ZONING

CCV - Village Core Commercial

DEVELOPMENT

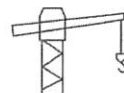
4 storey, 158 unit apartment building w/ commercial at grade; application submitted



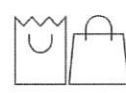
**Being sold under  
Power of Sale**



**Village Centre Mixed Use  
Residential Development**



**Infill development  
opportunity**



**Close to downtown,  
amenities & transit**

# Offers will be reviewed upon receipt

For more information, please contact:

---

## Land Specialists

### Jason Child\*

Senior Vice President  
+1 416 495 6249  
[jason.child@cbre.com](mailto:jason.child@cbre.com)

### Daniel Satoor\*

Associate Vice President  
+ 1 416 495 6203  
[daniel.satoor@cbre.com](mailto:daniel.satoor@cbre.com)

### Ian Hunt\*

Senior Vice President  
+1 416 495 6268  
[ian.hunt@cbre.com](mailto:ian.hunt@cbre.com)

### Torey Ferrelli

Sales Representative  
+1 416 495 6246  
[torey.ferrelli@cbre.com](mailto:torey.ferrelli@cbre.com)

### Allison Conetta

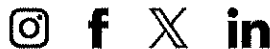
Sales Representative  
+1 416 495 6287  
[allison.conetta@cbre.com](mailto:allison.conetta@cbre.com)

### Land Specialists

2005 Sheppard Ave E, #800  
Toronto, ON, M2J 5B4  
[www.cbre.ca](http://www.cbre.ca)

\* Sales Representative  
All outlines are approximate.

**CBRE**



[cbre.ca](http://cbre.ca)

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Address: 2005 Sheppard Avenue East, Suite 800, Toronto ON M2J 5B4

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# APPENDIX G

**Properties**

<i>PIN</i>	14235 - 3468	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PART OF RESERVE BLOCK 111, PLAN 43M1855, BEING PART 7, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 11 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 3470	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PART OF DOUGALL AVENUE LYING NORTH OF RESERVE BLOCK 110, PLAN 43M1855, BEING PART 8, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 12 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 4995	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PART OF BLOCK 172, PLAN 43M1860, BEING PART 1 ON PLAN 43R-36418; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 1 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 4997	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 97, PLAN 43M1855, PART 4 ON PLAN 43R-36418; EXCEPT PART 3 ON PLAN 43R-36522; SUBJECT TO AN EASEMENT OVER PART 4 ON PLAN 43R36522 IN FAVOUR OF PART OF BLOCK 97, PLAN 43M1855, PARTS 2 AND 3 ON PLAN 43R36522 AS IN PR2755721; TOGETHER WITH AN EASEMENT OVER PART BLOCK 97, PLAN 43M1855, PARTS 2 AND 3 PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PART OF BLOCK 172, PLAN 43M1860, PART 1 ON PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PARTS 2, 3 & 4, PLAN 43R36883 AS IN PR2885670; SUBJECT TO AN EASEMENT AS IN PR2858994; TOWN OF CALEDON			
<i>Address</i>	CALEDON			

**Party From(s)**

*Name* ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)  
*Address for Service* 330 University Avenue  
Toronto, ON M5G 1R7

**Applicant(s)**

*Capacity*

*Share*

*Name* THE FULLER LANDAU GROUP INC.  
*Address for Service* 151 Bloor St W 12th Floor, Toronto, ON M5S 1S4

**Statements**

The applicant applies to register the following order See Schedules. The order is still in full force and effect  
I Jacob Bow Dubelaar solicitor make the following law statement the attached order contains a transcription error wherein the firstly described PIN in Appendix A is incorrectly referenced as PIN 14235-4995 and should instead reference PIN 14235-3468, being the firstly PIN referenced in the within application. The order affects all of the lands described in the within application.

**Signed By**

Jacob Bow Dubelaar	181 Bay St., Suite 1800 Toronto M5J 2T9	acting for Applicant(s)	First Signed	2024 08 08
Tel	416-863-1500			
Fax	416-863-1515			
Jacob Bow Dubelaar	181 Bay St., Suite 1800 Toronto M5J 2T9	acting for Applicant(s)	Last Signed	2024 09 13

The applicant(s) hereby applies to the Land Registrar.

**Signed By**

Tel 416-863-1500

Fax 416-863-1515

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

**Submitted By**

AIRD & BERLIS LLP

181 Bay St., Suite 1800  
Toronto  
M5J 2T9

2024 09 13

Tel 416-863-1500

Fax 416-863-1515

**Fees/Taxes/Payment**

Statutory Registration Fee \$69.95

Total Paid \$69.95

**File Number**

Applicant Client File Number : 322002

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) FRIDAY, THE 19<sup>TH</sup> DAY  
)  
JUSTICE W.D. BLACK ) OF JULY, 2024

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

- and -

**CHACON STRAWBERRY FIELDS INC.**

Respondent

**ORDER  
(Appointing Receiver)**

**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 The Fuller Landau Group Inc. as receiver and manager (in such capacities, the "Receiver") without security, over the lands and premises described in Appendix "A" hereto (the "Real Property"), owned by Chacon Strawberry Fields Inc. (the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the consent of the parties and on hearing the submissions of counsel listed on the counsel slip, no one else appearing for the other parties although duly served as appears

from the lawyer's certificate of service of Ryan Shah dated April 17 and June 21, 2024, and on reading the consent of The Fuller Landau Group Inc. to act as the Receiver,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, The Fuller Landau Group Inc. is hereby appointed Receiver, without security, of the Real Property including all proceeds thereof (the "Property").

### **RECEIVER'S POWERS**

3. **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 consultants, appraisers, agents, experts, auditors, accountants, 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 \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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, and in each case the Ontario Bulk Sales Act shall not apply.

- (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**

4. **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.

5. **THIS COURT ORDERS** that all Persons 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.

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.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon

application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. **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**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor in relation of the Property 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 in relation to the Property or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor in relation to the Property, 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**

11. **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**

12. **THIS COURT ORDERS** that all Persons 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**

13. **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**

14. **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**

15. **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**

16. **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**

17. **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**

18. **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.

19. **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 Commercial List of the Ontario Superior Court of Justice.

20. **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**

21. **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 \$500,000 (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.

22. **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.

23. **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.

24. **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**

25. **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 [fullerllp.com/active\\_engagements/chacon-strawberry-fields-inc.](http://fullerllp.com/active_engagements/chacon-strawberry-fields-inc.)

26. **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**

27. **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.

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

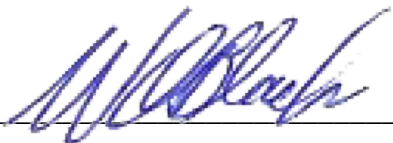
29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

30. **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.

31. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff'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.

32. **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.

  
\_\_\_\_\_

**Appendix "A"**

PIN 14235-4995 (LT): PART OF RESERVE BLOCK 111, PLAN 43M1855, BEING PART 7, PLAN 43R34665 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 11 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON;

PIN 14235-3470 (LT): PART OF DOUGALL AVENUE LYING NORTH OF RESERVE BLOCK 110, PLAN 43M1855, BEING PARTS, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1 855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 12 ON PLAN 43R36883A5 IN PR2885670; TOWN OF CALEDON;

PIN 14235-4995 LT: PART OF BLOCK 172, PLAN 43M1860, BEING PART 1 ON PLAN 43R-36418; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M 1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 1 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON;

PIN 14235-4997 (LT): BLOCK 97, PLAN 43M1855. PART 4 ON PLAN 43R-36418; EXCEPT PART 3 ON PLAN 43R-36522; SUBJECT TO AN EASEMENT OVER PART 4 ON PLAN 43R36522 IN FAVOUR OF PART OF BLOCK 97, PLAN 43M1855, PARTS 2

AND 3 ON PLAN 43R36522 AS IN PR2755721; TOGETHER WITH AN EASEMENT OVER PART BLOCK 97, PLAN 43M1855, PARTS 2 AND 3 PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PART OF BLOCK 172, PLAN 43M1860, PART 1 ON PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PARTS 2, 3 & 4, PLAN 43R36883 AS IN PR2885670; SUBJECT TO AN EASEMENT AS IN PR2858994; TOWN OF CALEDON

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that The Fuller Landau Group Inc.', the receiver (the "Receiver") of the properties municipally known as known as 12550, 12560 and 12570 Kennedy Road Caledon, Ontario owned by Chacon Strawberry Fields Inc. ( the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an application having Court file number CV-24-00717742-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$500,000 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 daily 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\_\_.

The Fuller Landau Group Inc., solely in its  
capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**  
Applicant

-and-

**CHACON STRAWBERRY FIELDS INC.**  
Respondent

Court File No. CV-24-717742-00CL

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

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**ORDER**  
(Appointing Receiver)

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**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**  
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**Lawyers for the Applicant**

# APPENDIX H

TAB 2

Court File No. CV-24-00717742-00CL

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

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

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

- and -

**CHACON STRAWBERRY FIELDS INC.**

Respondent

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act*,  
R.S.O. 1990, c. C.43**

**AFFIDAVIT OF KUNJ PATEL**

I, Kunj Patel, of the City of Pickering in the Province of Ontario, SOLEMNLY AFFIRM AS FOLLOWS:

1. I am the Assistant Vice President, Commercial Underwriting, of First Source Financial Management Inc. (the “**Lender**”). As such, I have personal knowledge of the matters set out in this affidavit. Where I do not have personal knowledge, I state the source of my information and I believe it to be true.

**A. *Background***

2. The Lender is an Ontario corporation in the business of providing mortgage financing and other loans.

3. The respondent Chacon Strawberry Fields Inc. (the “**Borrower**”) is an Ontario corporation in the business of real estate development.

4. Surinder Kaur Chahal (the “**Guarantor**”) is an individual resident in Ontario and is an officer, director, and shareholder of the Borrower.

**B. The Property**

5. The Borrower owns the real property municipally known as 12550, 12560 and 12570 Kennedy Road Caledon, Ontario (the “**Property**”). I attach a document containing the legal description of the Property as **Exhibit A**.

6. I attach copies of the parcel registers (each dated April 15, 2024) for the Property as **Exhibit B**.

7. The Property is the site of three commercial buildings that are currently leased by the Borrower to various retail businesses.

**C. The Loan**

8. On or around December 15, 2022, the Lender completed a mortgage loan transaction (the “**Loan**”) with the Borrower in accordance with a Letter of Commitment dated May 2, 2022 (the “**Commitment Letter**”) issued by First Source Mortgage Corporation (an affiliate of the Lender). The Commitment Letter was subsequently assigned to the Lender.

9. I attach a copy of the Commitment Letter as **Exhibit C**.

10. The Loan initially contemplated a facility in the amount of the lesser of \$17,000,000 or 62.96% of the appraised value of the Property. Ultimately, on December 15, 2022, the Lender advanced \$17,000,000 to the Borrower.

11. The Commitment Letter contemplated monthly interest-only payments and a repayment of the Loan on maturity, being May 8, 2024.

12. During the first 16 months after the interest adjustment date (January 1, 2023), the interest rate per annum of the Loan is the higher of 6.00% or CIBC Prime + 2.80%. During the final 7 days of the Loan's term, and thereafter, the interest rate per annum of the Loan is the higher of 18.00% or CIBC Prime + 14.80%.

13. The Borrower's obligations under the Loan are guaranteed by the Guarantor. I attach a copy of the guarantee executed by the Guarantor as **Exhibit D**.

14. The Commitment Letter was amended on December 8, 2022 to delay the deadline for the Lender to make its initial advance under the Loan and to amend certain other terms. I attach a copy of this amendment to my affidavit as **Exhibit E**.

***D. Security for the Loan***

15. The Loan was secured by a first mortgage (the "**Mortgage**") registered on December 15, 2022 against the Property as Instrument No. PR4152681 (the "**Charge**") in favour of the Lender. I attach a copy of the Charge as **Exhibit F**.

16. The terms of the Charge expressly provide (beginning on page 13) that the Lender has the right to appoint a receiver in the event of a default by the Borrower.

17. The terms of the Charge also provide (at page 21) that if a subsequent mortgage is placed on the Property without the Lender's written consent, the Lender shall have the right to immediately declare all unpaid principal, interest, accrued interest, costs and expenses owing to the Lender immediately due and payable.

18. There is a second mortgage registered on the Property with the consent of the Lender (the "**Second Mortgage**") in favour of 1794523 Ontario Inc. (the "**Second Mortgagee**" and, together with the Lender, the "**Secured Creditors**").

19. I attach a copy of the charge registered on title to the Property to secure the Second Mortgage as **Exhibit G**.

20. On March 7, 2023, the Lender, the Second Mortgagee, the Borrower and the Guarantor executed a postponement and subordination agreement which, among other things, provides for the standstill of the Second Mortgagee's right to seek the enforcement of its security without first providing 60 days' written notice to the Lender. I attach a copy of this postponement and subordination agreement as **Exhibit H**.

21. As of April 2024, there are a number of other encumbrances registered on the Property in favour of parties unknown to the Lender, as described below in paragraph 33.

22. Other security granted by the Borrower to the Lender includes the guarantee described above and a General Security Agreement by which the Borrower granted security to the Lender over its personal property (the "**GSA**"). I attached a copy of the GSA as **Exhibit I**.

23. The Lender registered a financing statement in respect of the GSA under the *Personal Property Security Act (Ontario)* on or around December 13, 2022.

24. Like the Charge's terms, the GSA expressly provides that the Lender can appoint a receiver in respect of the Borrower if the Loan is in default.

25. The Lender's lawyer conducted a search of the Personal Property Security Registration system in Ontario against the Borrower and a copy of the search, dated March 22, 2024, is attached as **Exhibit J**.

26. The search against the Borrower indicates that, in addition to the Lender's registration, the following additional registration exists:

Secured Party	Collateral	Registration Date	Registration Number
Northwood Mortgage Investment Corporation	SECURITY GRANTED PURSUANT TO A GENERAL SECURITY AGREEMENT MADE ON OR ABOUT THE 8TH DAY OF DECEMBER, 2023, BETWEEN 2560637 ONTARIO INC. & CHACON STRAWBERRY FIELDS INC., AS DEBTOR, AND NORTHWOOD MORTGAGE INVESTMENT CORPORATION, AS SECURED PARTY, AS AMENDED FROM TIME TO TIME AND INCLUDING ANY ANNEX, SUPPLEMENT OR SCHEDULE THERETO. GENERAL SECURITY AGREEMENT OVER ALL PRESENT AND AFTER-ACQUIRED PERSONAL/MOVABLE PROPERTY OF THE DEBTOR INCLUDING, WITHOUT LIMITATION, ALL INVENTORY, WAREHOUSE RECEIPTS, CDN ACCOUNTS RECEIVABLE, MACHINERY AND EQUIPMENT. GENERAL ASSIGNMENT OF RENTS OVER THE PROPERTY 20706 HEART LAKE ROAD, CALEDON VILLAGE, ONTARIO & 12550, 12560 & 12570 KENNEDY ROAD , CALEDON ONTARIO PERSONAL GUARANTEE OF	December 14, 2023	20231214 1427 1901 3636

	<p>SURINDER CHAHAL , PARMINDER CHAHAL &amp; SAWARAN CHAHAL OF A LOAN FROM 2560637 ONTARIO INC. &amp; CHACON STRAWBERRY FIELDS INC., AS DEBTOR, AND NORTHWOOD MORTGAGE INVESTMENT CORPORATION , AS SECURED PARTY, PURSUANT TO A LOAN COMMITMENT DATED DECEMBER 5TH, 2023, AS AMENDED FROM TIME TO TIME AND INCLUDING ANY ANNEX, SUPPLEMENT OR SCHEDULE THERETO.</p>		
--	--	--	--

27. The Lender’s lawyer also conducted an execution search against the Borrower in all 49 Ontario enforcement offices. The search indicated that there are no executions registered against the Borrower as of March 22, 2024. A copy of this search is attached as **Exhibit K**.

***E. The Borrower’s Defaults***

28. The Borrower has defaulted on a number of its obligations to the Lender under the Charge and Commitment Letter, as described in more detail below.

**1. Failure to Discharge Construction Lien and Certificate of Action**

29. The Borrower has allowed construction liens to be registered on title to the Property. In particular:

- (a) On September 11, 2023, a construction lien was registered in favour of New Star Renovation inc. in the amount of \$99,448.19 (the “**New Star Lien**”);  
and
- (b) On December 20, 2023, a construction lien was registered in favour of Vanle Architect Inc. in the amount of \$44,870 (the “**Vanle Lien**”).

30. I attach copies of the instruments registered on title in respect of the New Star Lien as **Exhibit L**. According to the parcel register, the New Star Lien was deleted from title on February 1, 2024.

31. I attached a copy of the Vanle Lien to my affidavit **Exhibit M**. As of April 15, 2024, the Vanle Lien remains on title to the Property.

32. These registrations are a contravention of the Borrower's obligations to prevent the registration of any liens of any nature or kind under the terms of the Charge (at page 8).

## **2. Subsequent Encumbrances Without Consent**

33. Starting in April 2023, the Borrower registered several encumbrances on the Property without the consent of the Lender, in contravention of the Borrower's obligation to obtain the consent of the Lender before doing so. These include charges in favour of:

- (a) 1299400 Ontario Ltd.;
- (b) Manjinder Grewal;
- (c) Manoj Khindri;
- (d) Sandeep Kotra;
- (e) Inderjit Singh;
- (f) Sapinder Gewal;
- (g) Moudgill Financial Inc.;

- (h) Anubhav Garg; and
- (i) Northwood Mortgage Investment Corporation.

34. Each of these registrations contravenes the terms of the Commitment Letter and the Charge. Specifically, the Commitment Letter provides as follows, on page 15:

**No Subsequent Encumbrances:** The Borrower and the Guarantor hereby agree that in the event that a subsequent mortgage is placed on the Property without Lender's written consent, which consent shall not be unreasonably withheld, that the Lender shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Lender immediately due payable together with the Lender's then current prepayment penalties and fees [emphasis in original].

35. The Charge provides as follows, on page 21:

**Subsequent Encumbrances**

The Chargor and Guarantor hereby agree that in the event that a subsequent mortgage is placed on the property secured hereby, without the Chargee's written consent, which consent may be unreasonably withheld, that the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee immediately due and payable, together with the Chargee's then current prepayment penalties and fees [emphasis in original].

**3. Realty Tax Arrears**

36. As of March 1, 2024, the Borrower had accrued realty tax arrears to the Town of Caledon in the amount of \$231,267.91. I attach a copy of the tax certificate evidencing these arrears to my affidavit as **Exhibit N**.

37. The accrual of realty taxes is a direct contravention of the Borrower's obligation under the Charge to pay all property taxes when they become due.

#### **4. Default Under Second Mortgage**

38. On February 2, 2024, counsel for the Second Mortgagee sent an email to the Lender's counsel advising that, if the Borrower did not redeem the Second Mortgage by March 22, 2024, the Second Mortgagee would proceed with enforcement under the Second Mortgage. I attach a copy of this email (part of which is redacted for privilege) to my affidavit as **Exhibit O**.

39. As of April 15, 2024, the Second Mortgage remains registered on title to the Property.

40. This represents a further default of the Borrower's obligations under the Charge given that the Borrower agreed to keep all encumbrances in good standing.

41. The events of default described in paragraphs 28 to 40 are hereinafter referred to as the "**Defaults**."

#### ***F. Correspondence with Borrower***

42. On February 12, 2024, counsel for the Lender sent a letter to the Borrower advising of the Defaults and stating that, if the Defaults were not rectified on or before March 1, 2024, the Lender would issue a Notice of Intention to Enforce Security. I attach a copy of this letter to my affidavit as **Exhibit P**.

43. The Borrower failed to rectify the Defaults by March 1, 2024 or since.

44. As a result, on March 8, 2024, counsel for the Lender sent a Notice of Intention to Enforce Security under section 244 of the *Bankruptcy and Insolvency Act* to the Borrower. I attach a copy of this notice and covering letter to my affidavit as **Exhibit Q**.

45. Notwithstanding the demands to date, the Defaults have not been cured and the Loan has not been repaid.

46. As of April 17, 2024, the total amount outstanding under the Loan is \$17,093,968.97 with per diem interest of \$4,657.53. I attach a copy of the mortgage discharge state for the Loan, dated April 17, 2024, to my affidavit as **Exhibit R**.

**G. *Events since Commencement of Application***

47. On April 1, 2024, the Borrower's interest reserve, a portion of the Loan set aside to fund the Borrower's interest payments, became depleted.

48. However, on April 9, 2024, the Borrower made the required monthly interest payment of \$126,794.15. I note that the Borrower's May 2024 interest payment will be higher because of the depletion of its interest reserve.

**H. *Need for a Receiver***

49. As a result of the Defaults, the value of the Secured Creditors' security and the ability of the Secured Creditors to realize on their security is being compromised. A receiver is urgently required in order to prevent the further deterioration of the Secured Creditors' security.

50. In particular, the appointment of a Receiver is needed for the following reasons:

- (a) The realty tax arrears accruing interest on the Property rank in priority to the charges of the Secured Creditors. The further accrual of realty taxes by the Borrower thereby deteriorates the value of the Secured Creditors' security. Further, the accrual of these arrears suggests that the Borrower has been diverting rental income out of the Property despite the Defaults;
- (b) The Borrower's encumbrance of the Property, contrary to the terms of the Charge, impacts the value and transferability of the Property and, further, demonstrates the Borrower's inability and/or unwillingness to obtain the consent of the Lender before further encumbering the Property (as the Borrower specifically agreed to do under the Charge and the Commitment Letter); and
- (c) The Second Mortgagee has indicated an intention to enforce the Second Mortgage. The appointment of a Receiver will ensure the orderly realization upon the assets of the Debtors, for the benefit of all stakeholders.

51. The Fuller Landau Group Inc. has consented to its appointment as receiver in respect of the Property.

**AFFIRMED** remotely by Kunj Patel at the City of Pickering, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 17th day of April, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely



---

Commissioner for Taking Affidavits  
**Ryan Shah**

---

**Kunj Patel**

# APPENDIX I



# FIRST SOURCE

## MORTGAGE CORPORATION

Surinder Chahal  
25 Sun Pac Blvd. Unit 1  
Brampton, Ontario  
L6S 5P6

May 2, 2022

c/o Chacon Strawberry Fields Inc.

By Email: [info@chacondevelopments.com](mailto:info@chacondevelopments.com)

Re: First Mortgage Financing – To refinance the fully tenanted retail plaza known as Strawberry Fields Plaza located at the North West corner of Kennedy Road and Dougall Avenue at the municipal address 12550, 12560 & 12570 Kennedy Road, Caledon, Ontario (PINs 142354997, 142353468 and 142353470). The subject Property has a total site area of 2.33 acres and is currently improved with three modern single retail buildings with a net rentable area of 40,192 square feet (the “Property”).

Dear Sir:

FIRST SOURCE MORTGAGE CORPORATION and its syndicate partner (“First Source”, First Source Financial Management Inc. or the “Lender(s)”), licensed under the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, is pleased to advise you, Chacon Strawberry Fields Inc. (Collectively the “Borrower”), that the Borrower’s recent application for a loan to be secured by a first mortgage has been approved subject to the following terms and conditions:

### MORTGAGE DETAILS

#### ARTICLE 1.00

- 20,400,000
- 1.01 **Loan Amount:** The lesser of: (i) \$17,000,000 or (ii) 62.96% of the Satisfactory Appraised “As-Is” Value for the Primary Security. An appraisal is to be prepared by a Bona Fide appraiser approved by the Lender. (the “Loan” or “Loan Facility”).
- 1.02 **Interest Rate:** The higher of (i) 6.00% or (ii) CIBC Prime + 2.80% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 16 months after the interest adjustment date.

The higher of (i) 18.00% or (ii) CIBC Prime + 14.80% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding for the final 7 days of the term. After 16 months and 7 days from the interest adjustment date, unless an extension agreement was previously arranged executed in writing between the Borrower and Lender, the rate on funds advanced shall be fixed at

the higher of (i) 18.00% or (ii) CIBC Prime + 14.80% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

This Loan will be administered on behalf of the Lender(s), and where applicable, at a cost to the Lender(s) of approximately .75% which cost is subject to any H.S.T. (the "HST Administration Tax"). The HST Administration Tax only is for the account of the Borrower and an estimated amount is to be deducted from the Loan Advance. The Lender shall advise the Borrower of the HST Administration Tax on or before Closing.

The Charge and Promissory Note shall provide for an interest rate of 18% per annum. The Lender shall only be entitled to interest as determined by the interest rate as set out herein or any amendment to this Commitment which the Borrowers(s) may enter into with the Lender after the date hereof. This provides the Borrower(s) with more flexibility, within the principal amount set out in the Charge, if interest rates are amended, so that the Lender may be in a position to provide amendments to the Commitment/Promissory Note without requiring an amendment to the Charge being registered on title to the Property.

- 1.03 Term:** 16 months plus 7 days from the Interest Adjustment Date PROVIDED, that, notwithstanding anything herein before provided, upon the Maturity Date of the Charge, the Chargee shall be entitled to enter into an agreement with the Chargor to extend the Maturity Date, increase the interest rate or amend any of the other terms of this Charge without the requirement to obtain the postponement of any subsequent encumbrancer to such amendments and any subsequent encumbrancers shall take title to their security subject to this provision and be subordinated to such amendments.
- 1.04 Extension Option:** Provided that no Event of Default as defined in the Mortgage and referred to in this Commitment Letter as an "Event of Default" has occurred which is continuing and subject to the consent of the Lender, in its sole, absolute and unfettered discretion, the Lender shall permit an extension of the Term by twelve months to the Maturity Date (each an "Extension Option"). The exercise of the Extension Option is subject to delivery of a written request from the Borrower to the Lender at least 30 days prior to the Maturity Date and payment of the Extension Fee.
- 1.05 Amortization:** Nil.
- 1.06 Guarantor:** 100% Guarantee from Surinder Chahal, any other entities having a beneficial interest in the Property on a joint and several basis (Collectively the "Guarantors"). Guarantees are to be satisfactory to the Lender at its sole and absolute discretion.
- 1.07 Repayment:** Interest Only. Payable monthly on the 4th day of each month from the Monthly Net Operating Income generated by the subject Property.
- 1.08 Interest Adjustment Date:** The 1<sup>st</sup> day of the month following the first advance.
- 1.09 Closing Date:** The initial advance shall be not later than June 30<sup>th</sup>, 2022. The initial advance is to be inclusive of all broker and lender fees and interest reserve for the full term of the loan. If the date of the advance is more than 10 business days past the aforesaid date, this commitment will be at our option, null and void. In the event First Source agrees to an extension of more than 10 business days beyond the date specified, the new rate and any costs attributable thereto, will be subject to the then current market terms and conditions as at that date.

- 1.10 Prepayment Privileges:** The subject loan shall be closed for 9 months (save and except for the below noted clause), and then open on any payment date with 30 days prior written notice.

The Lender acknowledges the Guarantor holds ownership over the adjacent site which is proposed to be developed into a 4 storey condominium building comprising of a 134 unit residential condominium with 12 commercial condominium units. The scope of the development is also to include a 2-storey residential addition to the existing 2-storey commercial building situated on the subject property (over which the Lender is taking first mortgage charge to secure the subject loan) containing 24 additional condo units. As such, the Lender will permit the Charge, when not in default to be open for repayment in part to discharge Building A (5,201 square feet) and Building B (6,350 square feet) once severed, at any time or times, upon the Chargor providing the Chargee with thirty (30) days' prior written notice of such intention to repay. The required minimum payment for any partial discharge of security for the subject loan will require i) the Lender's exposure per square foot to be reduced proportionally to the square footage of security being discharged and ii) the Debt Service Coverage of the subject loan, as calculated by the Lender in its sole and absolute discretion, to remain unchanged post-discharge of security in part. Partial paydowns shall not be subject to prepayment penalties. It is estimated the required net funds to discharge Building A and B will be \$4,885,723.50. The Lender, at its sole and absolute discretion, can amend the required minimum net funds to discharge Building A and B as security for the subject loan.

- 1.11 Financial Covenant:** A minimum Debt Service Ratio of 1.10x must be maintained at all times during the term of the Loan (calculated as Actual Annualized NOI/Required Interest Payments).
- 1.12 Purpose:** To refinance the subject Property, provide funds for soft and miscellaneous expenses and funding for Closing and Arranging Costs.
- 1.13 Security:**
- 1) Promissory Note from the Borrower.
  - 2) First Charge on the Property in favour of First Source Financial Management Inc. that is registered at 1.20x the total loan amount.
  - 3) First General Security Agreement ("GSA") against all personal property of the Borrower.
  - 4) First Assignment of Insurance for the Property
  - 5) First Assignment of all rents, leases, exiting, expected or received throughout the term of the Loan for the Property
  - 6) First Assignment of all contracts as it relates to the plans for the continuing operation of the property throughout the term of the Loan.
  - 7) Executed Estoppel Certificates for all Leases as it relates to the Property
  - 8) Guarantees as aforesaid together with General Security Agreement
  - 9) Fraud, Misrepresentation, and Environmental Indemnity Agreement

- 10) First Assignment of all Purchase and Sales Agreements and/or Lease Agreements (if applicable) for the three single-story retail buildings operating as Strawberry Field Plaza on the subject Property
- 11) Subordination and Postponement of Claim from shareholders of the Borrower.
- 12) Mortgage to include a covenant of no subsequent financing without the written consent of the Lender. The Lender agrees to permit subsequent financing subject to an executed full subordination and unlimited standstill agreement that is to the Lender and the Lender's counsel's satisfaction.
- 13) The Borrower and Guarantors shall execute a Negative Pledge with respect to Shareholder Loans, Shares, Dividends, interest, fees, charges, expenses or other amounts accruing or owed on loans owing by the Borrower or Guarantors or otherwise compensate or pay any amounts, or permit to be compensated or paid any amounts, to any of the undersigned, the directors, officers, shareholders or employees of the undersigned or any other sponsors of the Property in each case until such time as the Loan has been repaid in full.
- 14) Such other reasonable legal security as requested by the Lender and/or its legal counsel.

#### LENDER FEES

#### ARTICLE 2.00

**2.01 Lender Fee:** In consideration of First Source obtaining this Commitment, the Borrower hereby agrees to pay a fee (the "Lender Fee") in the amount of 1.50% of the Loan Amount;

- a) \$25,000 is due by cheque/wire upon acceptance of this Commitment (the "Second Deposit"). Note that this payment is in addition to the initial \$5,000 (the "First Deposit") which was received upon sign back of the Non-Binding Letter of Interest. The entire First and Second Deposit shall be applied in satisfaction of the Lender Fee or all of the First and Second Deposit shall be forfeited if the Mortgage Amount is not advanced by the Lender due to any cause whatsoever save and except default of the Lender.

Note that the Lender charges certain disbursement costs and administration costs which may total as much as \$1,500 which are non-refundable once a commitment is signed and is typically deducted from the closing proceeds of the Loan or from any commitment deposit.

- b) The balance of the Lender Fee shall be payable from the closing proceeds on the closing date. The Lender Fee is deemed earned upon acceptance and execution of this Commitment. The Lender shall have an interest in the Property for the Lender Fee and if not paid, and if litigation proceedings are commenced, the Lender shall be entitled to a Certificate of Pending Litigation against the Property. The Borrower acknowledges that the Lender Fee is a reasonable estimate of the Lender's costs incurred in sourcing, investigating and underwriting and preparing the Loan.

**2.02 Extension Fee:** 1.125% of the Loan Amount for the Twelve-Month Option - The Extension Option is subject to delivery of a written request from the Borrower to the Lender at least 30 days prior to the Maturity Date, approval of said request by the Lender, and payment of the Extension Fee (immediately upon acceptance of the Lender Issued Extension Agreement).

### SOURCE AND USE OF FUNDS

Source of Funds		Use of Funds	
FSMC Loan	\$ 17,000,000	Refinance Existing Mortgage	\$ 16,300,000
		Working Capital	\$ 400,000
		Est. Closing and Arranging Costs	\$ 300,000
<b>Total</b>	<b>\$17,000,000</b>	<b>Total</b>	<b>\$ 17,000,000</b>

### CONDITIONS OF THIS COMMITMENT

#### ARTICLE 3.00

**3.01 Lender Conditions:** This Commitment is conditional for the benefit of the Lender upon the Borrower providing First Source with satisfactory evidence of the following prior to the advance:

- a) **Appraisal:** Review and approval by the Lender of appraisal(s), by the Lender's approved appraiser, addressed to the Lender and its lender clients, or if acceptable to the Lender, Reliance Letter(s) provided by the appraiser confirming the "As-Is" Value for the to be not less than \$27,000,000. The Appraisal is for the account of the Borrower.
- b) **Environmental:** Review and approval by the Lender of an Environmental Indemnity Agreement, a current satisfactory Phase I Environmental Report, and if required by the Lender's Environmental Consultant a Phase II Environmental Site Assessment Report. Confirmation of Record of Site Condition is also required (if applicable). All Environmental reports are to be addressed to the Lender and its lender clients, or a Reliance Letter to be provided, by a Lender approved environmental firm.
- c) **Credit Rating:** Review of the Borrower's financial position including without limiting the generality of the foregoing, recent financial statements, credit bureau reports, notices of assessment, statements of Net Worth. The Borrower and Guarantor hereby consent to credit inquiries and to any disclosure of personal or credit information to any other credit grantors or to any consumer reporting agency.
- d) **Inspection and Meeting with Principals:** First Source being satisfied with its inspection of the Property and its meeting with the principals of the Borrower. The Borrower hereby agrees to provide access to the Property for initial inspection and any subsequent inspection and at least one of the principals will make him/herself available to meet at the Property.
- e) **First Source Forms:** The Borrower delivering completed and signed Mortgage Application, Net Worth Statement and Background Check Consent Form on such forms as reasonably required by First Source. If an asset is listed in a Net Worth Statement as being that of the Guarantor and is in fact the property of the Guarantor's spouse, then the guarantee of such spouse shall be required.
- f) **Details of Ownership:** The Borrower delivering details of ownership and (corporate) structure including all beneficial owners and shareholders (as applicable)
- g) **Financial Statements:** Most recent Financial Statements for the borrowing entity. If the borrowing entity hold other real estate other than the subject properties a separate income and expense statement for the properties shall be provided in addition to the financial statements.

- h) **Net Operating Income:** Receipt and satisfactory review of accountant prepared trailing twelve month ("TTM") financial statements noting Net Operating Income for the subject Property to be no less than \$1,291,853.
  - i) **Buildings Condition Report:** Satisfactory receipt and review by the Lender of a Building Condition Report. Report to cover a minimum of HVAC, structural, and roof along with a Reliance Letter addressed to the Lender.
  - j) **Rent Roll, Leases, Operating Statements:** Receipt and satisfactory review of all Letter of Intent, Leases, Operating Statements and Current and/or Proforma Rent Rolls, if applicable. Furthermore, the subject Site is to be fully tenanted with firm leases in place.
  - k) **Insurance Review:** The Lender shall engage, at the Borrower's expense, the services of a 3<sup>rd</sup> party Insurance Consultant to conduct a review of the Insurance Policy for the subject Property to ensure sufficient coverage is provided for the proposed financing.
  - l) **Property Survey Review:** Receipt and satisfactory review by the Lender and its legal counsel of a property survey prepared by an accredited provincial surveyor. At the lenders sole discretion title insurance may be put in place with an insurer deemed satisfactory to the Lender at Borrowers cost.
  - m) **Property Taxes and Other Charges:** Confirmation Property Taxes, All Levies, Impost Fees, Local Improvement Charges, and Other Charges that are due and payable in connection with the subject Property have been paid.
  - n) **Third Party Contracts and Reciprocal Agreements:** Receipt and review of all third-party contracts and reciprocal agreements with adjacent land owners including but not limited to landscaping, snow removal, pest removal and the property management contract(s), if applicable. In the event that the property management agreement is non-arm's length, then said agreement shall have a termination right in favour of the Lender if the Loan is in default.
- The Lender is to sign off, if required, to any amendments or new easements, cost sharing agreements, restrictive covenants, changes, etc..., for development purposes, provided, the same do not have a negative effect on the Lender's security.
- o) **Liens:** The Property is to be free and clear of any liens.
  - p) **Title Search:** The Lender's legal counsel confirming a clear title.
  - q) **Not for Construction:** The borrower shall covenant that no portion of the loan proceeds shall be used for above grade construction.
  - r) **Discharge Statement(s):** Receipt and satisfactory review of the Discharge Statement(s) of existing encumbrances related to the Property. Existing encumbrances are to be in good standing.
  - s) **Other Documents:** Any other documentation realized or required during the due diligence process of underwriting the loan.

## CONDITIONS OF FUNDING

### ARTICLE 4.00

The Lender shall not be obligated to make any loan advances unless the following requirements have been met to the Lender's satisfaction:

- 4.01 **Security in Place:** All security being in place in form and content satisfactory to the Lender, the Borrower and its solicitors acting reasonably;
- 4.02 **Execution of Documents:** The Borrower and Guarantor, if any, executing all documents necessary to give effect to the Mortgage and further including but not limited to the mortgage agreement, which shall contain *inter alia* the provisions, set out in Schedule "A".
- 4.03 **Title:** The Lender being satisfied with the title to the properties and obtaining at the Borrower's expense a satisfactory Title Insurance Policy for the Mortgage.
- 4.04 **Work Orders etc.:** The Lender obtaining satisfactory evidence that there are no outstanding work orders or notices of violations from any governmental departments affecting the Property. The Buildings can be demolished upon application for a Demolition Permit.
- 4.05 **Fire:** If required, the Borrower providing the Lender with satisfactory evidence that the Property has no infractions outstanding on file under the appropriate Fire Code.
- 4.06 **Costs Borne by the Borrower:** The Borrower paying for all costs incurred by either the Borrower or the Lender including legal, appraisal, insurance consulting as well as other costs that arise in relation to the Loan.
- 4.07 **Fire Insurance:** Receipt by the Lender of evidence that proper and adequate insurance is in place, which insurance shall include but not be limited to coverage for less than the full 100% "Replacement Cost" thereof, against the perils of "All Risk". The Borrower's risk advisor to review and ensure policy complies.

Effect and maintain public liability insurance to such amounts of not less than \$5,000,000 on a per-occurrence basis. The Insurer or Insurers shall sign each policy of insurance and the policy shall contain a clause at least equivalent to IBC 3000 showing loss payable the mortgagees as their interest may appear in the first instance.

Each policy of insurance shall show loss payable to the mortgagees as their interest may appear. All insurance policies shall be in form and scope satisfactory to First Source and its solicitors and the premiums on it shall be paid for a period of not less than six months. A third party consultant shall review and approve the policies to their sole satisfaction at the Borrower's cost.

- 4.08 **Borrower's Representations:** If, at any time before the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements or representations at any time made or furnished to the Lender by or on behalf of the Borrower/Guarantor, concerning the Borrower's or the Guarantor's financial condition and responsibility, the Lender shall, if such material discrepancy or inaccuracy cannot be rectified or nullified by the Borrower/Guarantor within thirty (30) days of written notification thereof to the Borrower/Guarantors from the Lender, be entitled forthwith to withdraw and

cancel its obligations hereunder or decline to advance further funds as the case may be, and to declare any monies theretofore advanced, with interest to be forthwith due and payable.

- 4.09 Material Change:** It is a condition for disbursement of funds that in the Lender's opinion the financial position of the Borrower and/or the Guarantor, and any of the properties given as security, and the Borrower's representations and warranties, shall not have suffered any adverse change; nor shall there be any action, suits, or pending proceedings of which the Borrower has knowledge except as otherwise disclosed to the Lender; and that no event shall have occurred, which materially and adversely affects the whole or part of the value of the properties or the financial position of the Guarantor. No change in the shareholding of the Borrower or Guarantor without the consent of the Lender, such consent not to be unreasonably withheld.
- 4.10 Non-Merger:** The Borrower's obligations contained in this Commitment shall survive the execution and registration of the Mortgage and any other security documentation and all advances of funds under the Mortgage, and the Borrower agrees that those obligations shall not merge in the execution and registration of the Mortgage and other security. All terms and conditions of our Mortgage and other security documentation shall form part of this Commitment.
- 4.11 Waiver:** The Lender's failure to insist upon strict performance of any obligation or covenant of this Commitment by the Borrower or to exercise any option or right herein shall not be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Lender shall have the right to insist upon strict performance by the Borrower of any and all of the terms of this Commitment and the Mortgage documentation.
- 4.12 Lender's Solicitor:** The Lender being satisfied with the Lender's Solicitor's opinion on title, security and the validity, legality and binding effect of all aspects of this Mortgage transaction. The Borrower agrees that the Lender's solicitors shall prepare all mortgage and other documents related to this Mortgage for review and approval by the Borrower, such approval not to be unreasonably withheld. The Borrower shall have the choice of one of the two solicitors selected by the Lender.
- 4.13 Taxes:** The Borrower prior to the advance or on the date of advance shall pay all taxes due and payable.
- 4.14 Not a Joint Venture:** The Borrower and Lender acknowledge and agree that they are not entering into a joint venture or partnership agreement by virtue of this Loan transaction.
- 4.15 Other Documentation** Any other information, documentation or security reasonably requested by the Lender and its solicitors in assessing, approving and funding of the facility requested.
- 4.16 Identification:** Pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the "Act"), the Lender is required to ask for identification of the Borrower, the Guarantor and for information with respect to the source of funds, used in connection with the Borrower's equity in the Property. The Borrower and Guarantor hereby covenant and agree to provide prior to the first advance, such identification and information as may be reasonably required to ensure the Lender's compliance with the Act.
- 4.17 Cancellation:** The Lender shall have the right to terminate and cancel its agreement to provide the mortgage herein to the Borrower and shall be relieved of all obligations in connection therewith in the event that the Borrower fails or is unable or unwilling to comply with the terms and conditions of this

Commitment letter on or before the Closing Date including failing or refusing to execute documentation requested by the Lender or accepting the funds when advanced.

In the event the Loan is not advanced and the Commitment is terminated, through no fault of the Lender, the Deposit shall not be refundable to the Borrower and may be retained by the Lender as liquidated damages. Notwithstanding the foregoing, the Borrower shall be responsible for and pay the deficiency between the Lender Fee and the Deposit forthwith on demand, unless if caused by the default of the Lender. In addition, no termination of this Commitment shall limit or restrict or otherwise affect in any way: (i) the obligations of the Borrower to pay to the Lender any third party fees, costs and expenses in connection with the Loan; and (ii) any rights and remedies of the Lender against the Borrower arising from any breach of the Commitment by the Borrower including any claim for damages.

It is understood that the Lender has entered into this Commitment based on representations made by the Borrower and, if at any time there is or has been any material discrepancy or inaccuracy in any written or oral information, statements or representations heretofore or hereafter made or furnished to the Lender by or on behalf of the Borrower concerning the security or the Borrower's financial condition, then the Lender shall be entitled in its sole discretion to withdraw or cancel any obligation hereunder and decline to advance funds and in addition to forfeiture of the Deposit, the Borrower shall be liable to pay 50% of the Lender Fee and all other expenses as hereinbefore set out.

- 4.18 **Legal Fees:** The Borrower hereby agrees to pay the reasonable legal fees required by the Lender's Solicitors for the completion of the legal services related to this Mortgage. Disbursements shall be in addition thereto. Borrower to deliver a \$5,000 retainer to Lenders lawyer forthwith upon request but not less than 10 business days prior to a targeted closing date. The Borrower shall have the choice of two legal quotations for fees obtained from the solicitors selected by the Lender.
- 4.19 **Syndication:** The commitment is conditional upon the success of First Source Mortgage Corporation to syndicate a portion or the entire loan with a Lender (s) to be determined.

## **BORROWER'S REPRESENTATIONS**

### **ARTICLE 5.00**

- 5.01 **Borrower's Representations:** The Borrower represents and warrants that as of the date of acceptance of this Commitment and as of the Closing Date:
- (i) The Borrower and the Guarantor have the power, capacity and authority to enter into this Commitment and to perform and complete the transaction contemplated herein, all of which have been duly authorized where required by all necessary corporate action and that no consents are necessary;
  - (ii) The Borrower and the Guarantor have not withheld any information of a material nature relating to the Property or to the Borrower or Guarantor;
  - (iii) All existing environmental assessments, audits, tests and reports relating to the Properties within the knowledge of the Borrower have been delivered to the Lender.
  - (iv) To the best of its knowledge and belief, the Properties have no Environmental issues affecting same and a covenant and warranty with respect to same will be delivered to the Lender.
- 5.02 **Borrower's Acknowledgments:** The Borrower acknowledges and represents that:

- (i) It has considered the risks entailed in private borrowing and has been informed of the risks involved in the Loan;
- (ii) The terms and the interest rate in this Commitment may be higher and more onerous than institutional lenders;
- (iii) It has had an opportunity to consult its legal counsel and accountant or other financial advisors;
- (iv) If the Lender does not advance the Loan by a certain date, the Borrower may be unable to satisfy the intended purpose for the Loan;
- (v) In the event the Borrower is unable to pay monthly payments, Property taxes, fire insurance premiums or the principal amount when the Loan is due, the Lender could obtain a court judgment and enforce all remedies available by law and income could be seized to pay the judgment or the Lender could keep the Property or sell it.
- (vi) When the Loan is due, if the Lender cannot or will not renew the Loan and cannot pay the outstanding balance the Property may have to be sold in order to repay the Loan; and
- (vii) The Lender has disclosed the material risks of the Loan.
- (viii) It has reviewed the loan with its trusted advisors and has determined the loan to be most suitable for its needs.

**5.03 Reporting Requirements:** The Borrower acknowledges and represents that:

- (i) Within 120 days of each fiscal year during the term of the Loan Facility to provide the Lender with financial statement for the Borrower and the Guarantor.

**MISCELLANEOUS**

**ARTICLE 6.00**

- 6.01 Survival of the Terms of Commitment:** Notwithstanding the registration of the Mortgage and the advances made pursuant to same, the terms and conditions of this commitment shall remain binding and effective on the parties hereto.
- 6.02 Time is of the Essence:** Time shall be of the essence in this Commitment.
- 6.03 Agreement in Writing:** No change to vary or to amend this Commitment is binding on the Lender unless made in writing and signed by all parties hereto. Except as provided herein, there are no representations, collateral agreements, warranties or conditions affecting this Commitment.
- 6.04 Governing Law:** This Commitment shall be interpreted in accordance with the laws of the Province of Ontario.
- 6.05 Notices:** All notices required or permitted to be given hereunder will be sufficiently given if sent by prepaid registered mail and addressed as follows:

In case of First Source to:  
Suite 1202, 12<sup>th</sup> Floor, Atria II  
2235 Sheppard Avenue East

North York, Ontario, M2J 5B5  
Attention: David Mandel

In the case of the Borrower and the Guarantor to  
25 Sun Pac Blvd. Unit 1  
Brampton, Ontario  
L6S 5P6  
Attention: Surinder Chahal c/o Chacon Strawberry Fields Inc.  
By email: [info@chacondevelopments.com](mailto:info@chacondevelopments.com)

Provided that the parties shall be entitled to designate another address (es) by giving written notice thereof to all other parties hereof. Any notice so mailed or emailed shall remain binding and effective on the parties hereto.

- 6.06 General Provisions and Independent Legal Advice:** The Mortgage Advance is to be payable to the registered owner of the Property or the encumbrancers who are to be paid out from the Advance. Independent Legal Advice shall be required for any party guaranteeing the Mortgage, consenting to the Mortgage or postponing their interest to the Lender's security.
- 6.07 Facsimile Transmission or Email:** The transmission of an executed copy of this Commitment by facsimile transmission or in "pdf" form by email shall be deemed to constitute execution and delivery of an original executed copy.
- 6.08 Consent to Personal Information as Per Privacy Policy:** By signing this Commitment, the Borrower and Guarantor agree that any information, personal or otherwise, either that the Borrower or Guarantor has provided or will provide to the Lender or that the Borrower has on file about the Borrower and Guarantor shall be retained and may be used as the Lender deems necessary in its sole discretion for the mortgage placement herein, collection of any arrears or deficiencies in the event of a default and any renewals or extensions of same. The Borrower and the Guarantor also agree that the Lender may retain this information on file for as long as the Lender deems appropriate. The Borrower and Guarantor also agree to any credit bureau search being carried out by the Lender from time to time, as the Lender deems necessary in its sole discretion, but no later than 90 days after the Mortgage is discharged.

By signing this Commitment with respect to the Property, the Borrower and Guarantor agrees that the Lender shall have the right to seek any information from any government agency, authority or office whether municipal, provincial or federal, Electric Safety Agency or Technical Safety Standards Agency at any time either before or after the registration of the Mortgage and before and after default with respect to only information on file at the entity about the said Borrower and Guarantor and/or the Property and the Lender shall have the right to retain such information which may be used as the Lender deems necessary in its sole discretion for the mortgage placement herein, collection of any arrears or deficiencies in the event of a default and any renewals or extensions of same. The Borrower and the Guarantor also agree that the Lender may retain this information on file for as long as the Lender deems appropriate, but no longer than 90 days after the Loan Facility is repaid, unless required by governmental legislation. The Borrower and the Guarantor also agree to any and all searches being carried out by the Lender from time to time, as the Lender deems necessary in its sole discretion.

- 6.09 Counterparts:** This Commitment may be executed in counterparts and all counterparts so executed will constitute one agreement binding on the parties effective on execution

- 6.10 Assignment:** The Borrower acknowledges that all or a portion of the Loan may be sold or syndicated without further notice to or consent of the Borrower and the Lender may disclose, transfer and assign as they in their sole discretion deem advisable all financial and other information and materials, without restriction or notice as follows; (i) to any subsequent or proposed purchaser of the Loan or any subsequent lender and their respective third party advisors; and (ii) to any person in connection with the sale or assignment of the Loan. This Commitment is conditional on a portion of the Loan being satisfactorily assigned and funded. The Borrower also consents to the release, disclosure, exchange and sharing of all information and materials and to any publicity or advertising that refers to the financing. The Lender may sell transfer or assign the Loan or any interest therein from time to time without the consent of the Borrower at no cost to the Borrower. After any such assignment, the Lender shall have no further obligation to that part of the Loan assigned.
- 6.11 Confidentiality:** The Borrower and the Guarantor acknowledge and agree that the terms herein are confidential between themselves and the Lender, their respective lawyers and consultants and agree not to disclose the information herein to any third party without the Lender's prior written consent, which shall not be unreasonably withheld.
- 6.12 Successors and Assigns:** This Commitment and the rights and benefits arising here from may not be assigned by the Borrower to any other party without the prior written approval of the Lender.
- 6.13 Interpretation:** This Commitment shall be read in conjunction with the Lender's form of charge documents and in all cases where the interpretation of the terms hereof and the intention of the parties hereto may be in question, where applicable, the terms recited in the relevant charge document shall prevail.
- 6.14 Erection of Sign:** First Source or its lender clients shall have the right to erect a sign or a sign of others at its expense during the construction period indicating the provision of financing.
- 6.15 Advertising:** The Borrower acknowledges and agrees that First Source shall have the right to use a photo or likeness of the Property in its communication with prospective Borrower and or investors which may include transaction details but no personal information.

This Commitment is open for acceptance by the Borrower and the Guarantor until 5:00 PM on May 5<sup>th</sup>, 2022 by which time and date a copy of this Commitment duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder.

If this Commitment is not accepted by the aforementioned time and date, it will become null and void and of no force and effect.

Yours truly,

FIRST SOURCE MORTGAGE CORPORATION

DocuSigned by:  
David Mandel  
ED38E3277FD44CB

David Mandel – CEO

I am authorized to bind the corporation.

Principal Broker (License # 10434)

Mortgage Administrator (License # 12594)

[www.firstsourcemortgage.ca](http://www.firstsourcemortgage.ca)


[david@firstsourcemortgage.ca](mailto:david@firstsourcemortgage.ca)

Accepted at Brampton, Ontario this 6 day of May 2022

S.K. Chahal  
Borrower: Chacon Strawberry Fields Inc.

S.K. Chahal  
Guarantor: Surinder Chahal

Per:

  
Witness Name: Jan

Address: 25 Sun Pal Blvd

Tel: 905 789 3810

### SCHEDULE "A"

1. **Post-dated Cheques:** The Borrower shall provide to the Lender post-dated cheques for each year of the term of the Mortgage. Each cheque is to be in the amount of the monthly instalment payable under the Mortgage. The Lender shall have the right to direct the Borrower to deliver one or more separate cheques for each monthly payment totalling the monthly instalment. Alternatively, the Borrower shall provide Pre-Authorized Payments to be drawn from the Borrowers chosen Bank at the Lenders request at any time and shall provide the Lender with all necessary information for this purpose as required. Post-dated Cheque should be made payable to "First Source Financial Management Inc." unless instructed otherwise.
2. **Administration Fees:** The Borrower agrees to pay to the Lender an administration fee of \$450.00 for each occurrence of any of the following events. If a default occurs a second time the Administration Fee shall be doubled.
  - a) Late Payment after a demand has been made;
  - b) Cheque Dishonored for any reason;
  - c) Failure to provide proof of payment of realty taxes within 30 days of the 31<sup>st</sup> day of January and June in each year of the term or after a demand being made;
  - d) Failure to provide proof of insurance coverage at least 10 business days prior to the maturity date of the initial policy delivered on Closing or after a demand being made;
  - e) Cancellation of insurance coverage shall be two times the applicable administration Fee and the penalty doubles again in the event the Borrower does not provide proof of reinstatement within 24 hours of notice by the Lender.
  - f) Failure to provide postdated cheques when required after a demand being made;
  - g) Failure to notify Lender of registration of lien;
  - h) Each construction advance;
  - i) Each property inspection relating to a second or further mortgage advance, default, insurance matter or any other matter at lenders sole discretion;
  - j) Request for Mortgage Statement;
  - k) Request for Discharge Statement or notice of default letter;
  - l) Default under any other mortgage, charge or encumbrance;
  - m) Each meeting required by the Borrower or Lender because of an issue that has arisen regarding the Loan Facility;
  - n) Each three telephone attendances and/or emails required by the Borrower or Lender because of an issue that has arisen regarding the Loan Facility;
3. **Holding Over:** In the event that the mortgage loan is not repaid upon maturity, unless the Lender has received at least thirty (30) days' notice and has agreed to an extension in writing and has received approval from its investors the interest rate on the mortgage loan shall continue at 18% compounded and calculated monthly or the that rate set out herein under "Interest Rate" until the earlier of discharge or sale, whichever comes first.
4. **Holding Over Interest Bonus:** If the Loan is not repaid in full on or before the Maturity Date, the Borrower shall be required to pay the Lender an Holding Over Interest Bonus, in addition to any and all other rates, fees, and costs to be paid to the Lender by the Borrower pursuant to this Commitment Letter. More particularly, this interest bonus shall be earned by and payable to the Lender monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Holding Over Interest Bonus"). The Borrower hereby acknowledges that the requirement to pay the Holding Over Interest Bonus does not constitute an extension of the Loan nor is it a

penalty or fee but rather additional interest to be added to the final discharge amount of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Borrower under the Commitment and Security Documents notwithstanding payment of the Holding Over Interest Bonus. The Borrower further acknowledges that the Lender, at its option, may add the Holding Over Interest Bonus to the outstanding principal balance of the Loan and the Security for the Loan also secures the Holding Over Interest Bonus.

5. **Notice:** The mortgage will be registered and administered on behalf of the Lender by First Source Financial Management Inc., a related company and licensed mortgage administrator.
6. **Tax Deposits:** The Lender reserves the right to require the Borrower to pay monthly tax deposits to the Lender concurrently with each monthly installment in such amounts which the Lender in its discretion deems necessary to pay when due all taxes, assessments and similar charges affecting the Property.
7. **Due on Default:** In the event of default under this Mortgage, beyond an applicable cure period, at the option of the Lender, the full principal balance together with interest and costs on a substantial indemnity basis in relation thereto shall become immediately due and payable.
8. **Due on Sale:** The Borrower and the Guarantor hereby agree that in the event that the Property is sold, conveyed, transferred or assigned or there is a change in control of a corporate Borrower or corporate Guarantor, without Lender's written consent, which consent shall not be unreasonably withheld, the Lender shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Lender immediately due and payable together with the Lender's then current prepayment penalties and fees.
9. **No Subsequent Encumbrances:** The Borrower and the Guarantor hereby agree that in the event that a subsequent mortgage is placed on the Property without Lender's written consent, which consent shall not be unreasonably withheld, that the Lender shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Lender immediately due and payable together with the Lender's then current prepayment penalties and fees.
10. **Default of Prior Encumbrances:** If at any time or from time to time any default or breach of covenant occurs under any encumbrance registered against the Property and which encumbrance has priority over the Mortgage and which default is not cured within the grace periods permitted, it shall constitute default under the Mortgage and the Lender may pay all monies and take appropriate action to cure any default or breach under any encumbrance.
11. **Costs:** The Borrower covenants and agrees to pay all property tax, public utilities rates, charges, and insurance premiums as and when they become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Borrower to comply with this covenant shall constitute an event of default hereunder and entitles the Lender at its sole and absolute discretion to avail itself of remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs.

In addition, at the Lender's sole and absolute discretion, the Borrower agrees that the Lender may satisfy any charge, lien, any matter raised in the previous paragraph or other encumbrances now or hereafter existing or to arise or to be claimed upon the charged lands and the amount so paid together with all costs associated therewith shall be a charge on the Property and/or Collateral Property and shall bear interest at Eighteen (18%) percent per annum, calculated and compounded monthly and shall be payable forthwith by the Borrower to the Lender, and in default of payment, the entire principal sum, accrued interest and costs, shall become payable at the sole

and absolute discretion of the Lender and the remedies hereby given and available at law may be exercised forthwith without notice. In the event the Lender satisfying any such charge or claim, it shall be entitled to all equities and securities of the person(s) so satisfied and it may retain any discharge, cessation of charge or assignment of charge unregistered until paid.

12. **Final Payment and Discharge:** The Borrower covenants and agrees that payment at maturity, or earlier if notice to prepay is delivered, of the Mortgage shall be by certified cheque, bank draft or money order. After payment in full of the principal sum and all other amounts hereby provided, a discharge of the Mortgage shall be prepared by the solicitor for the Lender, at the cost and expense of the Borrower within a reasonable time after such payment and such solicitor's fees shall not include attendance outside the office in order to deliver the said discharge or the attendance on a closing or registration of and the cost of registration of the said discharge. In the event the loan is not repaid at the time or times provided within the Mortgage or in the notice to prepay earlier, the Lender will not be required to accept payment of the principal monies without first receiving three (3) months additional months' notice in writing or receiving 3 months interest bonus in advance of the principal monies. No further monies, if any, will be advanced under the Loan, once notice to discharge is received by the Lender.
13. **Warranty - Urea Formaldehyde Foam insulation (UFFI) and Environmental:**  
The Borrower covenants to the best of its knowledge and belief the Property has never had "UREA FORMALDEHYDE FOAM" insulation installed, asbestos, PCBs waste, radioactive material, noxious substances, or any contaminant as defined in the Environment Protection Act and that the Property is and will be environmentally sound and there are no and will be no restrictions which would economically affect any buildings on the Property. The terms and conditions of the environmental clause should be as the Lender's solicitor prepares.
14. **Receiver:** In the event due to default of the Borrower on the Property, beyond the applicable cure period, then the Lender in addition to any other rights which it may have, shall be entitled to appoint a receiver manager or receiver, either privately or court appointed to manage the building and to do all things necessary as an owner would be entitled to do to sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation. The terms and conditions of the receiver are to be further elaborated in the Mortgage as required by the Lender's lawyers.
15. **Management Costs:** In the event that the Lender or its agents takes possession of the Property as a result of default under the Mortgage, or in the event that the Lender or its agents commence Power of Sale proceedings, or if a receivership is commenced as a result of default under the Mortgage, even if the receiver is not yet appointed, the Lender, will be entitled to charge the Borrower for management costs until the earlier of sale of the Property or discharge of the mortgage. Said management costs shall be \$15,000 per month supported reasonably by documentation for time and expenses to be provided. Hourly rates for a mortgage manager in a defaulted loan is \$1500 per hour plus \$850 per hour for each support staff individual. Borrower acknowledges this is a reasonable estimate for the time value and opportunity costs incurred for managing the Property(s), including but not limited to communicating with investors, dealing with professional advisors, appraisal companies, environmental engineers, building inspector, receiver, legal counsel, attending meetings, checking property taxes, work orders, liens or other matters acting generally in accordance with the requirements of a mortgage manager of a mortgaged property in default which amount is deemed not to be a penalty. This clause is also deemed to be complete and proper notice to any subsequent charge or lien holder of the above-noted costs and charges in the event of the Borrower's default. Any future chargee that registers a subsequent charge without written permission of the Lender of this mortgage does so knowingly with full disclosure accepting all risks associated with this clause as well as other costs, fees or charges set out in this Schedule "A". It is strongly recommended that all proposed mortgagees seek independent

legal advice prior to funding any subsequent mortgage without written permission from the Lender of this Charge.

16. **Reasonableness of Fees and Charges:** The Chargor acknowledges having received and had explained to it all of the possible fees and charges as set forth in this Charge which would be in addition to principal and interest due hereunder. The Chargor acknowledged and agrees that the fees and charges are reasonable and reflect a pre-estimate of Chargee's actual costs with respect to each of such charges and fees.
17. **Default Abandonment:** Subject to Force Majeure, in the event of abandonment for a period in excess of fifteen (15) consecutive days, the Lender shall be entitled to, after giving the Borrower fifteen (15) days' notice of any abandonment or failure to continue business operations or any failure to construct with due diligence and provided the Borrower fails to rectify same, forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds, if any, as the case may be and to declare any monies theretofore advanced with interest to be forthwith due and payable at its sole option.
18. **Receipt of Funds:** Any payment received after 1:00 P.M. shall be deemed to have been made on the next Bank Business Day following receipt. For purposes of this paragraph, Saturday, Sunday Provincial and Federal Holidays shall be deemed to be non-business Bank Days.
19. **Possession:** In the event of default under the Mortgage by the Borrower beyond the applicable grace period and the Lender obtains possession of the Property and it determines, in its sole discretion, that the Property requires work and/or improvements in order to market the Property, then the Lender shall have the right, at its sole option, to complete such work on such terms as it deems advisable. The cost of completion of the servicing and work by the Lender and its agents and all expenses incidental thereto shall be added to the Loan amount, together with a management fee of fifteen per cent (15%) of the costs of the work and improvements completed by the Lender, provided that it is limited to bringing the Property up to the condition it was at the time of the advance, unless work already has been started on a house and it may be completed or in order to sell the property for an amount required to pay out the Lender inclusive of all costs and accrued interest. All costs and expenses, as well as said management fee, shall bear interest at the rate as herein provided for and shall form part of the Loan secured hereunder and the Lender shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of Mortgage principal and Interest hereunder or at law.

**Engagement Letter with Borrower**

May 2, 2022

25 Sun Pac Blvd. Unit 1

Brampton, Ontario

L6S 5P6

Attention: Surinder Chahal

c/o Chacon Strawberry Fields Inc.

By email: [info@chacondevelopments.com](mailto:info@chacondevelopments.com)**Re: Engagement of First Source for First Mortgage Financing**

First Source Mortgage Corporation ("First Source", "we" or "us") understand that Chacon Strawberry Fields Inc. (the "Borrower" or "you") are seeking to secure financing including through the distribution of syndicated mortgage investments described below (the "SMIs") to qualified investors (the "Offering"). We understand further that the Borrower wishes to retain the services of First Source to provide or arrange for certain mortgage brokerage, advisory and distribution services and to act as your agent (the "Agent") in connection with certain aspects of the Offering. By your acceptance of this engagement letter, you enter into an agreement with us (the "Agreement") and appoint First Source to act as financial advisor and agent in connection with the Offering, on the terms and subject to the conditions set out below.

1. **Offering of SMIs.** First Source shall provide such advice and assistance as the Borrower may reasonably request in connection with the Offering, which shall consist of the distribution of the following SMI:

Property / Name of Project	12550, 12560 & 12570 Kennedy Road, Caledon, Ontario (PINs 142354997, 142353468 and 142353470)
Principal Amount	\$17,000,000
Term / Maturity	16 months plus 7 days from the Interest Adjustment Date
Priority	1 <sup>st</sup> Ranking Mortgage
Interest Rate	The higher of (i) 6.00% or (ii) CIBC Prime + 2.80% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 12 months after the interest adjustment date.  The higher of (i) 18.00% or (ii) CIBC Prime + 14.80% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding for the final 7 days of the term. After 16 months and 7 days from the interest adjustment date, unless an extension agreement was previously arranged executed in writing between the Borrower and Lender, the rate on

	funds advanced shall be fixed at the higher of (i) 18.00% or (ii) CIBC Prime + 14.80% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.
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2. **Defined Terms in this Agreement.** For purposes of this Agreement, the following terms have the meanings set out below:

“Canadian Securities Laws” means any securities statutes, regulations, policies, rules, national instruments, orders, rulings and other directives or guidance and any relief therefrom of any governmental or regulatory authority of any province or territory of Canada having jurisdiction over the parties to this Agreement or the transactions contemplated hereby, all as amended or replaced from time to time;

“Commitment Letter” means the commitment letter of First Source setting out the terms and conditions under which your application for financing has been approved;

“Marketing Material” means any and all marketing, advertising, educational or other promotional material in relation to the Borrower, the Property, the Offering or the SMIs, including, without limitation, any Offering Document, any slide deck or similar presentation document, any video or material intended to be distributed via social media posting, any website disclosure, and all other similar material;

“NI 45-106” means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

“Offering Document” means any offering memorandum (whether or not a “offering memorandum” for purposes of Section 2.9 of NI45-106), term sheet summary, financial statement or financial projection, prospectus, subscription agreement or similar document prepared for delivery to prospective investors in connection with the distribution of the SMIs;

“Property” means the real property or property development project described in Section 1 hereof and in the Commitment Letter.

3. **Engagement as Agent.** First Source shall act as non-exclusive agent in connection with the Offering and the distribution of the SMIs. First Source make arrangements with our affiliated company, Westboro Management Ltd. (“Westboro”), an exempt market dealer registered to carry on business in Ontario, to distribute the SMIs. First Source and Westboro will identify prospective investors and negotiate the terms of the SMI as may be required. The Offering will be subject to such other terms and conditions as First Source, the Borrower and the investors shall agree. The parties acknowledge that there can be no assurance that the Offering will be completed.
4. **Services.** The services to be provided to the Borrower under this Agreement may include, among other things, the following:
- (a) arranging by or through Westboro for the marketing and distribution of the SMIs;
  - (b) providing you with appropriate financial and market analyses to the extent necessary to facilitate the Offering;
  - (c) representing you in negotiations with prospective investors;

- (d) the preparation of appropriate Offering Documents, subscription agreements and any other documentation necessary to facilitate the Offering, provided that prior to being made final, all such material will be made available for review and approval by the Borrower;
- (e) obtaining from prospective investors all executed documents reasonably required by you with respect to the Offering;
- (f) acting as your agent and representative with respect to the giving of all regulatory notices and/or the making of all regulatory filings required in connection with the Offering.

5. **Compensation.** In consideration of the services provided pursuant to this Agreement, First Source is entitled to compensation in the form of Lender Fees set out in the Commitment Letter. All amounts payable to First Source hereunder shall be subject to applicable taxes (including H.S.T.)

The Borrower acknowledges that such compensation may be required to be disclosed to securities regulatory authorities including on the filing of a Report of Exempt Distribution in accordance with the requirements of NI 45-106.

6. **Expenses.** Unless otherwise specified herein or agreed in writing with First Source, expenses in connection with the Engagement and the Offering, including, but not limited to, all filing fees, any other governmental fees, printing costs, postage, courier and mailing expenses, counsel and accounting fees and advertising, marketing and promotional expenses will be borne by First Source.

7. **Representations and Warranties of the Agent.** The Agent represents and warrants to the Borrower as follows:

- (a) it is a corporation duly incorporated, organized and subsisting under the laws of Ontario;
- (b) it has the power, authority and right to enter into and deliver this Agreement, and to perform its obligations pursuant to this Agreement and it has taken all necessary action to authorize same;
- (c) its obligations under this Agreement constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law;
- (d) the execution, delivery and performance of this Agreement by the Agent will not violate, or result in any default under, the Agent's constituting documents or by-laws, any other agreement or instrument to which the Agent is a party or by which it may be bound or any statute, rule, regulation or order of any government agency or body;
- (e) Westboro is registered as an exempt market dealer in the Province of Ontario.

The Agent shall promptly notify the Borrower if and when any representation and warranty provided by it pursuant to section 7 of this Agreement ceases to be accurate.

8. **Covenants of the Agent.** The Agent covenants and agrees with the Borrower as follows:

- (a) it will use its reasonable efforts and will cause Westboro to use its reasonable efforts to sell the SMIs, subject to the terms and conditions set out in this Agreement;

- (b) it will, and will cause Westboro to, effect sales of the SMIs only in those jurisdictions where they may be lawfully offered for sale or sold on a private placement basis that is exempt from the prospectus requirements of Canadian Securities Laws pursuant to available exemptions;
- (c) while soliciting or conducting a sale of the SMIs, the Agent will, will and cause Westboro to, refrain from making any representations to any person respecting the Borrower, the Offering or the SMIs that is not derived from, and entirely consistent with, the information that is set out in any Offering Document;
- (d) it will maintain such books and records as may be required to accurately record its activities as the Agent in respect of the Offering.
- (e) it will not prepare or distribute any Marketing Material in relation to the Borrower, the Offering or the SMIs except as approved by the Borrower.

9. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Agent as follows:

- (a) it is a corporation subsisting under the laws of Ontario;
- (b) it has the power, authority and right to enter into and deliver this Agreement, and to perform its obligations pursuant to this Agreement and it has taken all necessary action to authorize same;
- (c) its obligations under this Agreement constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law; and
- (d) the execution, delivery and performance of this Agreement by the Borrower will not violate, or result in any default under, the Borrower's constating documents, any other agreement or instrument to which the Borrower is a party or by which it may be bound or any statute, rule, regulation or order of any government agency or body.
- (e) The Borrower understands and acknowledges that each person who purchases the SMIs through Westboro will become a client of Westboro for purposes of Canadian Securities Laws and Westboro will therefore comply with the following in respect of each purchaser of SMIs:
  - (i) "know-your-client", "know your product", suitability, trade reporting and other client-related obligations that are imposed upon exempt market dealers by Canadian Securities Laws;
  - (ii) anti-money laundering and suppression of terrorism regulations imposed upon securities dealers by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* and the *Criminal Code of Canada*;
  - (iii) the *Personal Information Protection and Electronic Documents Act (Canada)* as regards the collection, use and disclosure of personal information respecting each such purchaser;
- (f) to the knowledge of the Borrower, there is no action or proceeding pending against or affecting the Borrower, at law or in equity or before or by any court or federal, provincial, municipal or other government department, board or agency, domestic or foreign, including without limitation to any securities commission, or similar regulatory authority, which in any way materially adversely affects

the Borrower, or the condition (financial or other) of the Borrower or which brings into question the validity of the issuance of the SMIs;

- (g) upon issuance of the SMIs pursuant to the terms of the subscription agreement between the Borrower and a purchaser, such SMIs shall have valid and legal obligations of the Borrower enforceable against the Borrower in accordance with their terms.

10. Covenants of the Borrower. The Borrower covenants and agrees as follows:

- (a) to assist the Agent in responding to any inquiries that the Agent or Westboro may receive from prospective purchasers of SMIs and subscribers from time to time;
- (b) providing prompt notice if any representation or warranty made by the Borrower in the Commitment Letter ceases to be true or accurate (or with passage of time will become untrue or inaccurate) in any material respect;
- (c) to provide to the Agent copies of any Marketing Material prepared by the Borrower or on behalf of the Borrower (by persons other than the Agent);
- (d) to promptly advise the Agent any representation or warranty made by the Borrower in this Agreement is no longer true and accurate, or if it learns of circumstances which would cause any statement contained in the Offering Documents to be materially misleading (even if such statement was not materially misleading at the time it was made).

11. Reliance by First Source on Information Provided by Borrower.

- (a) The Borrower will furnish to First Source such information as First Source reasonably requests in connection with the performance of its services hereunder. Without limiting the foregoing, the Borrower must provide all of the documentation and consent to all of the due diligence and underwriting procedures contemplated by the Commitment Letter. The Borrower acknowledges that First Source will prepare the Offering Documents relating to the SMIs on behalf of the Issuer, and that the contents of such Offering Document will be based on information contained in, or undertaken to be provided pursuant to, the Commitment Letter.
- (b) The Borrower understands, acknowledges and agrees that, in performing its services hereunder, First Source will use and rely upon such information, as well as any publicly available information regarding the Borrower and that First Source does not assume responsibility for independent verification of the accuracy or completeness of any information, whether publicly available or otherwise furnished to it, concerning the Borrower, including, without limitation, any financial information, forecasts or projections supplied by the Borrower. Accordingly, First Source shall be entitled to assume and rely upon the accuracy and completeness of all such information and shall not be required to conduct a physical inspection of any of the properties or assets or to prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities of the Borrower.
- (c) Specifically with respect to the preparation of the Offering Documents,
  - (i) At the request of First Source, the Borrower shall review any such Offering Document or portions thereof on a timely basis, and the absence of comments shall be deemed as confirmation by the Borrower that the contents as provided to the Borrower are accurate;

- (ii) Following the Borrower's opportunity to review and comment on the Offering Documents, the Borrower represents and warrants that the information and statements contained in the Offering Documents and any Marketing Material in relation to the Borrower, the Offering or the SMIs are materially correct and accurate and do not contain a misrepresentation;
- (iii) Following the Borrower's opportunity to review and comment on the Offering Documents, the Borrower represents and warrants that neither the Offering Documents nor any Marketing Materials prepared by the Borrower, as may be applicable, contain any untrue statement of material fact, and do not omit to state any material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.
- (d) Furthermore, the Borrower hereby appoints First Source as its agent and attorney for purposes of completing filings with securities regulators as may be required under Canadian Securities Law and NI 45-106. Specifically, the Borrower delegates to First Source authority to certify information required to be furnished to regulators pursuant to Form 45-106F1 Report of Exempt Distribution, and to file any Offering Document or amendment of any Offering Document on behalf of the Borrower. In order to permit First Source to perform this delegated function, the Borrower shall supply First Source with the information set out in Schedule A;
- (e) If any information provided to First Source by the Borrower or any information contained in the Offering Document made available to the Borrower for review and comment becomes inaccurate, incomplete or misleading in any material respect, the Borrower shall promptly so advise First Source.

## 12. Indemnification in Favour of The Borrower.

- (a) The Agent agrees to indemnify and hold harmless the Borrower, and each of their respective directors, officers, employees, partners, shareholders and advisors (each, a "Borrower Indemnified Party") for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and disbursements, that the Borrower Indemnified Party suffers or incurs as the result of any material breach of any term or condition of this Agreement by the Agent, including a breach of any representation and warranty provided by the Agent pursuant to this Agreement, or any breach of Canadian Securities Laws by the Agent or by Westboro.
- (b) The Agent acknowledges and agrees that the Borrower and its directors, officers, employees, partners, shareholders and advisors are intended to be third party beneficiaries of the indemnity provided by the Agent pursuant to Section 12(a) hereof and, as such, each of them is entitled to enjoy the benefits of such indemnity and has the right to enforce such indemnity directly against the Agent. To the extent necessary to entitle each of the Borrower's directors, officers, employees, partners, shareholders and advisors to enjoy the indemnity provided by the Agent pursuant to Section 12(a) hereof, the Agent hereby appoints the Borrower as the trustee for the directors, officers and employees in respect of such indemnity and the Borrower hereby accepts such appointment.

## 13. Indemnification in Favour of the Agent.

- (a) The Borrower agrees to indemnify and hold harmless the Agent and Westboro and each of their respective directors, officers and employees (each, an "Agent Indemnified Party") for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and disbursements, that an Agent Indemnified Party suffers or incurs as the result of any material breach of any term or condition of this Agreement by the Borrower, including a breach of any representation and warranty

provided by the Borrower pursuant to this Agreement, or any breach of Canadian Securities Laws by the Borrower.

- (b) The Borrower acknowledges and agrees that each of the Agent's directors, officers and employees are intended to be third party beneficiaries of the indemnity provided by the Borrower pursuant to Section 13(a) hereof and, as such, each of them is entitled to enjoy the benefits of such indemnity and has the right to enforce such indemnity directly against the Borrower. To the extent necessary to entitle each of the Agent's directors, officers and employees to enjoy the indemnity provided by the Borrower pursuant to Section 13(a) hereof, the Agent hereby appoints the Agent as the trustee for the directors, officers and employees in respect of such indemnity and the Agent hereby accepts such appointment.

#### 14. Term and Termination.

- (a) This Agreement shall commence on the date above written and, subject to earlier termination in accordance with the provisions of this Agreement, shall continue unless either Party provides written notification of termination in accordance with Section 14(b). Notwithstanding the completion of any Offering, this Agreement shall be automatically renewed for such period as required, without any further action of the parties, if the Borrower renews or extends the mortgage loan in respect of the SMI.
- (b) The following shall be the termination provisions for this Agreement. Either party may, by sending a written termination notice to the other party, terminate this Agreement at any time after the other party:
- (i) files a voluntary petition in bankruptcy or liquidation; or
  - (ii) winds-up, dissolves, liquidates or takes steps to do so or otherwise ceases to function as a going concern or is prevented from reasonably performing its duties hereunder; or
  - (iii) an involuntary petition in bankruptcy or liquidation is filed against the other party or if a receiver or other custodian (interim or permanent) of any of the assets of the other party is appointed by private instrument or by court order or if any execution or other similar process of any court becomes enforceable against the other party, or its assets or if distress is made against the other party's assets or any part thereof, and such petition or receiver is not dismissed or stayed within 90 days after such filing, appointment or taking possession; or
  - (iv) makes an assignment for the benefit of its creditors or attempts to avail itself of any applicable statute relating to insolvent debtors; or
  - (v) winds up or otherwise ceases to be a going concern; or
  - (vi) takes any similar action under similar laws of any jurisdiction.
- (c) Other than as set out in Section 12(b)(i), either party may, by sending a written termination notice to the other party, terminate this Agreement if the other party breaches any material provision of this Agreement and such breach is not cured by the other party within fifteen (15) days following the date of the written notice requiring the breach to be remedied.
- (d) This Agreement shall be considered to be terminated upon the occurrence of any of the following:
- (i) withdrawal or termination of the Commitment Letter; or

- (ii) completion of the Offering, and the closing of the related financing, including the making of all regulatory filings in connection therewith as set out in this Agreement (unless the mortgage loan is renewed or extended as provided in Section 14(a)).
  - (e) Upon termination or expiration of this Agreement for any reason whatsoever, the following shall apply:
    - (i) the expiration or termination of this Agreement shall not affect any rights accruing to any of the parties as of the expiration or termination nor shall it release the parties from any obligation that may have been incurred as a result of operations conducted under this Agreement;
    - (ii) both parties shall refrain from holding themselves out as a business partner, of the other except as may be otherwise expressly agreed to by both parties in writing;
    - (iii) no such termination or expiration shall affect the provisions of Sections 12, 13, 15 and 16 hereof, all of which shall survive the termination or expiration of this Agreement.
15. **Nature of Relationship.** The Borrower acknowledges that First Source has been retained only by the Borrower to provide the services set out herein, and that the Borrower's engagement of First Source is not deemed to be on behalf of, and is not intended to confer rights upon, any shareholder, owner or partner of the Borrower or any other person not a party hereto as against First Source or any of its affiliates, or any of its or their officers, directors, controlling persons, employees or agents. Unless otherwise expressly agreed in writing by First Source, no one other than the Borrower is authorized to rely upon this Agreement or any other statements or conduct of First Source, and no one other than the Borrower is intended to be a beneficiary of this Agreement.
16. **Compliance with Laws.** The Company and the Agent will comply in all material respects with all applicable laws, regulations and policies, whether domestic, foreign, federal, national, provincial or otherwise, applicable to the Offering, including but not limited to the Canadian Securities Laws. In that regard, the parties agree that for purposes of NI 45-106, the "issuer" of securities is the Borrower, and the "securities" are the SMIs and the "distribution" of securities takes place on the closing of the SMI mortgage loan and the issuance of the SMIs to the purchasers. Except to the extent provided herein, the Borrower shall have all of the responsibilities and liabilities of an issuer of securities under applicable Canadian Securities Law.
17. **Irrevocable Direction.** This Agreement shall act as an irrevocable direction by the Borrower to the Borrower's counsel and/or First Source's counsel to release from any funds held by such counsel (whether in trust or otherwise) all amounts due to First Source hereunder or under the Commitment Letter without further authorization or direction from the Borrower.
18. **Notices.** Any notice, demand, consent, request, agreement or approval which may be delivered or given pursuant to this Agreement shall be in writing and shall be sufficiently given or made is served personally upon the party to whom it is addressed or mailed by registered mail to the address of the party shown below or to such other address in Ontario as such party may from time to time advise the other parties in writing. If to:
- (a) First Source:
    - Suite 1202, 12<sup>th</sup> Floor, Atria II
    - 2235 Sheppard Avenue East
    - North York ON M2J 5B5
    - Attention: Mr. David Mandel

Email: [david@firstsourcemortgage.ca](mailto:david@firstsourcemortgage.ca)

(b) Chacon Strawberry Fields Inc:

25 Sun Pac Blvd. Unit 1  
Brampton, ON L6S 5P6  
Attention: Surinder Chahal

Email: [info@chacondevelopments.com](mailto:info@chacondevelopments.com)

19. **General.** This Agreement shall not be assigned without the prior written consent of First Source and the Borrower; provided however, that in the event of a sale or other transaction in which the Borrower is not the surviving corporation or entity, the Borrower's remaining obligations, if any, under this Agreement shall remain in full force and effect and become obligations of the surviving corporation or entity. This Agreement shall be governed by and construed in accordance with the internal laws of the Province of Ontario without reference to principles of conflicts of law. The parties hereby expressly and irrevocably agree and consent that any action, suit or proceeding arising out of or relating to this Agreement will be submitted to binding arbitration in Toronto, Ontario. This Agreement constitutes the entire Agreement between First Source and the Borrower with respect to the subject matter hereof and supersedes all prior agreements. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect, and the remainder of the Agreement shall remain in full force and effect.

If the foregoing correctly sets forth our understanding, please so indicate by executing this engagement letter, together with the enclosed duplicate originals, and returning two (2) of these originals for our files.

Yours very truly,

**FIRST SOURCE MORTGAGE CORPORATION**

Per : DocuSigned by:  
David Mandel  
ED35E3277FD4CB...  
David Mandel, CEO

*Acknowledgement and Acceptance*

**To: FIRST SOURCE MORTGAGE CORPORATION**

Accepted and agreed by Chacon Strawberry Fields Inc.

Dated this S.K. Chahal

Chacon Strawberry Fields Inc.

By : S.K. Chahal

Surinder Chahal

**SCHEDULE A**

Requested materials and information includes but is not limited to the following (provided information already supplied pursuant to the Commitment Letter need not be duplicated):

1. Borrower's full legal name, trade names or other names, head office address, mailing address and website address
2. Description of Borrower's business activities, industry sector (including NAICS industry code, if known), how Borrower was created, and any predecessor names used within the last 12 months.
3. Number of employees, SEDAR profile number if applicable, whether Borrower is a reporting issuer; Borrower's CUSIP number if applicable
4. Borrower's constating documents and description of legal structure of company and Borrower's legal entity identifier, if applicable
5. Borrower's organizational chart.
6. Borrower's ownership chart.
7. Information about Borrower's registration or licensing for other financial products.
8. Information about any past bankruptcy and confirmation that no receiver has been appointed.
9. Borrower's financial year-end and name of auditor if applicable
10. Borrower's most recent financial statements; assets as at date of most recent financial statements.
11. Information as to each of the Directors, Executive Officers and any Promoter of the Borrower
12. Information about ongoing investigations into Borrower.
13. Information about civil proceedings or civil judgements.
14. Information about criminal convictions against the Borrower or its principals.



# APPENDIX J

**GENERAL SECURITY AGREEMENT**

**THIS AGREEMENT** dated as of the 5th day of December, 2022.

**BY:**

CHACON STRAWBERRY FIELDS INC.

(hereinafter called the "Debtor")

OF THE FIRST PART

**IN FAVOUR OF:**

FIRST SOURCE FINANCIAL MANAGEMENT INC.

(hereinafter called the "Secured Party")

OF THE SECOND PART

**IN CONSIDERATION** of the Secured Party extending credit and making or agreeing to make one or more advances to the Debtor and for other good and valuable consideration, the Debtor covenants with the Secured Party as follows:

**ARTICLE I**  
**DEFINITIONS**

1.01 **Definitions:** Capitalized terms used in this Agreement that are not defined in this section have the respective meanings ascribed thereto in the Act and all other capitalized terms used in this Agreement have the respective meanings ascribed thereto in this section:

- (a) the "Act" means the *Personal Property Security Act* RSO 1990, as amended or re-enacted from time to time;
- (b) "Buildings" means all structures, buildings and other improvements constructed, being constructed or to be constructed on the Lands;
- (c) "Collateral" means all Goods including, without limitation, Equipment and Inventory that is now or hereafter owned or acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any rights and which is now or hereafter may become located on, affixed or attached to, placed upon, situate in or on, or which may arise out of, from or in connection with the ownership, use or disposition of, the Lands or the Buildings or any part thereof including, without limitation, all increases, additions, substitutions, repairs, renewals, replacements, Accessions, accretions and improvements to any such Goods and all Proceeds and other amounts derived directly or indirectly from any dealings with any such personal property.
- (d) "Expenses" means all costs, fees and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by or on behalf of the Secured Party in connection with or arising out of or from any one or more of the following:
  - (i) any act done or taken by the Secured Party or any Receiver, or any proceeding instituted by the Secured Party, the Debtor or any other person, firm or corporation, in connection with or in any way relating to any one or more of the Act, this Agreement or any part hereof, the preservation, protection, enforcement or realization of the Collateral or the Security Interest or both, the recovery of the Indebtedness and responding to enquiries regarding the scope of the Security Interest perfected by the registration of a Financing Statement under the Act;
  - (ii) the remuneration of the Receiver and its agents, if any; and
  - (iii) all amounts incurred or paid by or on behalf of the Secured Party pursuant to section 5.03 hereof;

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- (e) “**Indebtedness**” means all present and future debts and liabilities due or to become due, absolute or contingent, direct or indirect, now existing or hereafter arising, owing by the Debtor to the Secured Party, whether pursuant to or under the Letter of, the Loan Documents or otherwise and includes any extensions, renewals or replacements thereof and includes the Expenses;
- (f) “**Lands**” means the lands and premises described in Schedule “A” annexed hereto;
- (g) “**Letter of Commitment**” means that certain commitment letter dated May 2<sup>nd</sup>, 2022 and assigned to the Secured Party in favour of Chacon Strawberry Fields Inc. as same may be amended from time to time;
- (h) “**Loan Documents**” means all agreements, instruments and other documents made or assigned by the Debtor in favour of the Secured Party in connection with the loan transaction contemplated in the Letter of Commitment, as same may be amended from time to time; and
- (i) “**Security Interest**” means the assignment, transfer, mortgage, charge and security interest provided for in section 2.01 hereof and “security interest” has the meaning ascribed thereto in the Act.

**ARTICLE II**  
**GRANT OF SECURITY INTEREST AND ATTACHMENT**

2.01 **Security Interest**: As continuing security for the payment of the Indebtedness and the performance, fulfilment and satisfaction of all covenants, obligations and conditions on the part of the Debtor set out herein, in the Letter of Commitment and in the Loan Documents, the Debtor:

- (a) assigns, transfers, mortgages and charges to and in favour of the Secured Party all of the Debtor’s rights, title and interest in and to the Collateral; and
- (b) grants to and in favour of the Secured Party a security interest in the Collateral;

as and by way of a fixed charge.

2.02 **Attachment**: The Debtor and Secured Party confirm that they have not postponed or agreed to postpone the time for attachment of the Security Interest and that the Debtor has received Value.

**ARTICLE III**  
**REPRESENTATIONS, WARRANTIES AND COVENANTS**

3.01 **Representations and Warranties**: The Debtor represents and warrants that the Collateral is owned by the Debtor with good and marketable title thereto, free and clear of any assignments, executions, mortgages, charges, hypothecations, pledges, security interests, liens, demands, adverse claims and any other encumbrances whatsoever.

3.02 **Covenants**: The Debtor covenants and agrees with the Secured Party that so long as any of the Indebtedness remains outstanding:

- (a) the Debtor will at all times maintain its corporate existence;
- (b) the Debtor shall diligently maintain and operate the Collateral and shall conduct its operations in a reasonable and prudent manner so as to maintain, preserve and protect the Collateral;
- (c) the Debtor will pay all taxes, rates, levies, government fees and dues levied, assessed or imposed in respect of the Collateral or any part thereof, as and when the same become due and payable, and shall forthwith upon request by the Secured Party deliver such evidence as may satisfy the Secured Party that such taxes, rates, levies, fees and dues have been paid;

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- (d) the Debtor will at all times repair the Collateral and keep the Collateral in good order and condition and renew and replace all and any of the same which may become unrepairable or destroyed;
- (e) the Debtor will insure, at its own expense, on a replacement cost basis, all items of Collateral for which insurance coverage is purchasable, at all times during which any Indebtedness exists, with insurers and pursuant to policies approved by the Secured Party, for such risks and perils as a reasonable owner of similar Collateral would consider prudent and for such other insurable risks and perils as the Secured Party may from time to time consider advisable or desirable and in respect of which insurance coverage may be available. All cancellation clauses in such policies are to provide for at least thirty (30) days' prior notice of such cancellation to the Secured Party;
- (f) the Debtor shall deliver to the Secured Party original or certified true copies of all policies of insurance required to be maintained by the Debtor pursuant hereto and the Debtor shall, at least thirty (30) days prior to the expiry of any such insurance policy, deliver to the Secured Party a renewal receipt, binder or new policy replacing such expiring insurance policy, or otherwise satisfy the Secured Party that such insurance has been renewed;
- (g) the Debtor shall cause all proceeds payable under all policies of insurance required to be maintained by the Debtor hereunder to be made payable to the Secured Party, as its interest may appear, and shall otherwise deal with such policies in such manner so as to enable all proceeds payable thereunder to be collected by the Secured Party from the insurer. The Secured Party may elect to have such insurance money applied in the reinstatement of the relevant Collateral or towards repayment of the Indebtedness whether then due or not;
- (h) the Debtor shall not create, grant, assume or otherwise permit to exist any assignment, execution, mortgage, charge, hypothec, pledge, lien, security interest or other encumbrance upon the Collateral or any part thereof or the Debtor's interest therein that ranks or is capable of being enforced in priority to or pari passu with the Security Interest;
- (i) the Debtor will from time to time at the request of the Secured Party and at the expense of the Debtor, make and do all such acts and things and execute and deliver all such instruments, security agreements and other writings and assurances as may be necessary or desirable or recommended by counsel to the Secured Party with respect to this Agreement or the Collateral or in order to perfect, keep perfected, maintain and preserve the Security Interest;
- (j) the Debtor will pay or reimburse the Secured Party upon demand for all Expenses together with interest thereon from the date of payment by the Secured Party until paid in full to the Secured Party by the Debtor at the highest rate of interest payable under the Loan Documents, calculated and compounded monthly before and after demand, maturity, default and judgment, together with interest on overdue interest at the same rate; and
- (k) the Debtor shall not transfer, convey, sell, sublease, assign or otherwise deal with or part with possession of the Collateral or any part thereof.

**ARTICLE IV**  
**EVENTS OF DEFAULT AND REMEDIES**

4.01 **Events of Default:** The Debtor shall be in default hereunder upon the occurrence of any one or more of the following events (which shall collectively be called "Events of Default" and individually an "Event of Default"):

- (a) if the Debtor is in default under or pursuant to, or otherwise fails to perform, fulfill or satisfy any covenant, obligation or condition set out in, or upon the occurrence of an event described as an "Event of Default" or a "Default" in, this Agreement, the Letter of Commitment or any of the Loan Documents; and
- (b) if the Debtor or any guarantor or covenantor of the Indebtedness or any part thereof commits an act of bankruptcy or becomes insolvent or has a receiver or receiver and manager appointed for it or over any of its assets or if any creditor takes possession of any of its assets or if any execution, distress or other like process is levied or enforced

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upon the Collateral or any part thereof or if any compromise or arrangement with creditors is made by any of them.

4.02 **Remedies Upon Default:** Upon the occurrence of an Event of Default the full amount of the Indebtedness shall, at the option of the Secured Party, become due and payable whereupon the Security Interest shall immediately be enforceable by the Secured Party, and the Secured Party shall have, in addition to all other rights, powers and remedies available at law and in equity, the following rights, powers and remedies:

- (a) the Secured Party may immediately sue for the Indebtedness;
- (b) the Secured Party may appoint and reappoint by instrument in writing, or institute proceedings in any court of competent jurisdiction for the appointment or reappointment of, any person (including the Secured Party) or persons to be a receiver or receiver and manager (collectively called a "Receiver") of all or any part of the Collateral. The Secured Party may remove or replace the Receiver from time to time, and appoint another person or persons in his stead or make application to a court of competent jurisdiction to do so. Subject to the provisions of the instrument or court order appointing the Receiver, the Receiver so appointed or replaced shall have, possess and may exercise all or any part of the rights, powers and remedies of the Secured Party (whether conferred upon the Secured Party by this Agreement or otherwise). For greater certainty, where the Secured Party is referred to in this Agreement, the term shall, where the context permits, include the Receiver so appointed or replaced and the officers, employees, servants or agents of the Secured Party and the Receiver;
- (c) the Secured Party may, without notice, take such steps as it considers necessary or desirable to obtain possession of all or any part of the Collateral by any method permitted by law, and to that end the Debtor agrees:
  - (i) to deliver possession of the Collateral to the Secured Party forthwith upon its receipt of a written or verbal demand therefor, at such place or places specified by the demand; and
  - (ii) that the Secured Party may, at any time during the day or night, by any lawful means, enter upon the Lands and Buildings and upon any other premises where any of the Collateral may be found for the purpose of rendering unusable any part of the Collateral which constitutes equipment or for the purpose of taking possession of and removing the Collateral or any part thereof or both;
- (d) subject to the Act, the Secured Party may without notice, advertisement, demand for payment or any other formality (all of which are hereby waived) do any act or thing to preserve the Collateral or its value, or seize, collect, realize upon, lease, dispose of, release to third parties, sell by public or private sale or any other mode of disposition as the Secured Party may consider advisable or otherwise deal with the Collateral or any part thereof in such manner, for such consideration, upon such terms and conditions and at such time or times as may, in the absolute discretion of the Secured Party, seem to it necessary or advisable;
- (e) subject to the Act, the Secured Party may without notice, retain the Collateral or any part thereof and postpone the sale or any other disposition or dealing with the Collateral or any part thereof for such period as may, in the absolute discretion of the Secured Party, seem to it necessary or advisable;
- (f) subject to the Act, the Secured Party may without notice, elect to retain all or any part of the Collateral in satisfaction of the Indebtedness or any part thereof;
- (g) subject to the Act, the Secured Party may purchase all or any part of the Collateral at any public or private sale, auction, tender or by way of any other mode of disposition;
- (h) the Secured Party may borrow money on the security of the Collateral and create security interests in the Collateral, whether or not in priority to the Security Interest, which, in the absolute discretion of the Secured Party, may impair the Debtor's right to redeem the Collateral;
- (i) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor and may enter upon, occupy and use all or any of the Buildings and buildings occupied or used by the Debtor, or in which the Collateral or any part

thereof is situate for such time as the Secured Party sees fit, free of charge, to the exclusion of the Debtor; and

- (j) the Secured Party may pay any indebtedness of the Debtor, post any security or otherwise deal with any other creditors of the Debtor in order to obtain the discharge of any mortgage, charge, hypothecation, pledge, security interest, lien, claim or other encumbrance that may exist against the Collateral or any part thereof.

4.03 **Receiver as Agent:** The Receiver shall be the agent of the Debtor for all purposes except possession of the Collateral only, which possession shall be on behalf of and as agent of the Secured Party and not the Debtor.

4.04 **Risk of Loss:** Where all or any part of the Collateral is in the possession of the Secured Party or the Receiver the risk of loss or damage, whether caused by the negligence of the Secured Party, the Receiver or otherwise, shall be the sole responsibility and obligation of the Debtor.

#### **ARTICLE V**

#### **GENERAL CONTRACT PROVISIONS**

5.01 **Secured Party not Liable:** Neither the Secured Party nor the Receiver shall be bound to do any one or more of the following:

- (a) give any notice;
- (b) make or do any repair, processing or preparation for disposition of the Collateral (whether commercially reasonable or not);
- (c) use reasonable care in the custody or preservation of any of the Collateral in its possession;
- (d) keep the Collateral identifiable;
- (e) proceed in a commercially reasonable manner in the collection from debtors of the Debtor;
- (f) exercise any rights, powers and remedies whatsoever including, without limitation, seize, collect, realize upon, lease, sell or otherwise dispose of, borrow money on the security of, release to third parties, obtain possession of, obtain payment for, maintain or preserve or protect, the Collateral or any part thereof or its value; and
- (g) institute proceedings for the purpose of seizing, collecting, realizing upon, disposing of or obtaining possession of or payment for, the Collateral or any part thereof or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm or corporation in respect of same;

nor shall the Secured Party or the Receiver be liable or accountable for doing or for failing to do any one or more of the foregoing. Notwithstanding section 4.03 hereof, the Debtor shall be liable for all actions, causes of action, proceedings, debts, demands, claims, losses, damages and other liabilities incurred or suffered by the Debtor, the Secured Party or the Receiver by reason of or on account of any act or failure to act of the Receiver.

5.02 **Application of Funds:** All amounts realized from the Collateral upon the enforcement of the Security Interest shall be applied by the Secured Party or the Receiver firstly, to the payment of Expenses, secondly, to the payment of such part of the Indebtedness as constitutes interest, and thirdly, to the payment of the balance of the Indebtedness; and any deficiency shall be and remain payable by the Debtor to the Secured Party. If any surplus remains after the payments itemized herein, such surplus shall be applied in the manner provided for in the Act. Notwithstanding the foregoing, the Secured Party reserves the right to interplead or make any appropriate application pursuant to the Trustee Act (Ontario) or any successor legislation thereto.

5.03 **Performance by Secured Party:** If the Debtor fails to perform, fulfill or satisfy any covenant, obligation or condition herein set out including, without limitation, the payment of money, the Secured Party may, in its absolute discretion, but without being bound to do so, perform any such covenant, obligation or condition capable of being performed by the Secured

Party. No such performance or payment shall relieve the Debtor from any default under this Agreement or any consequence of such default.

5.04 **Rights, Powers and Remedies:** Each right, power and remedy of the Secured Party provided for in this Agreement or available at law or in equity may be exercised separately from or in combination with, and is in addition to and not in substitution for, any other right, power and remedy of the Secured Party however created. Without limiting the generality of the foregoing, the taking of judgment or judgments by the Secured Party shall not operate as a merger or affect the right of the Secured Party to interest as provided herein.

5.05 **Waiver:** No consent or waiver, express or implied, by the Secured Party to or of any breach or default by the Debtor in the performance of its obligations hereunder shall be deemed or construed to be a consent to or a waiver of any other breach or default in the performance of the Debtor's obligations hereunder. Failure on the part of the Secured Party to complain of any act or failure to act of the Debtor or to declare the Debtor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Secured Party of its rights hereunder.

5.06 **Dealings with Persons:** The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Collateral, the Debtor, debtors of the Debtor, guarantors, sureties and others, as the Secured Party may see fit, without prejudice to the Secured Party's rights, powers and remedies whatsoever.

5.07 **Notices:** Any notice or demand which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally or by facsimile upon the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail, in the case of the Debtor, addressed to it at any address for service provided by the Debtor to the Secured Party under any of the Loan Documents and in the case of the Secured Party, addressed to it at the address set out in Box 15 of any mortgage held by the Secured Party in connection with the Indebtedness. The date of receipt of such notice or demand, if served personally or by facsimile, shall be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. For the purposes hereof, personal service on the Debtor shall be effectively given by delivery to any officer, director or employee of the Debtor. The Secured Party or the Debtor may, from time to time, change its address or stipulate another address from the address described in this Agreement by giving notice in the manner provided in this section.

5.08 **Successors and Assigns:** This Agreement and each of the covenants, warranties and representations herein set out shall enure to the benefit of the successors and assigns of the Secured Party and be binding upon the successors and permitted assigns of the Debtor.

5.09 **Survival:** All covenants, undertakings, agreements, representations and warranties made by the Debtor in this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the Indebtedness is paid in full. All representations and warranties made by the Debtor herein shall be deemed to have been relied upon by the Secured Party.

5.10 **Entire Agreement:** This Agreement constitutes the entire agreement between the Debtor and the Secured Party relating to the Security Interest and may not be amended in any manner except by written instrument signed by both of them.

5.11 **Applicable Law:** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

5.12 **Time of the Essence:** Time is and shall continue to be of the essence of this Agreement.

5.13 **Headings:** The insertion of headings in this Agreement is for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

5.14 **Number and Gender:** All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.

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5.15 **Acknowledgement:** The Debtor acknowledges receipt of a duplicate executed copy of this Agreement.

*(Balance of page intentionally left blank. Signature page to follow)*

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CHACON STRAWBERRY FIELDS INC.

Per: SK Chahal  
Surinder Kaur Chahal  
President

I have the authority to bind the Corporation

- 9 -

**SCHEDULE "A"****DESCRIPTION OF LANDS**

12550, 12560, 12570 Kennedy Road, Town of Caledon

**PIN 14235-4995 (LT)**

PART OF BLOCK 172, PLAN 43M1860, BEING PART 1 ON PLAN 43R-36418; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 1 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON

**PIN 14235-4997 (LT)**

BLOCK 97, PLAN 43M1855, PART 4 ON PLAN 43R-36418; EXCEPT PART 3 ON PLAN 43R-36522; SUBJECT TO AN EASEMENT OVER PART 4 ON PLAN 43R36522 IN FAVOUR OF PART OF BLOCK 97, PLAN 43M1855, PARTS 2 AND 3 ON PLAN 43R36522 AS IN PR2755721; TOGETHER WITH AN EASEMENT OVER PART BLOCK 97, PLAN 43M1855, PARTS 2 AND 3 PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PART OF BLOCK 172, PLAN 43M1860, PART 1 ON PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PARTS 2, 3 & 4, PLAN 43R36883 AS IN PR2885670; SUBJECT TO AN EASEMENT AS IN PR2858994; TOWN OF CALEDON

**PIN 14235-3468 (LT)**

PART OF RESERVE BLOCK 111, PLAN 43M1855, BEING PART 7, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 11 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON

**PIN 14235-3470 (LT)**

PART OF DOUGALL AVENUE LYING NORTH OF RESERVE BLOCK 110, PLAN 43M1855, BEING PART 8, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 12 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON (collectively the "Property")

# APPENDIX K

RUN NUMBER : 305  
RUN DATE : 2024/10/31  
ID : 20241031123352.99

PROVINCE OF ONTARIO  
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 1  
( 2441)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE  
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

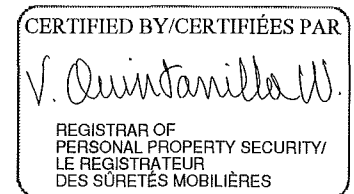
SEARCH CONDUCTED ON : CHACON STRAWBERRY FIELDS INC.

FILE CURRENCY : 30OCT 2024

ENQUIRY NUMBER 20241031123352.99 CONTAINS 10 PAGE(S), 2 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME  
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER  
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

AIRD & BERLIS LLP  
ATTN: JENAYA MCLEAN  
HOLD FOR PICKUP  
TORONTO ON M5J2T9



(crfj6 05/2022)

CONTINUED... 2



RUN NUMBER : 305  
RUN DATE : 2024/10/31  
ID : 20241031123352.99

PROVINCE OF ONTARIO  
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 2  
( 2442)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : CHACON STRAWBERRY FIELDS INC.  
FILE CURRENCY : 30OCT 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
501227028

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
001 6 20231214 1427 1901 3636 P PPSA 05

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME 2560637 ONTARIO INC.

04 ADDRESS 1-25 SUN PAC BLVD BRAMPTON ON L6S 5P6 ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME CHACON STRAWBERRY FIELDS INC.

07 ADDRESS 1-25 SUN PAC BLVD BRAMPTON ON L6S 5P6 ONTARIO CORPORATION NO.

08 SECURED PARTY / NORTHWOOD MORTGAGE INVESTMENT CORPORATION  
LIEN CLAIMANT

09 ADDRESS 300-7676 WOODBINE AVE MARKHAM ON L3R 2N2

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE  
X X X X X 2000000

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL SECURITY GRANTED PURSUANT TO A GENERAL SECURITY AGREEMENT MADE ON OR  
14 COLLATERAL ABOUT THE 8TH DAY OF DECEMBER, 2023, BETWEEN 2560637 ONTARIO INC. &  
15 DESCRIPTION CHACON STRAWBERRY FIELDS INC., AS DEBTOR, AND NORTHWOOD MORTGAGE

16 REGISTERING ESC CORPORATE SERVICES LTD.  
AGENT

17 ADDRESS 445 KING STREET WEST, SUITE 400 TORONTO ON M5V 1K4

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTREUR  
DES SÛRETÉS MOBILIÈRES

(cij1fv 05/2022)



RUN NUMBER : 305  
RUN DATE : 2024/10/31  
ID : 20241031123352.99

PROVINCE OF ONTARIO  
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 3  
( 2443)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : CHACON STRAWBERRY FIELDS INC.  
FILE CURRENCY : 30OCT 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
501227028

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
002 6 20231214 1427 1901 3636

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /  
LIEN CLAIMANT  
09 ADDRESS

10 COLLATERAL CLASSIFICATION  
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.  
12 MOTOR VEHICLE

13 GENERAL INVESTMENT CORPORATION , AS SECURED PARTY, AS AMENDED FROM TIME TO  
14 COLLATERAL TIME AND INCLUDING ANY ANNEX, SUPPLEMENT OR SCHEDULE THERETO.  
15 DESCRIPTION GENERAL SECURITY AGREEMENT OVER ALL PRESENT AND AFTER-ACQUIRED

16 REGISTERING  
AGENT  
17 ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...

4

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES  
(crj1fv 05/2022)

RUN NUMBER : 305  
RUN DATE : 2024/10/31  
ID : 20241031123352.99

PROVINCE OF ONTARIO  
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 4  
( 2444)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : CHACON STRAWBERRY FIELDS INC.  
FILE CURRENCY : 30OCT 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
501227028

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
003 6 20231214 1427 1901 3636

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /  
LIEN CLAIMANT  
09 ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.  
12 MOTOR VEHICLE

13 GENERAL PERSONAL/MOVABLE PROPERTY OF THE DEBTOR INCLUDING, WITHOUT  
14 COLLATERAL LIMITATION, ALL INVENTORY, WAREHOUSE RECEIPTS, CDN ACCOUNTS  
15 DESCRIPTION RECEIVABLE, MACHINERY AND EQUIPMENT. GENERAL ASSIGNMENT OF RENTS

16 REGISTERING  
17 AGENT ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...

5

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)



RUN NUMBER : 305  
RUN DATE : 2024/10/31  
ID : 20241031123352.99

PROVINCE OF ONTARIO  
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 5  
( 2445)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : CHACON STRAWBERRY FIELDS INC.  
FILE CURRENCY : 30OCT 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
501227028

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
004 6 20231214 1427 1901 3636

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /  
09 LIEN CLAIMANT ADDRESS

10 COLLATERAL CLASSIFICATION  
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.  
12 VEHICLE

13 GENERAL OVER THE PROPERTY 20706 HEART LAKE ROAD, CALEDON VILLAGE, ONTARIO &  
14 COLLATERAL 12550, 12560 & 12570 KENNEDY ROAD, CALEDON ONTARIO PERSONAL  
15 DESCRIPTION GUARANTEE OF SURINDER CHAHAL, PARMINDER CHAHAL & SAWARAN CHAHAL OF A

16 REGISTERING  
17 AGENT ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...

6

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES  
(crlfv 05/2022)

RUN NUMBER : 305  
RUN DATE : 2024/10/31  
ID : 20241031123352.99

PROVINCE OF ONTARIO  
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 6  
( 2446)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : CHACON STRAWBERRY FIELDS INC.  
FILE CURRENCY : 30OCT 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
501227028

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
005 6 20231214 1427 1901 3636

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /  
09 LIEN CLAIMANT ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.  
12 MOTOR VEHICLE

13 GENERAL LOAN FROM 2560637 ONTARIO INC. & CHACON STRAWBERRY FIELDS INC., AS  
14 COLLATERAL DEBTOR, AND NORTHWOOD MORTGAGE INVESTMENT CORPORATION, AS SECURED  
15 DESCRIPTION PARTY, PURSUANT TO A LOAN COMMITMENT DATED DECEMBER 5TH, 2023, AS

16 REGISTERING AGENT ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...

7

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES

(cij)lv 05/2022



RUN NUMBER : 305  
RUN DATE : 2024/10/31  
ID : 20241031123352.99

PROVINCE OF ONTARIO  
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 7  
( 2447)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : CHACON STRAWBERRY FIELDS INC.  
FILE CURRENCY : 30OCT 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
501227028

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
006 6 20231214 1427 1901 3636

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /  
LIEN CLAIMANT  
09 ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.  
12 MOTOR VEHICLE

13 GENERAL AMENDED FROM TIME TO TIME AND INCLUDING ANY ANNEX, SUPPLEMENT OR  
14 COLLATERAL SCHEDULE THERETO.  
15 DESCRIPTION

16 REGISTERING AGENT  
17 ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...

8

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)



RUN NUMBER : 305  
RUN DATE : 2024/10/31  
ID : 20241031123352.99

PROVINCE OF ONTARIO  
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 8  
( 2448)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : CHACON STRAWBERRY FIELDS INC.  
FILE CURRENCY : 30OCT 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
789256008

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
001 2 20221213 1036 1590 2692 P PPSA 10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 NAME BUSINESS NAME CHACON STRAWBERRY FIELDS INC.

04 ADDRESS 25 SUN PAC BLVD. BRAMPTON ONTARIO CORPORATION NO.  
ON 16S 5P6

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / FIRST SOURCE FINANCIAL MANAGEMENT INC.  
09 LIEN CLAIMANT

09 ADDRESS 2235 SHEPPARD AVENUE EAST, SUITE 1202 TORONTO ON M2J 5B5

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNT'S OTHER INCLUDED MATURITY OR MATURITY DATE  
X X X X

11 MOTOR YEAR MAKE MODEL V.I.N.  
12 VEHICLE

13 GENERAL PROPERTY USED IN CONNECTION WITH OR SITUATE AT OR ARISING FROM THE  
14 COLLATERAL OWNERSHIP, DEVELOPMENT, USE AND DISPOSITION OF THE PROPERTY KNOWN AS  
15 DESCRIPTION 12550, 12560 AND 12570 KENNEDY ROAD, TOWN OF CALEDON AND THE PROCEEDS

16 REGISTERING CHAITONS LLP - BARRY ROTENBERG  
17 AGENT

17 ADDRESS 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES  
(crj1fv 05/2022)



RUN NUMBER : 305  
RUN DATE : 2024/10/31  
ID : 20241031123352.99

PROVINCE OF ONTARIO  
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 9  
( 2449)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : CHACON STRAWBERRY FIELDS INC.  
FILE CURRENCY : 30OCT 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER  
789256008

00

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	002	2		20221213 1036 1590 2692		

01

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
-------------	---------------	------------------	---------	---------

02

BUSINESS NAME
---------------

03

ADDRESS
---------

04

ONTARIO CORPORATION NO.

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
-------------	---------------	------------------	---------	---------

05

BUSINESS NAME
---------------

06

ADDRESS
---------

07

ONTARIO CORPORATION NO.

SECURED PARTY / LIEN CLAIMANT	ADDRESS
-------------------------------	---------

08

COLLATERAL CLASSIFICATION		MOTOR VEHICLE		AMOUNT	DATE OF	NO. FIXED
CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED	MATURITY OR	MATURITY DATE

09

MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
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11

12

13 GENERAL THEREOF.

14

15 COLLATERAL DESCRIPTION

16

16 REGISTERING AGENT

17

ADDRESS
---------

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES

(c)11v 05/2022



RUN NUMBER : 305  
RUN DATE : 2024/10/31  
ID : 20241031123352.99

PROVINCE OF ONTARIO  
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 10  
( 2450)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : CHACON STRAWBERRY FIELDS INC.  
FILE CURRENCY : 30OCT 2024

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
501227028	20231214 1427 1901 3636			
789256008	20221213 1036 1590 2692			

2 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES

(crj6 05/2022)

Ontario 

# APPENDIX L

**Properties**

<i>PIN</i>	14235 – 3559 LT	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PT BLK 172, PL 43M1860, DESIGNATED AS PARTS 1 & 2 ON PLAN 43R-36418, TOWN OF CALEDON	
<i>Address</i>	CALEDON	
<i>PIN</i>	14235 – 2917 LT	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	BLOCK 97, PLAN 43M1855; DESIGNATED AS PARTS 3 & 4, PLAN 43R-36418, TOWN OF CALEDON	
<i>Address</i>	CALEDON	
<i>PIN</i>	14235 – 3468 LT	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PART OF RESERVE BLOCK 111, PLAN 43M1855, DESIGNATED AS PART 5 ON PLAN 43R-36418, (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOWN OF CALEDON	
<i>Address</i>	CALEDON	
<i>PIN</i>	14235 – 3470 LT	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PART OF DOUGALL AVENUE LYING NORTH OF RESERVE BLOCK 110, PLAN 43M1855, DESIGNATED AS PART 6 ON PLAN 43R-36418, (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOWN OF CALEDON	
<i>Address</i>	CALEDON	

**Consideration**

*Consideration* \$0.00

**Applicant(s)**

The notice is based on or affects a valid and existing estate, right, interest or equity in land

*Name* CHACON STRAWBERRY FIELDS INC.  
*Address for Service* 321 Deerhurst Drive  
 Unit B  
 Brampton, Ontario  
 L5T 5K3

I, Parminder Chahal, A.S.O., have the authority to bind the corporation.

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

**Statements**

This notice is pursuant to Section 71 of the Land Titles Act.

This notice is for an indeterminate period

Schedule: See Schedules

The registration of this document is not prohibited by registration PR2667415 registered on 2015/01/30 .

**Signed By**

Robert Bruce Crouch 50 Queen St. West acting for Signed 2015 07 29  
 Brampton Applicant(s)  
 L6X 4H3

Tel 905-451-6610

Fax 905-451-1549

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

**Submitted By**

PROUSE DASH & CROUCH LLP 50 Queen St. West 2015 07 29  
 Brampton  
 L6X 4H3

Tel 905-451-6610

**Submitted By**

Fax 905-451-1549

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

**File Number**

Applicant Client File Number : 130298

**SHARED FACILITIES AND EASEMENT AGREEMENT**

This Agreement made as of the 7<sup>th</sup> day of July, 2015.

**BETWEEN:**

**CHACON STRAWBERRY FIELDS INC.**, a company incorporated under the laws of the Province of Ontario

(hereinafter collectively called "Chacon")

- and -

**6876285 CANADA LIMITED**, a company incorporated under the laws of Canada

(hereinafter called "6876285")

**WHEREAS:**

A. Chacon is the registered owner of the lands more particularly described in **Schedule A** attached hereto (the "Chacon Lands"), upon which Chacon intends to develop the Chacon Lands substantially in accordance with the site plan attached hereto as Schedule C (the "Site Plan");

B. 6876285 is or is about to become the registered owner of the lands more particularly described in **Schedule B** attached hereto (the "6876285 Lands"), upon which 6876285 intends to develop the 6876285 Lands substantially in accordance with the Site Plan;

C. The 6876285 Lands and the Chacon Lands are shown outlined in black on the Site Plan and are collectively referred to as the "Property";

D. The parties have agreed to enter into a mutually satisfactory shared facilities and easement agreement providing for the construction, installation, grant of easement and shared use, cost-sharing, maintenance, repair and replacement of the driveways for access and egress, cross-access, work on the municipal boulevard (if any), site services, signage and services for the Property as a single integrated development;

E. The parties hereto have agreed to enter into this Agreement (as hereinafter defined) for the integration of certain aspects of the development on the Property and for the operation thereof for the mutual benefit of the Owners (as hereinafter defined) on the following terms and conditions.

**NOW THEREFORE** in consideration of the mutual covenants and agreements hereinafter contained, other good and valuable consideration and the sum of Two Dollars (\$2.00) paid by each party to the other of them the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

including by reason of acts of God, strikes, lockouts, unavailability of materials, failure of power, prohibitive governmental laws or regulations, riots, insurrections, the act or failure to act of the other Owner, adverse weather conditions preventing the performance of work as certified to by an architect, war or other reason beyond such party's control, which shall cause an Owner to be unable to fulfill or to be delayed or restricted in the fulfillment of any obligation hereunder.

- (o) "Chacon's Buildings" shall mean the proposed buildings to be built on the Chacon Lands as shown on the Site Plan, and shall also include any replacements and expansions to such buildings and any redevelopment of the Chacon Lands as constituted from time to time (subject to the provisos contained in this Agreement).
- (p) "Chacon Lands" has the meaning ascribed thereto in Recital A above.

#### **1.2 Exercise and Enforcement of Rights**

Each Owner shall perform its obligations under this Agreement and shall, except as otherwise expressly provided, act reasonably in the exercise and the enforcement of its rights under this Agreement. Each right shall, except as otherwise expressly provided, be exercisable and enforceable from time to time.

#### **1.3 Procedure for Approval**

Any request for approval shall be made by Notice, and in the absence of reply given by Notice not later than ten (10) Business Days after Notice of the request has been given, the approval shall be deemed to have been given. Any such request shall cite the preceding sentence failing which, the preceding sentence shall not be operative. Each approval shall be in writing unless by operation of the first sentence of this Section it is deemed to have been given. If an Owner withholds its approval, it shall give Notice of its reason to the other Owner.

#### **1.4 Headings, Divisions and Schedules**

The headings of any Article or Section are inserted for convenience only and do not form part of this Agreement. All references in this Agreement to Articles and Sections are to those in this Agreement. The Exhibits and Schedules, if any, attached to this Agreement form a part hereof.

#### **1.5 Relationship of Owners**

Nothing in this Agreement shall be deemed to create or be construed as creating the relationship of principal and agent or a partnership or a joint venture between the Owners or render either of the said parties liable for the debts or obligations of the other.

#### **1.6 Nature of Rights**

The easements and rights in the nature of easements between the Owners created in this Agreement or granted or reserved in the Transfer of the 6876285 Lands from Chacon to 6876285 are interests in the parts of the lands burdened thereby. Each right of access, pedestrian passage, vehicular passage, and use of an Owner under this Agreement shall also be exercisable by the tenants or occupants of its buildings and the respective customers, employees, servants, agents, invitees, occupants and licensees of such Owner and such tenants or occupants in common with the other Owner, the respective tenants or occupants of the other Owner and the respective customers, employees, servants, agents, invitees, occupants and licensees of the other Owner

and its respective tenants or occupants. Except as specifically provided herein, no interest, right or privilege is created or granted to or in favour of any Owner, and no Owner has any interest, right or privilege over the other Owner's lands.

#### **1.7 Demand for Payment**

Any demand for payment under this Agreement shall provide a period of thirty (30) days for payment. Arrears of payment shall bear interest at a rate per annum equal to Prime plus two (2%) percent.

#### **1.8 Governing Law**

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

#### **1.9 Gender and Number**

Words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender and neuter gender, and words importing persons shall include firms and corporations, and vice versa.

#### **1.10 Amendments**

No amendment or modification of this Agreement shall be binding unless in writing and signed by the authorized signatories of the parties.

#### **1.11 Waiver**

No delay or omission by any party hereto to exercise any right accruing upon and default by the other party or parties will impair any such right or be construed as a waiver thereof, and no waiver by any party of any of the covenants, conditions, or agreements hereof to be performed by the other party or parties will be construed as a waiver of any succeeding breach thereof or of any other covenant, condition, or agreement.

### **ARTICLE 2 TERM**

#### **2.1 Term**

This Agreement and the easements, rights, obligations and liabilities herein shall be effective on the Closing of the purchase and sale of the 6876285 Lands pursuant to the Purchase Agreement and shall be perpetual to the extent permitted by law. This Agreement is subject to the express condition that the provisions of the *Planning Act* (Ontario) and any amendments thereto are complied with. Chacon warrants and represents to 6876285 that it has obtained the consent required under the applicable planning legislation in respect of the rights and easements referred to in this Agreement.

### **ARTICLE 3** **EASEMENTS**

#### **3.1 Easement Benefiting Chacon Lands**

Subject to the terms of this Agreement, 6876285 hereby acknowledges and agrees that the 6876285 Lands are subject to an easement in perpetuity in favour of the Owner of the Chacon Lands and for the benefit of its tenants, customers, employees, servants, agents, invitees, occupants and licensees, and for the customers, employees, servants, agents, invitees, occupants and licensees of Chacon's tenants over Parts 1, 2 and 3 on Plan 43R-36522 for access and egress of motor vehicles, including emergency vehicles, to and from the Chacon Lands and adjacent streets.

#### **3.2 Easements Benefiting 6876285 Lands**

Subject to the terms of this Agreement, Chacon hereby acknowledges and agrees that the Chacon Lands are subject to an easement in perpetuity in favour of 6876285 and for the benefit of its tenants, customers, employees, servants, agents, invitees, occupants and licensees, and for the customers, employees, servants, agents, invitees, occupants and licensees of the 6876285 tenants over Part 4 on Plan 43R-36522 for access and egress of motor vehicles, including emergency vehicles, to and from the 6876285 Lands and adjacent streets.

#### **3.3 Confirmation of Easements**

The parties will, at the request of any other party accompanied by the submitting by another party of the appropriate documents in a form suitable for registration, execute and acknowledge such documents giving further assurances of such easements.

#### **3.4 Structures**

Each of the Owners acknowledges, confirms and agrees for and on behalf of itself, and its successors and assigns, that the rights and easements acknowledged and confirmed herein shall be subject to the right of each Owner and its successors and assigns, subject to obtaining all necessary municipal approvals or complying with the Site Plan, (i) to construct and reconstruct buildings or other above ground improvements anywhere on its respective lands, except that no such buildings or improvements shall encroach on any such easements, at any time, and from time to time, without breaching the rights and easements acknowledged and confirmed herein; and (ii) to construct, install, maintain, inspect, alter, reconstruct, enlarge and repair the roadways and other improvements on its lands, including, without limitation, buildings, landscaping, roadways, driveways, parking areas, walkways, gutters, curbs, street lighting, boulevards, snow cleaning and storage areas and all appurtenances necessary or incidental thereto and to exclude such persons or vehicles as it may require from time to time, on a temporary basis, for purposes of such construction, installation, maintenance, inspection, alteration, removal, replacement, reconstruction, enlargement or repair, provided that each Owner takes such reasonable steps to minimize inconvenience and disturbance to the other Owner and its tenants, occupants, customers, employees, servants, agents, invitees and licensees, and provided there is always reasonable alternative access to and from the Chacon Lands and the 6876285 Lands from and to a public road or highway. Without limiting the generality of the foregoing, it is acknowledged that buildings and other improvements shall be constructed in compliance with the municipally approved site plans, official plan, zoning and building bylaws, fire codes, health and safety

standards and such construction shall not be deemed to derogate from, nor interfere with the rights and easements acknowledged and confirmed herein.

### **3.5 Further Rights and Easements**

The Owners each covenant and agree with each other to grant such further rights and easements as may hereafter be required in order to determine, with greater specificity, the rights and easements required for access to and from the Chacon Lands, the 6876285 Lands and adjacent streets, for parking and for the installation and maintenance of public utilities and other services including, without limiting the generality of the foregoing, those required for drainage, sewers, pylon signage and those required by the corporation or commission supplying telephone service, cable service, electricity, or natural gas to the Chacon Lands and the 6876285 Lands as long as the said rights and easements do not materially interfere with the other Owner's enjoyment of its lands and as long as such rights and easements can be located in a way that does not interfere with the siting and construction of any buildings or above ground improvements including future contemplated expansions or intended development of the Chacon Lands or the 6876285 Lands and the Owners further covenant and agree with each other to release such easements and rights of way as are replaced by the easements and rights of way contemplated in this Section 3.5.

### **3.6 Restrictions on the Granting of Easements**

The granting of easements pursuant to the provisions of this Article shall be subject to the following:

- (a) A grant of an easement shall not be requested by an Owner where it is practical and feasible for such party to obtain the required service directly from utilities in public highways or streets adjacent to its lands.
- (b) The location of easements shall be such as not to interfere with the presently erected or contemplated buildings as shown on the Site Plan and to the extent possible not to unreasonably interfere with any known or planned future development that may occur.
- (c) Every grant of easement shall require the transferee of the easement to construct or cause the contractor or service provider to construct the service or utility so as to permit, to the extent reasonably possible, the surface of the affected land to be used for parking, access roads or other reasonable uses without damage thereto.

## **ARTICLE 4 PARKING, NO BUILD AREAS AND SERVICES**

### **4.1 Parking**

Unless otherwise set out in this Agreement, 6876285 shall provide and maintain on the 6876285 Lands and Chacon shall provide and maintain on the Chacon Lands sufficient parking to meet the municipal parking ratios and in no case shall any permitted addition, alteration, expansion, development, redevelopment and/or construction materially affect traffic circulation nor reduce the available parking capacity below the number of parking spaces as may be required by the Municipality. Nothing herein shall grant or be deemed to grant any Owner, its servants, agents, employees, tenants, occupants, invitees or customers any right to park vehicles in the other Owner's parking spaces. Neither Owner shall park nor permit its servants, agents, employees, tenants, occupants, invitees or customers to park in the other Owner's parking spaces; provided,

however, that neither Owner shall be required to monitor or police the use of the parking spaces, nor shall either Owner be liable to the other Owner for any breach of these parking restrictions by any of its tenants, occupants, invitees or customers.

#### **4.2 No Barriers or Variations**

The Owners covenant and agree not to construct, install, erect, or affix or permit to be constructed, installed, erected or affixed any fence, wall, barrier, fixture, or other material obstruction whatsoever in, on, or between the parking areas on the Chacon Lands or the parking areas on the 6876285 Lands, nor make any changes to the grade of the parking areas on the Chacon Lands or the parking areas on the 6876285 Lands, as the case may be, which would in any instance inhibit or prevent passage, ingress and egress for vehicles (including emergency vehicles) between the parking areas on the Chacon Lands and the parking areas on the 6876285 Lands or be inconsistent with the continued existence and use of the parking areas in accordance with the easements acknowledged and confirmed in Sections 3.1 and 3.2. The foregoing covenant and agreement shall not apply to temporary interruption of use for the purpose of making repairs to, or the laying of, underground services. In making the aforesaid repairs, the Owners shall make reasonable efforts to minimize disruption for users of the parking areas. The Owners will not impose or permit the imposition of charges for parking in the parking areas on the Property.

The Owners further covenant and agree not to relocate or make any variations or changes (without the prior written consent of the other Owner, which consent shall not be unreasonably withheld or unduly delayed) to the access ways to and from the Chacon Lands or the 6876285 Lands and the adjacent public streets and highways as shown on the Site Plan, except to the extent, and on at least 90 days' prior Notice, except in the case of an emergency where no Notice is required, to the other Owner, any such relocation, variations, or changes are required by any governmental authorities. During the course of any such relocation or changes, the Owner doing the relocation or change shall provide the other Owner with alternate access to and from the adjacent streets and highways.

#### **4.3 Maintenance and Repair of Parking Areas and Joint Facilities**

Each of the Owners agrees that all parking areas, driveways, access roads, and truck loading areas on its lands will be maintained in good order and repair, be properly drained, be kept in a safe and sanitary condition, be cleared promptly of ice, snow, and rubbish, and be kept adequately lighted during and for appropriate periods before and after business hours, at its own expense. Each of the Owners shall be responsible for any striping, repairing, or other resurfacing of parking areas and driveways on its own portion of the Property. The grading of the parking areas shall be performed and maintained by each respective Owner for its own lands in accordance with the requirements of the Town of Caledon. Each Owner shall keep all driveways, parking and landscaped areas on its lands in keeping with standards and best practices of comparable first class shopping centres in the Town of Caledon.

The Owners agree that all maintenance and repair costs for joint facilities, including, without limiting the generality of the foregoing, underground facilities, shared transformers and pole lights, will be shared by Chacon as to 59% and 6876285 as to 41% .

If either Chacon or 6876285, as the case may be, in its sole discretion, reasonably exercised, determines that any particular item of maintenance or repair to the parking areas, driveways, access roads and/or landscaped area of the other party on the 6876285 Lands or the Chacon Lands, respectively, have not been properly maintained or repaired to the standards required by

this Section 4.3, such party shall have the right to give Notice to the other party requiring the other party to carry out such item of maintenance or repair within ten (10) Business Days of the date of the giving of such Notice. If the party to whom such Notice is given has not carried out such item of maintenance or repair within the said ten (10) Business Days period or such longer time as is reasonably required in order to carry out such maintenance or repair, the party giving the Notice shall be entitled to enter upon the lands of the party to whom such Notice was given in order to correct the said item of maintenance or repair, and the party on whose lands such maintenance or repair was carried out shall forthwith pay to the party carrying out such maintenance or repair the cost of same on receipt of proper invoices substantiating such cost.

#### **4.4 Services**

The site work services described in Schedule D hereto shall be performed by Chacon with the cost thereof shared fifty nine percent (59%) by Chacon and forty one percent (41%) by 6876285. Chacon shall substantially complete or cause the site work services to be substantially completed by its contractors by September 15, 2015, unless delayed by Unavoidable Delay. If Chacon does not complete or cause the site work services to be completed in a timely fashion as aforesaid, then 6876285 shall have the right, but not the obligation, to enter upon the Chacon Lands to complete or cause the site work services to be completed and the costs thereof, plus an additional 15% of the cost thereof (which additional 15% of the cost is the sole responsibility of Chacon), shall be shared by the parties in the proportions stipulated in this Section 4.4.

#### **4.5 Subdivision Agreement Compliance**

Chacon shall fulfil or cause to be fulfilled all of the conditions and perform or caused to be performed, at its sole cost and expensed and at no cost or expense to 6876285, all of the obligations of the Owner [as defined in the subdivision agreement, notice of which was registered on title to the Property as Instrument # PR2110340 (the "Subdivision Agreement")] including without limitation the supply of all services and facilities to the Property line and Works (as defined in the Subdivision Agreement).

### **ARTICLE 5** **BUILDINGS**

#### **5.1 Maintenance of Buildings**

Each Owner shall be responsible, at its own expense, for maintaining the Chacon Lands and Chacon's Buildings and the 6876285 Lands and 6876285 Buildings, as the case may be, to the Building Standards and Standards and in a good state of maintenance and repair, free and clear of rubbish, debris, and other refuse as would a prudent owner, and if their respective buildings are damaged or destroyed from any cause whatsoever, then such Owner, as the case may be, will either forthwith repair the damage and destruction or remove the damaged building and any rubble or debris resulting from the damage or destruction.

#### **5.2 Standard of Operation**

Each Owner shall at its sole cost and expense operate, maintain and repair its buildings and improvements erected on its respective lands to the Building Standards and Standards.

### **5.3 Nuisance**

- (a) Chacon shall not use or permit any part of the Chacon Lands to be used in such a manner as to create a nuisance, nor shall Chacon allow or permit any noises, water, vapours, steam, odours, vibrations, or other undesirable effects to emanate from the Chacon Lands or any part thereof or from any equipment or installation therein which in the reasonable opinion of 6876285 is objectionable or causes any interference with the health and safety, comfort or convenience within the 6876285 Lands.
- (b) 6876285 shall not use or permit any part of the 6876285 Lands to be used in such a manner as to create a nuisance, nor shall 6876285 allow or permit any noises, water, vapours, steam, odours, vibrations or other undesirable effects to emanate from the 6876285 Lands or any part thereof or from any equipment or installation therein which in the reasonable opinion of Chacon is objectionable or causes any interference with the health and safety, comfort or convenience within the Chacon Lands.
- (c) Both parties acknowledge the restrictions against certain uses are described in Schedule E attached hereto. Appropriate restrictive covenants will be registered against the titles to the Chacon Lands and the 6876285 Lands, as the case may be.

### **5.4 Insurance**

- (a) The Owners covenant and agree that each Owner shall maintain their own commercial general liability insurance in an amount of not less than Five Million (Canadian) Dollars (\$5,000,000.00) with respect to anyone accident arising from, under, or through the use of its respective land, and each Owner shall deliver a certificate of such policy to the other at any time or times upon request; and
- (b) Any Owner acting reasonably shall have the right for a period of sixty (60) days following the end of each five (5) year period during the term of this Agreement, to give Notice to the other parties requiring the amount of the coverage of the said liability to be increased, provided that the amount of such increase shall be an amount commensurate with the then current standard of liability insurance coverage with respect to the operation of mutual parking areas and cross access used in conjunction with commercial operations.

## **ARTICLE 6 USE RESTRICTIONS AND COVENANTS**

### **6.1 Restrictive Covenants on the Chacon Lands**

Chacon shall not use, permit or suffer any part of the Chacon Lands to be used for any of the uses (the "Chacon Restrictions") set out in Schedule E for a period of 50 years from the Closing Date.

### **6.2 Restrictive Covenants on Part of the 6876285 Lands**

6876285 shall not use, permit or suffer that part of the 6876285 Lands designated as Parts 1 and 2 on reference plan 43R-36622 to be used for any of the uses (the "6876285 Restrictions") set out in Schedule E for a period of 50 years from the Closing Date.

**ARTICLE 7**  
**INDEMNITY**

**7.1 Chacon Indemnity**

Notwithstanding any other terms, covenants and conditions contained in this Agreement, Chacon shall indemnify 6876285 and save it harmless from and against any and all loss, claims, actions, damages, liability, and expenses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising from or out of the occupancy or use by Chacon of the Chacon Lands or any part thereof, or occasioned wholly or in part by any negligent or wilful act or omission of Chacon, or those for whom Chacon would be liable at law. If 6876285 shall, without fault on its part, be made a party to any litigation commenced by or against Chacon, Chacon shall protect, indemnify and hold 6876285 harmless and shall defend such action in the name of 6876285 or otherwise and pay all costs, expenses, and legal fees so that 6876285 shall suffer no loss or harm in connection with such litigation.

**7.2 6876285 Indemnity**

Notwithstanding any other terms, covenants and conditions contained in this Agreement, 6876285 shall indemnify Chacon and save it harmless from and against any and all loss, claims, actions, damages, liability, and expenses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising from or out of the occupancy or use by 6876285 of the 6876285 Lands or any part thereof, or occasioned wholly or in part by any negligent or wilful act or omission of 6876285, or those for whom 6876285 would be liable at law. If Chacon shall, without fault on its part, be made a party to any litigation commenced by or against 6876285, 6876285 shall protect, indemnify and hold Chacon harmless and shall defend such action in the name of Chacon or otherwise and pay all costs, expenses, and legal fees so that Chacon shall suffer no loss or harm in connection with such litigation.

**ARTICLE 8**

**ENCUMBRANCES AND TRANSFERS**

**8.1 Mortgage Subordination**

Each of the Owners agrees to obtain from each and every mortgagee, trustee, or similar encumbrancer (for the purposes of this Article 8, each a "Chargee") of its lands or part thereof a written agreement in the form annexed hereto as Schedule F, with such reasonable changes as may be agreed by the parties, consenting to the rights and easements as hereinbefore acknowledged and granted, as well as a registerable postponement agreement postponing and subordinating the right of each such Chargee to this Agreement and to the easements.

**8.2 Creation of Encumbrances**

(a) Each of the Owners covenants and agrees that it shall only mortgage, charge or encumber (for the purposes of this Article 8, each an "Encumbrance") its interests in its lands if the Chargee, contemporaneously with the taking of such Encumbrance, executes and delivers to the Owner granting the Encumbrance and the other Owner an agreement substantially in the form annexed hereto as Schedule "F".

(b) Each of the Owners acknowledges and agrees that the Chargee shall:

(i) upon delivery of the acknowledgment in the form attached hereto as Schedule F, automatically be entitled to the rights and benefits of Chacon or 6876285, as the case may be, under this Agreement subject to the terms of the appropriate acknowledgments; and

(ii) upon request contemporaneously and in conjunction with it acquiring its interest in the Chacon Lands or the 6876285 Lands and complying with this Section 8.2 be entitled to an express acknowledgment from the owners of the Chacon Lands or the 6876285 Lands that the Chargee shall be entitled to the rights and benefits of Chacon or 6876285, as the case may be under this Agreement, subject to the terms of the appropriate acknowledgment.

### **8.3 Transfers**

(a) Each Owner (the "Selling Owner") covenants and agrees with the other Owner that upon any sale or transfer of its lands, any part thereof or any interest therein (other than a conveyance without consideration of a portion of its lands to a governmental authority required as part of or in the course of the development of its lands), the Selling Owner will cause the transferee to execute and deliver to the other Owner an agreement in the form annexed hereto as Schedule G, whereby the transferee agrees to be bound by and observe the Selling Owner's covenants and obligations under this Agreement from and after the sale or transfer as if it were an original signatory thereto, including, without limitation, the covenant contained in this Section 8.3, to the extent of the portion of the lands or interest therein of the Selling Owner being acquired by the transferee. If the Selling Owner fails to obtain the agreement in the form annexed hereto as Schedule G from the transferee, the Selling Owner hereby indemnifies and holds harmless the other Owner from all claims, losses, expenses and liabilities suffered by such Owner as a result of such failure on the part of the Selling Owner.

(b) The Selling Owner shall be released from any further obligations under this Agreement arising in respect of the period following a sale or transfer to the extent of its lands or portion thereof or interest therein being sold or transferred by the Selling Owner if the sale or transfer is to a third party dealing at arm's length with the Selling Owner, and subject to and provided that such third party assumes and agrees to be bound by and observe the terms and conditions of this Agreement in accordance with Subsection (a) above.

(c) If an Owner is required to grant any non-material portion of its lands to any municipality or governmental authority, the Owners shall execute such releases and discharges as may be necessary to delete this Agreement from such portion so long as such release and discharge is on such terms so as to not have a material effect on such Owner's rights or materially affect the ability of such Owner to perform its obligations under this Agreement.

**ARTICLE 9**

**MISCELLANEOUS**

**9.1 Notice**

All notices, requests, demands or other communications (a "Notice") to be given pursuant to this Agreement shall be given in writing and either be mailed postage prepaid, faxed or be delivered by personal delivery during normal business hours on Business Days mailed, faxed or delivered, as the case may be:

(a) In the case of Chacon to:

321 Deerhurst Drive  
Unit B  
Brampton, Ontario  
L6T 5K3  
Attention: Parminder Chahal  
Facsimile: 905-789-7825

With a copy to:

Prouse, Dash & Crouch, LLP  
Barristers & Solicitors  
50 Queen Street West  
Brampton, Ontario  
L6X 4H3  
Attention: Robert B. Crouch  
Facsimile: 905-451-1549

(b) In the case of 6876285 to:

6876285 Canada Limited  
243 Consumers Road  
Toronto, ON M2J 4W8  
Attention: Legal Department Re: SDM 1244  
Facsimile: 416-490-2700

With a copy to:

Birenbaum Steinberg Landau Savin & Colraine LLP  
Barristers & Solicitors  
33 Bloor Street East  
Suite 1000  
Toronto, Ontario  
M4W 3H1  
Attention: Howard Steinberg  
Facsimile: 416-961-2531

Any party may at any time give Notice to the other party of any change of address of the party giving such Notice and from and after the giving of such Notice, the address therein specified

shall be deemed to be the address of such party for the purpose of giving such Notice. Any Notice so given, if delivered, shall be deemed to be given on the date of delivery thereof or, if mailed, shall be deemed to have been received on the third Business Day following the day on which such Notice is mailed (except during a postal strike or anticipated postal disruption in which case such Notice shall be delivered). If any date in this Agreement or any date of termination of a period of time in this Agreement will fall upon a Saturday, Sunday or statutory holiday or a banking holiday in Ontario, or if any notice is given or received upon a Saturday, Sunday or statutory holiday or a banking holiday in Ontario or after 5:00 p.m. on a Business Day, then such date will be deemed to be the next following day which is not a Saturday, Sunday or statutory holiday or a banking holiday in Ontario.

## **9.2 Time**

Time shall be of the essence of this Agreement.

## **9.3 Unavoidable Delay**

If, by reason of Unavoidable Delay, an Owner is in good faith and without default or neglect on its part prevented or delayed in carrying out its obligations hereunder which under the terms of this Agreement it is or may be required to do by a specified date or within a specific period of time, the date or the period of time within which the work was to have been completed may be extended by a period of time equal to that of such delay or prevention. Such Owner shall not be deemed to be in default if it performs and completes the work in the manner required by the terms of this Agreement within such extended period of time or within such further extended period of time as may be agreed upon from time to time by the parties hereto.

## **9.4 Further Assurances**

The Owners and their respective successors and assigns shall execute and deliver such additional documents and instruments and shall perform such additional acts as may be necessary or appropriate in connection with this Agreement and all matters contemplated hereby to effectuate, carry out, and perform the intent of this Agreement and all of the obligations and agreements contained herein.

## **9.5 Illegality**

If any provision of this Agreement or its application to a person or circumstance is, to any extent, invalid, illegal, or unenforceable, it shall be considered separate and severable from this Agreement, and the remaining provisions of this Agreement or the application of the provisions to persons or circumstances other than those as to which it is invalid, illegal, or unenforceable shall remain in full force as though such invalid, illegal, or unenforceable provision or application had never been included.

## **9.6 Planning Act Compliance**

The easements to be acknowledged, agreed to and granted pursuant to this Agreement shall be expressly subject to compliance with any applicable planning legislation. Chacon shall bring any required application for consent or approval in respect to the easements to be acknowledged, agreed to and granted pursuant to this Agreement as expeditiously as possible, at the sole expense of Chacon, and 6876285 shall cooperate with Chacon in Chacon bringing any such required application for consent or approval.

**9.7 Confirmation of Good Standing**

Each Owner will, upon the written request of the other Owner, provide within fifteen (15) Business Days written confirmation as to whether this Agreement is in good standing and has not been revoked, and whether the other Owner is in default under the terms of this Agreement. If any Owner fails to provide such written confirmation within the time period set out above, then as against such Owner, this Agreement shall be deemed to be in good standing and the other Owner shall be deemed to be not in default under the terms of this Agreement.

**9.8 Successors and Assigns**

This Agreement shall enure to the benefit of and be binding upon the Owners and their respective successors and assigns.

**9.9 Non-walver**

No delay or omission of any Owner in the exercise of any right accruing upon any default of any other Owner shall impair such right or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of such default. A waiver by any Owner of a breach of, or a default in, any of the terms and conditions of this Agreement by any other Owner shall not be construed to be a waiver of any subsequent breach of or default in the same or any other provision of this Agreement. Except as otherwise specifically provided in this Agreement: (i) no remedy provided in this Agreement shall be exclusive but each shall be cumulative with all other remedies provided in this Agreement; and (ii) all remedies at law or in equity shall be available.

**9.10 Non-terminable Agreement**

No breach of the provisions of this Agreement shall entitle any Owner or party to cancel, rescind or otherwise terminate this Agreement, but such limitation shall not affect, in any manner, any other rights or remedies which any party may have hereunder by reason of any breach of the provisions of this Agreement. No breach of the provisions of this Agreement shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value covering any part of the Property, and any improvements thereon.

**9.11 Counterparts**

This Agreement may be executed in any number of counterparts and delivered either by personal delivery or electronic transmission and each of such counterparts shall for all purposes be deemed to be an original. All such counterparts shall together constitute one and the same Agreement.

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[The next page is the execution page]

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement in their respective capacities as aforesaid.

Dated as of 7<sup>th</sup> day of July, 2015.

**CHACON STRAWBERRY FIELDS INC.**

Per: \_\_\_\_\_

  
Name: Parminder Chahal

Title: A.S.O.

*I have the authority to bind the corporation*

**6876285 CANADA LIMITED**

Per: \_\_\_\_\_

  
Name: Howard Steinberg

Title: President

*I have the authority to bind the corporation*

**SCHEDULE A**  
**TO SHARED FACILITIES AND EASEMENT AGREEMENT**

**LEGAL DESCRIPTION OF CHACON LANDS**

- PT Block 97, Plan 43M1855, designated as PT 4 on PL 43R-36418, Town of Caledon, Regional Municipality of Peel (PT PIN 14235-2917 (LT)) Part of Reserve Block 111, Plan 43M1855, Being Part 5, Plan 43R-36418 (Closed, Declared, Surplus & Authorized for Sale Pursuant to By-Law No. 2012-14 registered as No. PR2330610); Town of Caledon, Regional Municipality of Peel (PIN 14235-3468 (LT))
- Part of Dougall Avenue lying North of Reserve Block 110, Plan 43M1855, Being Part 6, PL 43R-36418 (Closed, Declared Surplus & Authorized for Sale Pursuant to By-Law No. 2012-124 registered as No. PR2330610); Town of Caledon, Regional Municipality of Peel (PIN 14235-3470 (LT))
- Part Block 172, Plan 43M1860, designated as Part 1 on 43R-36418, Town of Caledon, in the Regional Municipality of Peel (PT PIN 14235-3559 (LT))

**SCHEDULE B**  
**TO SHARED FACILITIES AND EASEMENT AGREEMENT**

**LEGAL DESCRIPTION OF 6876285 LANDS**

- Part of Block 172, Plan 43M-1860, designated as Part 2 on Plan 43R- 36418, Town of Caledon, Regional Municipality of Peel (Part of PIN 14235-3559 LT);
- Part of Block 97, Plan 43M-1855, designated as Part 3 on Plan 43R-36418, Town of Caledon, Regional Municipality of Peel (Part of PIN 14235-2917 LT);
- Part of Block 97, Plan 43M-1855, designated as Part 3 on Plan 43R-36522, Town of Caledon, Regional Municipality of Peel (Part of PIN 14235-2917 LT)

**SCHEDULE C**  
**TO SHARED FACILITIES AND EASEMENT AGREEMENT**

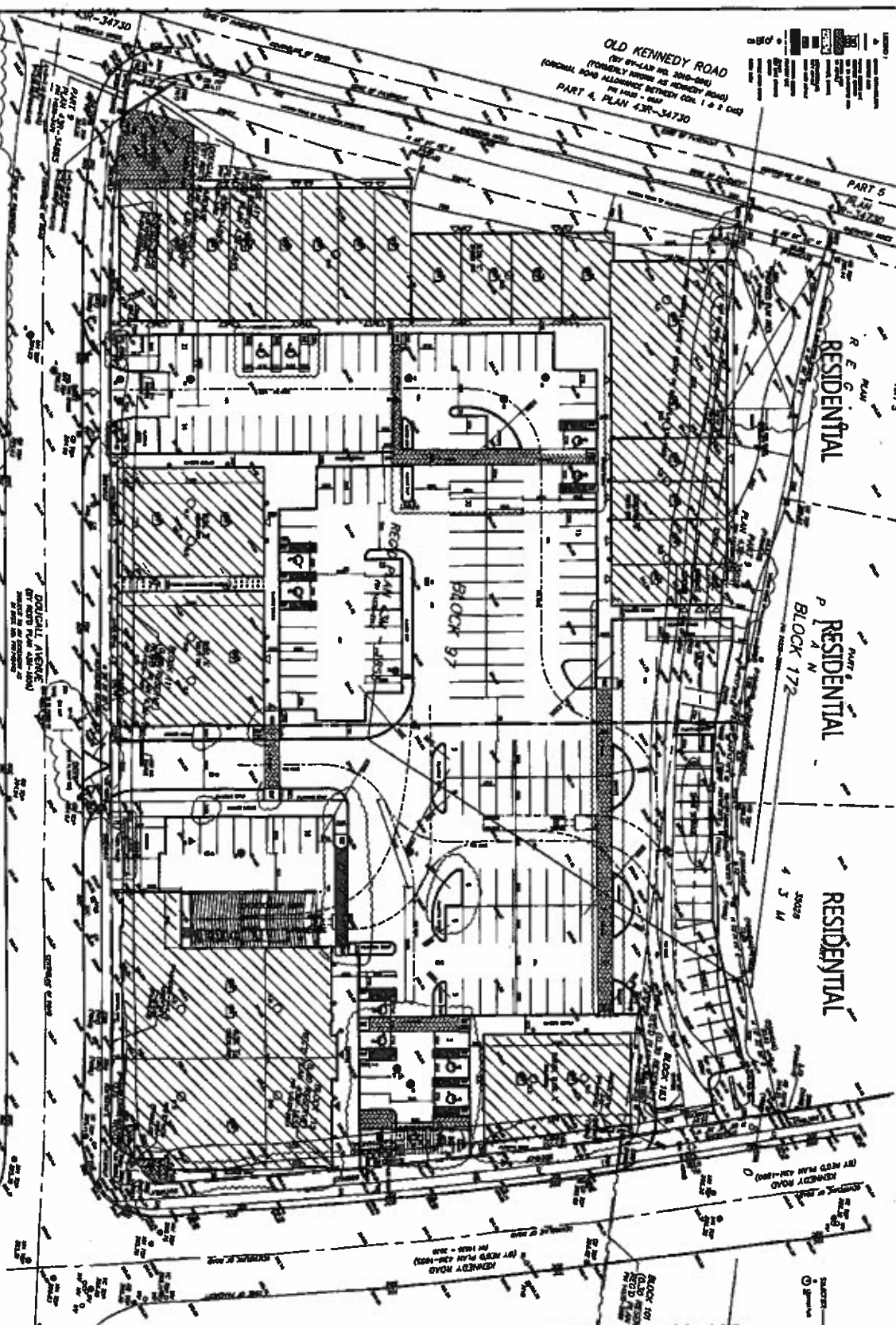
**SKETCH OF SITE PLAN**

(see attached)

OLD KENNEDY ROAD  
 (BY DP-CAR NO. 2018-084)  
 (FORMERLY KNOWN AS KENNEDY ROAD)  
 (FORMER ROAD ALLOWING BETWEEN COL. 1 & 2 COL.)  
 PM 1402 - 080  
 PART 4, PLAN 43R-34730

NO.	DESCRIPTION	QTY	UNIT	AMOUNT
1	...	...	...	...
2	...	...	...	...
3	...	...	...	...
4	...	...	...	...
5	...	...	...	...
6	...	...	...	...
7	...	...	...	...
8	...	...	...	...
9	...	...	...	...
10	...	...	...	...
TOTAL	...	...	...	...

ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.  
 ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.  
 ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.



APPENDIX

APPENDIX A

APPENDIX B

APPENDIX C

APPENDIX D

APPENDIX E

APPENDIX F

APPENDIX G

APPENDIX H

APPENDIX I

APPENDIX J

APPENDIX K

APPENDIX L

APPENDIX M

APPENDIX N

APPENDIX O

APPENDIX P

APPENDIX Q

APPENDIX R

APPENDIX S

APPENDIX T

APPENDIX U

APPENDIX V

APPENDIX W

APPENDIX X

APPENDIX Y

APPENDIX Z

NO.	DESCRIPTION	QTY	UNIT	AMOUNT
1	...	...	...	...
2	...	...	...	...
3	...	...	...	...
4	...	...	...	...
5	...	...	...	...
6	...	...	...	...
7	...	...	...	...
8	...	...	...	...
9	...	...	...	...
10	...	...	...	...
TOTAL	...	...	...	...

**SCHEDULE D  
TO SHARED FACILITIES AND EASEMENT AGREEMENT**

**SERVICES**

<b>1.</b>	<b><u>EXTERIOR DEVELOPMENT</u></b>
	Site works
	Removal top soil and cart away as indicated in the soil report to the satisfaction of the Engineer.
	Cutting of the dirt up to the grade required and cartaway/stockpile for reuse
	Filling with imported materials and compact to reach the grade level
	Testing and inspections at periodic interval to check the top soil removals and compaction
<b>2.</b>	<b><u>ASPHALT PAVEMENT</u></b>
	Supply, spread , Compact Sub base to the Light duty area
	Supply, spread, compact Sub base to the Heavy duty area
	Supply, spread ,compact Base for the Heavy Duty and Light Duty area
	Supply, spread, compact HL8 and HL3 asphalt for LD area
	Supply, spread, compact HL8 and HL3 asphalt for LD area
	Parking Line Painting Including access free parking
	Supply and install Signs for Fire route, Handicapped and Stop
<b>3.</b>	<b><u>CONCRETE WORKS</u></b>
	Form and pour 150mm high 32mpa Standard Concrete Curb as per OPSD 600.110
	Form and pour broom finished 32mpa Concrete side walk including base
	Remove and replace municipal curb and Gutter Form and pour depressed curbs
	Remove and replace municipal concrete side walk Form and pour municipal side walk

4.	<b><u>PERMEABLE PAVERS</u></b>
	Stone for the cross walk pavers including geotextile
	Weeping tiles under pavers connected to Catch basin
	Permeable Pavers including sand bedding and compaction
5.	<b><u>SITE ELECTRICALS</u></b>
	Supply and install Transformer Pads including excavation stone fill, and earthing.
	Excavate, Lay pipe, rebar and concrete for Primary Duct Bank
	Excavate, Lay pipe, rebar and concrete for secondary Duct Bank
	Excavate, lay conduit, pull cable and back fill trench for site lighting
	Excavate, Lay Duct and cabling to Pylon sign including backfill trenches
	Excavate, form, rebar and concrete for Light standard Pillars
	Supply and install and connect to house panel Light standards including the Light
	House Panel and related works inside the electrical room
6.	<b><u>SITE SERVICES</u></b>
	Storm structures with base, cover and the cast iron manhole covers
	Sanitary Structures with base, cover and the cast iron manhole covers
	Storm cepter with base, cover and the cast iron manhole covers
	DCV Chamber with base, cover and the cast iron manhole covers
	Excavate trench, Supply Installation of Storm pipes including Stone beds, pipe cover and backfill trenches
	Excavate trench, Supply Installation of Sanitary pipes including Stone beds, pipe cover and backfill trenches

	Excavate trench Installation of Water line including Stone beds, pipe cover and backfill trenches
	Excavate trench and Connect Storm line with city line including cart away excavated materials and fill with concrete and fix it to the original condition
	Excavate trench and Connect Sanitary line with city line including cart away excavated materials and fill with concrete and fix it to the original condition
	Excavate trench and Connect water line with city line including cart away excavated materials and fill with concrete and fix it to the original condition
	Excavate grade and make Trench Drain as outlined in the drawings
	Excavate, supply and install Weeping tiles around catch basins
	Excavate, remove and Decommissioning the existing connection
7.	<b><u>LANDSCAPING</u></b>
	Supply, plant and maintain Deciduous Trees as per the location marked in the drawings
	Supply, plant and maintain Coniferous Trees as per the location marked in the drawings
	Supply, plant and maintain Shrubs and Perennials as per the location marked in the drawings
	Supply, plant and maintain Sods as per the location marked in the drawings
	Supply and install Garbage Receptacles as marked in the drawings
	Supply and install Benches as marked in the drawings
	Supply and install Bicycle tracks as marked in the drawings
	Supply and plant Planter beds as marked in the drawings
8.	Supply and installation Transformer (Estimate ) the charges payable to Hydro
9.	General Requirements (3month)

10.	<b>Over Heads and profit</b>
	<b>Save and Except for landscaping:</b>
	Any landscaping hard and soft from easterly portion of Dougall access (east) wrap around up to Kennedy road access.

**SCHEDULE E**  
**RESTRICTIONS**

**RESTRICTIVE COVENANTS**

The Restrictive Covenant to be registered against the Chacon Lands shall provide that the Chacon Lands, including any expansions of or additions to the Chacon Lands and any abutting lands ("Abutting Lands") owned or controlled by Chacon or any affiliated party at any time shall not be used, leased, licensed or allowed to be used, in whole or in part, for a period of 50 years, for the operation of a retail pharmacy and pharmaceutical dispensary, a medical clinic or any of the following purposes:

- (i) the sale or rental of home health care products or merchandise;
- (ii) for the sale, dispensing or distribution of any items of merchandise requiring the approval or supervision of a registered or licensed pharmacist;
- (iii) for the operation of any store which sells general merchandise at one or more price points such as, by way of example, stores operating under the names "Everything for a Dollar", "Dollar Plus", "Dollar Depot", "Looney Bin" or "Dollarama";
- (iv) for the operation of a convenience store, variety store or jug milk store;
- (v) for the operation of a telecommunications, telephone, automated or electronic system (including without limitation, internet communication systems), whether located in a kiosk, booth, store or any other facility, whereby a customer can communicate with a third party (no matter where such third party is located) to have prescriptions filled, to order medical supplies and/or non-prescription drugs or to ask questions or receive information respecting medications, prescriptions or non-prescription drugs;
- (vi) for the operation of a coffee shop such as but not limited to Starbucks or Tim Horton's;
- (vii) for the operation of any business with a drive through facility, except for a bank or other financial institution;
- (viii) for the operation of a store whose business is comprised of any two (2) or more of the types of businesses of the stores or outlets described in subparagraphs (i) to (iv) of this paragraph.

The Restrictive Covenant to be registered against that part of the 6876285 Lands designated as Parts 1 and 2 on Plan 43R-36622 (the "6876285 Burdened Lands") shall provide that the 6876285 Burdened Lands, shall not be used, leased, licensed or allowed to be used, in whole or in part, for a period of 50 years, for the operation for the following uses:

- a fast food or take out restaurant except for a coffee shop such as, but not limited to Tim Horton's and Starbucks
- a bank

- dentist
- a full service restaurant
- a daycare
- a hair & beauty supply
- a grocery store, except for a convenience store
- a liquor store
- a dry cleaners
- a weight loss clinic
- a florist
- a hardware / paint store
- a pet store
- a cell phone / wireless store
- a business services i.e. UPS store
- a physiotherapy, chiropractor or massage therapy store
- a nail salon
- an optical store
- a frozen food store such as M & M Meats;

and any other use not permitted under a Town of Caledon zoning bylaw applicable to the 6876285 Burdened Land.

**SCHEDULE "F"**

**CONSENT, POSTPONEMENT AND SUBORDINATION AGREEMENT**

The undersigned, the proposed Chargee of *(add description of the Chacon Lands or the 6876285 Lands, as the case may be)* (the "Real Property"), for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the undersigned) hereby covenants with *(add names of all parties to this agreement or their respective successors in title and the holders of all charges of the Chacon Lands or the 6876285 Lands, in each case as of the date of which this covenant is given)* and their respective successors and assigns that:

1. If the undersigned:

(a) takes possession of the Real Property (either in the character of a mortgagee in possession or by way of a receiver or a receiver and manager or agent); or

(b) becomes by foreclosure or otherwise the owner of the Real Property;

then the undersigned will, only during such period of time as it is in possession as aforesaid or is the owner of the Real Property, observe and perform all the obligations of *(add name of the owner of the Real Property)* under the agreement, notice of which has been registered on the title to the Real Property as *(add Land Registry Office registration number of this agreement)* (the "Agreement").

2. If the undersigned exercises its power of sale and sells the Real Property, it will, on the day of closing of the sale, cause the purchaser and the holders of all charges of the Real Property at such time to covenant with the owners of *(add description of whichever of the Chacon Lands or the 6876285 Lands does not constitute the Real Property)* (the "Adjoining Real Property") in the form of Schedule F and Schedule G to the Agreement, as applicable.

3. Upon the undersigned making any assignment or other disposition or encumbrance of the security by virtue of which the undersigned is the Chargee of the Real Property, the undersigned will cause the person to whom the assignment or other disposition or encumbrance is made to covenant likewise.

IN WITNESS WHEREOF the undersigned has executed under seal this covenant.

Dated the \_\_\_ day of \_\_\_\_\_, 20 \_\_\_.

•  
Per: \_\_\_\_\_  
Name:  
Title:

I/W e have the authority to bind the Corporation.

**SCHEDULE "G"**

**TRANSFeree'S ACKNOWLEDGEMENT AND ASSUMPTION AGREEMENT**

The undersigned, the proposed transferee of *[add description of the Chacon Lands or the 6876285 Lands, as the case may be]* (the "Real Property"), for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the undersigned) hereby covenants with *[add names of all parties to this agreement or their respective successors in title, including the transferor of the Real Property and the holders of all charges of the Chacon Lands or the 6876285 Lands, in each case as of the date on which this covenant is given]* and their respective successors and assigns that so long as the undersigned is the owner of the Real Property, to observe and perform all the obligations of *[add name of transferor of the Real Property]* under the agreement, notice of which has been registered on the title to the Real Property as *[add Land Registry Office registration number of this agreement and registration numbers of any conveyances of the easements with consent under the Planning Act that are subsequently registered]* as fully and to the same extent as though the undersigned were originally named as a party to, and had executed and delivered, such agreement.

IN WITNESS WHEREOF the undersigned has executed this covenant.

Dated the \_\_\_ day of \_\_\_\_, 20 \_\_\_\_ .

•  
Per: \_\_\_\_\_  
Name:  
Title:

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

I/We have the authority to bind the Corporation.

# APPENDIX M



## Profile Report

CHACON STRAWBERRY FIELDS INC. as of October 31, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	CHACON STRAWBERRY FIELDS INC.
Ontario Corporation Number (OCN)	2356157
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	January 04, 2013
Registered or Head Office Address	25 Sunpac Blvd, Brampton, Ontario, L6S 5P6, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

**Active Director(s)**

Minimum Number of Directors 1  
Maximum Number of Directors 15

Name	SURINDER KAUR CHAHAL
Address for Service	18 Cheval Court, Brampton, Ontario, L6P 0E3, Canada
Resident Canadian	Yes
Date Began	January 04, 2013

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

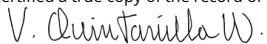
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**Active Officer(s)**

<b>Name</b>	SURINDER KAUR CHAHAL
<b>Position</b>	President
<b>Address for Service</b>	18 Cheval Court, Brampton, Ontario, L6P 0E3, Canada
<b>Date Began</b>	January 04, 2013

<b>Name</b>	SURINDER KAUR CHAHAL
<b>Position</b>	Secretary
<b>Address for Service</b>	18 Cheval Court, Brampton, Ontario, L6P 0E3, Canada
<b>Date Began</b>	January 04, 2013

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

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**Corporate Name History**

<b>Name</b>	CHACON STRAWBERRY FIELDS INC.
<b>Effective Date</b>	January 14, 2013
<b>Previous Name</b>	CHACON STRAWBERRY FIELD INC.
<b>Effective Date</b>	January 04, 2013

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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### Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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### Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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## Document List

Filing Name	Effective Date
Annual Return - 2019 PAF: SURINDER KAUR CHAHAL - DIRECTOR	August 09, 2020
Annual Return - 2018 PAF: SURINDER KAUR CHAHAL - DIRECTOR	November 17, 2019
Annual Return - 2017 PAF: SURINDER KAUR CHAHAL - DIRECTOR	September 29, 2019
Annual Return - 2016 PAF: SURINDER CHAHAL - DIRECTOR	November 12, 2017
CIA - Notice of Change PAF: PARMINDER CHAHAL - OFFICER	November 08, 2017
Annual Return - 2015 PAF: SURINDER CHAHAL - DIRECTOR	May 21, 2017
Annual Return - 2014 PAF: SURINDER CHAHAL - DIRECTOR	November 22, 2015
CIA - Notice of Change PAF: ROBERT BRUCE CROUCH - OTHER	August 18, 2015
CIA - Notice of Change PAF: HARI RAWUL - OTHER	May 15, 2015
CIA - Initial Return PAF: HARI RAWUL - OTHER	February 19, 2015
Annual Return - 2013 PAF: PARMINDER CHAHAL - DIRECTOR	September 13, 2014
BCA - Articles of Amendment	January 14, 2013
BCA - Articles of Incorporation	January 04, 2013

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is

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*V. Quintanilla W.*

Director/Registrar

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not shown against a document, the information has not been recorded in the Ontario Business Registry.

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*V. Quintanilla W.*

Director/Registrar

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# APPENDIX N



## Profile Report

STRAWBERRY FIELDS RESIDENCES (CHACON) INC. as of October 31, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	STRAWBERRY FIELDS RESIDENCES (CHACON) INC.
Ontario Corporation Number (OCN)	2863813
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	August 31, 2021
Registered or Head Office Address	Attention/Care of SURINDER KAUR CHAHAL, 25 Sun Pac Blvd., Unit#1, Brampton, Ontario, L6S 5P6, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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**Active Director(s)**

**Minimum Number of Directors** 1  
**Maximum Number of Directors** 10

**Name** SURINDER KAUR CHAHAL  
**Address for Service** 25 Sun Pac Blvd., Unit#1, Brampton, Ontario, L6S 5P6,  
Canada  
**Resident Canadian** Yes  
**Date Began** August 31, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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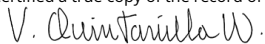
**Active Officer(s)**

**Name** SURINDER KAUR CHAHAL  
**Position** President  
**Address for Service** 25 Sun Pac Blvd., Unit#1, Brampton, Ontario, L6S 5P6,  
Canada  
**Date Began** August 31, 2021

**Name** SURINDER KAUR CHAHAL  
**Position** Secretary  
**Address for Service** 25 Sun Pac Blvd., Unit#1, Brampton, Ontario, L6S 5P6,  
Canada  
**Date Began** August 31, 2021

**Name** SURINDER KAUR CHAHAL  
**Position** Treasurer  
**Address for Service** 25 Sun Pac Blvd., Unit#1, Brampton, Ontario, L6S 5P6,  
Canada  
**Date Began** August 31, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

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**Corporate Name History**

**Name**

STRAWBERRY FIELDS RESIDENCES (CHACON) INC.

**Effective Date**

August 31, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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### Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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### Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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## Document List

Filing Name	Effective Date
CIA - Initial Return PAF: SURINDER KAUR CHAHAL - DIRECTOR	August 31, 2021
BCA - Articles of Incorporation	August 31, 2021

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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# APPENDIX O

counterparts and slip sheet all execution pages into the same document.

**21. SUCCESSORS AND ASSIGNS**

All of the covenants and agreements in this Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall enure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns pursuant to the terms and conditions of this Agreement. The Purchaser shall have the right to assign this Agreement and all rights, benefits, advantages and privileges hereunder to any person without the consent of the Vendor and upon such assignment and the assignee agreeing to be bound hereby, the Purchaser shall be relieved of all duties, obligations and liabilities hereunder.

**22. CONFIDENTIALITY**

The existence, terms and conditions of this Agreement, and the results of any due diligence investigations and deliveries shall be confidential and shall not be disclosed to any other person other than to the solicitors, accounts, consultants and representatives of the parties, except on a needs-to-know basis.

**23. REPURCHASE RIGHT AND OBLIGATION**

If the Purchaser has not commenced the operation of a retail drug store in at least 10,500 square feet of the building designated as the "Proposed Shoppers Drug Mart" on the attached Schedule "B" (the "SDM Building") within nine (9) years following the Closing Date (the "Opening Period") or if the Purchaser, gives a notice in writing (the "Non-Opening Notice") to the Vendor that it does not intend to open a retail drug store in at least 10,500 square feet of the SDM Building at any time within the Opening Period, then the Vendor shall have the option to repurchase the Property from the Purchaser by giving the Purchaser a written notice (the "Repurchase Notice") of its intention to exercise its option within 90 days following the expiration of the Opening Period or 90 days after the giving of the Non-Opening Notice, whichever occurs first (the "Option Exercise Period"), on the following terms and conditions:

[a] the closing date of the repurchase shall be the date which is 30 days following the giving of the Repurchase Notice;

[b] the purchase price shall be the Purchaser's cost of acquiring the Property (including land transfer tax), plus all soft-costs, design, surveying, engineering, development, building and carrying costs incurred by the Purchaser to the date of the Repurchase Notice, plus interest on the foregoing costs to the closing date at the CIBC prime rate for Canadian dollar commercial loans made in Canada (collectively, the "Repurchase Price");

[c] the Property shall be repurchased on an "as is where is" basis without any representations or warranties of the Purchaser;

[d] the Vendor shall accept and take title to the Property subject to any and all

conditions, restrictions, covenants, charges, liens, leases, agreements, easements, rights-of-way, encroachments and encumbrances, except for any mortgages, charges, or construction liens registered thereon by the Purchaser, and the Purchaser shall not be required to provide evidence of compliance therewith; and

[e] the Purchaser shall assign and the Vendor shall assume any leases the Purchaser may have entered into with respect to the SDM Building and the Future Building "E".

If the Vendor does not give a Repurchase Notice to the Purchaser within the Option Exercise Period, or if the Vendor defaults in its obligation to repurchase the Property from the Purchaser pursuant to its Repurchase Notice, then, in addition to any other rights and remedies the Purchaser may have by reason of such default, the Purchaser shall be at liberty to sell the Property to a third party purchaser on whatever terms and conditions it chooses, free and clear of the Purchaser's Restrictions, except for any exclusivities theretofore granted by the Vendor to tenants of the Vendor's Lands relying on the Purchaser's Restrictions and free and clear of the option contained in this Section 23.

The Purchaser shall use its commercially reasonable best efforts to cause Shoppers Drug Mart to open for business in at least 10,500 square feet of the SDM Building for at least one (1) day should the Purchaser build the SDM Building.

This Section 23 shall survive the closing of the within transaction of purchase and sale.

24. **PYLON SIGN**

Unless separate pylon sign(s) are permitted by the municipality, any pylon sign(s) to be erected shall be for the joint use of the Property and the Vendor's Land, and a cost sharing agreement mutually acceptable to the Vendor and Purchaser shall be entered into at that time providing for the location, construction, erection and maintenance thereof.

# APPENDIX P

**Properties**

*PIN* 14235 – 2917 LT *Interest/Estate* Fee Simple  Add Easement  
*Description* SERVICENT LANDS: PT BLOCK 97, PLAN 43M1855, DESIGNATED AS PART 4 ON PLAN 43R-36522  
 DOMINANT LANDS: P.I.N. 14235-2917, PART OF BLOCK 97, PLAN 43M1855, DESIGNATED AS PARTS 2 & 3 ON PLAN 43R-36522, TOWN OF CALEDON, P.I.N. 14235-3559, PART OF BLOCK 172, PLAN 43M1860, DESIGNATED AS PART 1 ON PLAN 43R-36522, TOWN OF CALEDON  
*Address* CALEDON

**Consideration**

*Consideration* \$0.00

**Transferor(s)**

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

*Name* CHACON STRAWBERRY FIELDS INC.  
*Address for Service* 321 Deerhurst Drive  
 Unit B  
 Brampton, Ontario  
 L5T 5K3

I, Parminder Chahal, A.S.O., have the authority to bind the corporation.

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

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

*Name* 6876285 CANADA LIMITED  
*Address for Service* 1000-33 Bloor Street East  
 Toronto, Ontario  
 M4W 3H1

**Statements**

Schedule: See Schedules

In accordance with registration PR2667415 registered on 2015/01/30, the consent of The Corporation of the Town of Caledon has been obtained for the registration of this document.

STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act. I am an Ontario solicitor in good standing.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEREE (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

**Signed By**

Robert Bruce Crouch 50 Queen St. West acting for Signed 2015 07 29  
 Brampton Transferor(s)  
 L6X 4H3

Tel 905-451-6610

Fax 905-451-1549

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

Howard Steinberg 1000-33 Bloor St. E. acting for Signed 2015 07 29  
 Toronto Transferee(s)  
 M4W 3H1

Tel 416-961-4100

Fax 416-961-2531

**Signed By**

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

**Submitted By**

BIRENBAUM STEINBERG LANDAU SAVIN COLRAIN 1000-33 Bloor St. E. 2015 07 29  
Toronto  
M4W 3H1

Tel 416-961-4100

Fax 416-961-2531

**Fees/Taxes/Payment**

<i>Statutory Registration Fee</i>	\$60.00
<i>Provincial Land Transfer Tax</i>	\$0.00
<i>Total Paid</i>	\$60.00

---

**LAND TRANSFER TAX STATEMENTS**

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In the matter of the conveyance of: 14235 – 2917 SERVIENT LANDS: PT BLOCK 97, PLAN 43M1855, DESIGNATED AS PART 4 ON PLAN 43R-36522

DOMINANT LANDS: P.I.N. 14235-2917, PART OF BLOCK 97, PLAN 43M1855, DESIGNATED AS PARTS 2 & 3 ON PLAN 43R-36522, TOWN OF CALEDON, P.I.N. 14235-3559, PART OF BLOCK 172, PLAN 43M1860, DESIGNATED AS PART 1 ON PLAN 43R-36522, TOWN OF CALEDON

---

BY: CHACON STRAWBERRY FIELDS INC.

TO: 6876285 CANADA LIMITED

---

1. HOWARD STEINBERG

I am

- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
  - (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
  - (c) A transferee named in the above-described conveyance;
  - (d) The authorized agent or solicitor acting in this transaction for \_\_\_\_\_ described in paragraph(s) ( ) above.
  - (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for 6876285 CANADA LIMITED described in paragraph(s) (c) above.
  - (f) A transferee described in paragraph() and am making these statements on my own behalf and on behalf of \_\_\_\_\_ who is my spouse described in paragraph( ) and as such, I have personal knowledge of the facts herein deposed to.
- 

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

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

---

4.

Explanation for nominal considerations:

- o) Transfer of easement or right of way for no consideration.
- 

5. The land is subject to encumbrance

---

**PROPERTY Information Record**

A. Nature of Instrument: Transfer Easement  
LRO 43 Registration No. PR2755721 Date: 2015/07/29

B. Property(s): PIN 14235 – 2917 Address CALEDON Assessment – Roll No

C. Address for Service: 1000-33 Bloor Street East  
Toronto, Ontario  
M4W 3H1

D. (i) Last Conveyance(s): PIN 14235 – 2917 Registration No. PR2755706  
(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes  No  Not known

E. Tax Statements Prepared By: Howard Steinberg  
1000-33 Bloor St. E.  
Toronto M4W 3H1

## **SCHEDULE "A"**

### **Definitions:**

1. "Grantor" means Chacon Strawberry Fields Inc.
2. "Grantee" means 6876285 Canada Limited.
3. "Grantor Lands" means the Servient Lands set out in the Properties in the Transfer of Easement.
4. "Grantee Lands" means the Dominant Lands set out in the Properties in the Transfer of Easement.

### **THE PARTIES AGREE AS FOLLOWS:**

1. The Grantor grants to the Grantee an easement and right-of-way through, along and over the Grantor's Lands in perpetuity in favour of the Grantee and for the benefit of its tenants, customers, employees, servants, agents, invitees, occupants and licensees, and for the customers, employees, servants, agents, invitees, occupants and licensees of the Grantee's tenants over Part 4 on Plan 43R-36522 for access and egress of motor vehicles, including emergency vehicles, to and from the Grantee Lands and adjacent streets.
2. The Grantor shall keep the right-of-way in reasonable repair at its expense.
3. The Grantee will compensate the Grantor or any person claiming through or under the Grantor for any and all damage on the right-of-way by reason of the exercise by the Grantee of the rights granted herein.
4. The Grantor will not construct or maintain any fence, embankment, fill or any building or any structure or obstruction or excavation of any kind whatsoever on the right-of-way which shall in any way interfere with the rights and privileges granted to the Grantee hereunder without the prior written consent of the Grantee.
5. The Grantee shall indemnify and save harmless the Grantor from and against all actions, suits, claims and demands arising out of or in connection with the exercise of the rights granted herein by the Grantee, its employees, agents, and others for whom the Grantee is responsible at Law.
6. This right-of-way shall run with the land and shall enure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

# APPENDIX Q

**Properties**

*PIN* 14235 – 3559 LT *Interest/Estate* Easement  Add Easement  
*Description* SERVICENT LANDS: PART BLOCK 172, PLAN 43M1860, DESIGNATED AS PART 1 ON  
 PLAN 43R-36522, TOWN OF CALEDON

DOMINANT LANDS: P.I.N. 14235-2917, PART BLOCK 97, PLAN 43M1855,  
 DESIGNATED AS PART 4 ON PLAN 43R-36522, TOWN OF CALEDON

*Address* CALEDON

*PIN* 14235 – 2917 LT *Interest/Estate* Easement  Add Easement  
*Description* SERVICENT LANDS: PART BLOCK 97, PLAN 43M1855, DESIGNATED AS PARTS 2 & 3  
 ON PLAN 43R-36522, TOWN OF CALDON

DOMINANT LANDS: P.I.N. 14235-2917, PART BLOCK 97, PLAN 43M1855,  
 DESIGNATED AS PART 4 ON PLAN 43R-36522, TOWN OF CALEDON

*Address* CALEDON

**Consideration**

*Consideration* \$0.00

**Transferor(s)**

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

*Name* 6876285 CANADA LIMITED  
*Address for Service* 1000-33 Bloor Street East  
 Toronto, Ontario  
 M4W 3H1

I, Howard Steinberg, President, have the authority to bind the corporation.

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

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

*Name* CHACON STRAWBERRY FIELDS INC.  
*Address for Service* 321 Deerhurst Drive  
 Unit B  
 Brampton, Ontario  
 L5T 5K3

**Statements**

Schedule: See Schedules

In accordance with registration PR2667415 registered on 2015/01/30, the consent of The Corporation of the Town of Caledon has been obtained for the registration of this document.

STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act. I am an Ontario solicitor in good standing.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEREE (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

**Signed By**

Howard Steinberg 1000-33 Bloor St. E. acting for First 2015 07 29  
 Toronto Transferor(s) Signed  
 M4W 3H1

Tel 416-961-4100

Fax 416-961-2531

**Signed By**

Howard Steinberg	1000-33 Bloor St. E. Toronto M4W 3H1	acting for Transferor(s)	Last Signed	2015 09 11
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Tel 416-961-4100

Fax 416-961-2531

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

Robert Bruce Crouch	50 Queen St. West Brampton L6X 4H3	acting for Transferee(s)	First Signed	2015 07 29
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Tel 905-451-6610

Fax 905-451-1549

Robert Bruce Crouch	50 Queen St. West Brampton L6X 4H3	acting for Transferee(s)	Last Signed	2015 09 14
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Tel 905-451-6610

Fax 905-451-1549

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

**Submitted By**

PROUSE DASH & CROUCH LLP	50 Queen St. West Brampton L6X 4H3			2015 09 14
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Tel 905-451-6610

Fax 905-451-1549

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Provincial Land Transfer Tax	\$0.00
Total Paid	\$60.00

**File Number**

Transferor Client File Number : 130298

**LAND TRANSFER TAX STATEMENTS**

In the matter of the conveyance of: 14235 – 3559 SERVICENT LANDS: PART BLOCK 172, PLAN 43M1860, DESIGNATED AS PART 1 ON PLAN 43R-36522, TOWN OF CALEDON

DOMINANT LANDS: P.I.N. 14235-2917, PART BLOCK 97, PLAN 43M1855, DESIGNATED AS PART 4 ON PLAN 43R-36522, TOWN OF CALEDON

14235 – 2917 SERVICENT LANDS: PART BLOCK 97, PLAN 43M1855, DESIGNATED AS PARTS 2 & 3 ON PLAN 43R-36522, TOWN OF CALDON

DOMINANT LANDS: P.I.N. 14235-2917, PART BLOCK 97, PLAN 43M1855, DESIGNATED AS PART 4 ON PLAN 43R-36522, TOWN OF CALEDON

BY: 6876285 CANADA LIMITED

TO: CHACON STRAWBERRY FIELDS INC.

1. PARMINDER CHAHAL

I am

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

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

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

4.

Explanation for nominal considerations:

- o) Transfer of easement or right of way for no consideration.

5. The land is subject to encumbrance

6. Other remarks and explanations, if necessary.

1.This conveyance is being tendered for registration by an officer of Chacon Strawberry Fields Inc. who is authorized to act for the transferor and who has sufficient information to complete these statements.

**PROPERTY Information Record**

- A. Nature of Instrument: Transfer Easement  
LRO 43 Registration No. PR2755775 Date: 2015/07/29
- B. Property(s):  
PIN 14235 – 3559 Address CALEDON Assessment – Roll No  
PIN 14235 – 2917 Address CALEDON Assessment – Roll No
- C. Address for Service: 321 Deerhurst Drive  
Unit B  
Brampton, Ontario  
L5T 5K3
- D. (i) Last Conveyance(s): PIN 14235 – 3559 Registration No. PR2755706  
PIN 14235 – 2917 Registration No. PR2755721  
  
(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes  No  Not known
- E. Tax Statements Prepared By: Howard Steinberg  
100-33 Bloor St. E.  
Toronto M4W 3H1

## **SCHEDULE "A"**

### **Definitions:**

1. "Grantor" means 6876285 Canada Limited.
2. "Grantee" means Chacon Strawberry Fields Inc.
3. "Grantor Lands" means the Servient Lands set out in the Properties in the Transfer Easement.
4. "Grantee Lands" means the Dominant Lands set out in the Properties in the Transfer of Easement.

### **THE PARTIES AGREE AS FOLLOWS:**

1. The Grantor grants to the Grantee an easement and right-of-way through, along and over the Grantor's Lands in perpetuity in favour of the Grantee and for the benefit of its tenants, customers, employees, servants, agents, invitees, occupants and licensees, and for the customers, employees, servants, agents, invitees, occupants and licensees of the Grantee's tenants over Parts 1, 2 and 3 on Plan 43R-36522 for access and egress of motor vehicles, including emergency vehicles, to and from the Grantee Lands and adjacent streets.
2. The Grantor shall keep the right-of-way in reasonable repair at its expense.
3. The Grantee will compensate the Grantor or any person claiming through or under the Grantor for any and all damage on the right-of-way by reason of the exercise by the Grantee of the rights granted herein.
4. The Grantor will not construct or maintain any fence, embankment, fill or any building or any structure or obstruction or excavation of any kind whatsoever on the right-of-way which shall in any way interfere with the rights and privileges granted to the Grantee hereunder without the prior written consent of the Grantee.
5. The Grantee shall indemnify and save harmless the Grantor from and against all actions, suits, claims and demands arising out of or in connection with the exercise of the rights granted herein by the Grantee, its employees, agents, contractors or licensees.
6. This right-of-way shall run with the land and shall enure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

# APPENDIX R



**File Number**

Applicant Client File Number : 130298

**SCHEDULE "A"**  
**RESTRICTIVE COVENANTS**

**DEFINITIONS:**

1. "Covenantor" means Chacon Strawberry Fields Inc.
2. "Recipient" means 6876285 Canada Limited
3. "Lands" means the Properties in the Application to Annex Restrictive Covenants S. 119.

**THE COVENANTOR COVENANTS** with the Recipient that it will not erect or use any building on the Lands, including any expansions of or additions to the Lands and any abutting lands ("Abutting Lands") owned or controlled by the Covenantor or any affiliated party at any time and it shall not use, lease, license or allow to be used, in whole or in part, for the Lands and Abutting Lands for the operation of a retail pharmacy and pharmaceutical dispensary, a medical clinic or any of the following purposes:

- (i) the sale or rental of home health care products or merchandise;
- (ii) for the sale, dispensing or distribution of any items of merchandise requiring the approval or supervision of a registered or licensed pharmacist;
- (iii) for the operation of any store which sells general merchandise at one or more price points such as, by way of example, stores operating under the names "Everything for a Dollar", "Dollar Plus", "Dollar Depot", "Looney Bin" or "Dollarama";
- (iv) for the operation of a convenience store, variety store or jug milk store;
- (v) for the operation of a telecommunications, telephone, automated or electronic system (including without limitation, internet communication systems), whether located in a kiosk, booth, store or any other facility, whereby a customer can communicate with a third party (no matter where such third party is located) to have prescriptions filled, to order medical supplies and/or non-prescription drugs or to ask questions or receive information respecting medications, prescriptions or non-prescription drugs;
- (vi) for the operation of a coffee shop such as but not limited to Starbucks or Tim Horton's;
- (vii) for the operation of any business with a drive through facility, except for a bank or other financial institution;
- (viii) for the operation of a store whose business is comprised of any two (2) or more of the types of businesses of the stores or outlets described in subparagraphs (i) to (iv) of this paragraph.

**THE COVENANTOR AGREES** that the foregoing restrictions shall run with the lands and shall be binding upon the Covenantor and its successors and assigns, for a period of fifty (50) years from registration of these restrictive covenants.

# APPENDIX S

**Properties**

*PIN* 14235 – 4997 LT *Interest/Estate* Easement  Add Easement

*Description* SERVICENT LANDS: PART OF BLOCK 97, PLAN 43M-1855, BEING PARTS 8, 9 & 10 ON PLAN 43R-36883; TOWN OF CALEDON

DOMINANT LANDS: 14235-4994, PART OF BLOCK 172, PLAN 43M1860, BEING PART 2 ON PLAN 43R-36418; TOWN OF CALEDON

DOMINANT LANDS: PIN 14235-4996, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R-36418, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R-36522; TOWN OF CALEDON

*Address* CALEDON

**Consideration**

*Consideration* \$2.00

**Transferor(s)**

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

*Name* CHACON STRAWBERRY FIELDS INC.

*Address for Service* 321 Deerhurst Drive  
Unit B  
Brampton, Ontario  
L6T 5K3

I, Parminder Chahal, A.S.O., have the authority to bind the corporation.

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

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

*Name* 6876285 CANADA LIMITED

*Address for Service* 1000-33 Bloor Street East  
Toronto, Ontario  
M4W 3H1

**Statements**

Schedule: See Schedules

STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act. I am an Ontario solicitor in good standing.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEREE (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

**Signed By**

Robert Bruce Crouch 50 Queen St. West acting for Signed 2016 01 27  
Brampton Transferor(s)  
L6X 4H3

Tel 905-451-6610

Fax 905-451-1549

I have the authority to sign and register the document on behalf of all parties to the document.

Robert Bruce Crouch 50 Queen St. West acting for Signed 2016 01 27  
Brampton Transferee(s)  
L6X 4H3

Tel 905-451-6610

Fax 905-451-1549

**Signed By**

I have the authority to sign and register the document on behalf of all parties to the document.

**Submitted By**

PROUSE DASH & CROUCH LLP  
50 Queen St. West  
Brampton  
L6X 4H3  
2016 01 27

Tel 905-451-6610

Fax 905-451-1549

**Fees/Taxes/Payment**

<i>Statutory Registration Fee</i>	\$62.85
<i>Provincial Land Transfer Tax</i>	\$0.00
<i>Total Paid</i>	\$62.85

**File Number**

*Transferor Client File Number :* 130298

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**LAND TRANSFER TAX STATEMENTS**

---

In the matter of the conveyance of: 14235 – 4997 SERVICENT LANDS: PART OF BLOCK 97, PLAN 43M-1855, BEING PARTS 8, 9 & 10 ON PLAN 43R-36883; TOWN OF CALEDON

DOMINANT LANDS: 14235-4994, PART OF BLOCK 172, PLAN 43M1860, BEING PART 2 ON PLAN 43R-36418; TOWN OF CALEDON

DOMINANT LANDS: PIN 14235-4996, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R-36418, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R-36522; TOWN OF CALEDON

---

BY: CHACON STRAWBERRY FIELDS INC.

TO: 6876285 CANADA LIMITED

---

1. HOWARD STEINBERG

I am

- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
  - (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
  - (c) A transferee named in the above-described conveyance;
  - (d) The authorized agent or solicitor acting in this transaction for 6876285 CANADA LIMITED described in paragraph(s) (c) above.
  - (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for \_\_\_\_\_ described in paragraph(s) (c) above.
  - (f) A transferee described in paragraph (c) and am making these statements on my own behalf and on behalf of \_\_\_\_\_ who is my spouse described in paragraph (c) and as such, I have personal knowledge of the facts herein deposed to.
- 

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

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

---

4.

Explanation for nominal considerations:

- o) Transfer of easement or right of way for no consideration.
- 

5. The land is subject to encumbrance

---

**PROPERTY Information Record**

A. Nature of Instrument: Transfer Easement  
LRO 43 Registration No. PR2858994 Date: 2016/01/27

B. Property(s): PIN 14235 – 4997 Address CALEDON Assessment – Roll No

C. Address for Service: 1000-33 Bloor Street East  
Toronto, Ontario  
M4W 3H1

D. (i) Last Conveyance(s): PIN 14235 – 4997 Registration No. PR2858986  
(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes  No  Not known

E. Tax Statements Prepared By: Robert Bruce Crouch  
50 Queen St. West  
Brampton L6X 4H3

## **SANITARY SEWER SYSTEM EASEMENT**

The Transferor grants to the Transferee its successors and assigns an easement and right to a non-exclusive permanent easement for sanitary sewer, over, upon, across, in, through, and under **Part of Block 97, Plan 43M-1855, Being Parts 8, 9 & 10 on Plan 43R-36883, Town of Caledon**, and to enter upon sufficient land adjacent to said sanitary sewer easement for the purpose of exercising the rights and privileges granted herein.

The Transferee may install, repair, replace, improve, modify and maintain the sanitary sewer lines, and all necessary appurtenances thereto, within the easement herein granted.

The Transferor agrees not to build or to convey to others permission to build any permanent structures on, over, across, in, through, or under the above-described easement. The Transferor may construct and/or install surface improvements to the property, including paved driveways, parking and/or walkways; landscaping; utilities and/or similar improvements, which improvements do not interfere with use, operation, maintenance, repair and replacement of the sanitary sewer in the aforementioned easement.

This easement shall run with the servient lands first described above and shall be binding upon and inure to the benefit of the Transferor, Transferee, and their respective successors and assigns.

This Transfer Easement relates to and is subject to the Shared Facilities and Easement Agreement dated the 7<sup>th</sup> day of July, 2015 between **CHACON STRAWBERRY FIELDS INC.** and **6876285 CANADA LIMITED**. The Notice was registered as PR2755663 on July 29, 2015 in the Land Titles Office of Peel (No. 43).

# APPENDIX T

**Properties**

*PIN* 14235 – 4996 LT *Interest/Estate* Easement  Add Easement  
*Description* SERVICENT LANDS: PART OF BLOCK 97, PLAN 43M1855, BEING PARTS 6, 7 & 13 ON PLAN 43R-36883; TOWN OF CALEDON  
 DOMINANT LANDS: PIN 14235-4995, PART OF BLOCK 172, PLAN 43M1860, BEING PART 1 ON PLAN 43R-36418; TOWN OF CALEDON  
 DOMINANT LANDS: PIN 14235-4997, BLOCK 97, PLAN 43M1855, PART 4 ON PLAN 43R-36418; EXCEPT PART 3 ON PLAN 43R-36522; TOWN OF CALEDON  
 DOMINANT LANDS: PIN 14235-3468, PART OF RESERVE BLOCK 111, PLAN 43M1855, BEING PART 7, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOWN OF CALEDON  
 DOMINANT LANDS: PIN 14235-3470, PART OF DOUGALL AVENUE LYING NORTH OF RESERVE BLOCK 110, PLAN 43M1855, BEING PART 8, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOWN OF CALEDON  
*Address* CALEDON

**Consideration**

*Consideration* \$2.00

**Transferor(s)**

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

*Name* 6876285 CANADA LIMITED  
*Address for Service* 1000-33 Bloor Street East  
 Toronto, Ontario  
 M4W 3H1

I, Frank Pedinelli and I, Michael Gomes, have the authority to bind the corporation.

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

<b>Transferee(s)</b>	<b>Capacity</b>	<b>Share</b>
----------------------	-----------------	--------------

<i>Name</i> CHACON STRAWBERRY FIELDS INC.		
<i>Address for Service</i> 321 Deerhurst Drive Unit B Brampton, Ontario L6T 5K3		

**Statements**

Schedule: See Schedules

STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act. I am an Ontario solicitor in good standing.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEREE (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

**Signed By**

Robert Bruce Crouch	50 Queen St. West Brampton L6X 4H3	acting for Transferor(s)	First Signed
			2016 01 27

**Signed By**

Tel 905-451-6610

Fax 905-451-1549

Katie Marie Saldanha

50 Queen St. West  
Brampton  
L6X 4H3acting for  
Transferor(s)Last  
Signed

2016 02 12

Tel 905-451-6610

Fax 905-451-1549

I have the authority to sign and register the document on behalf of all parties to the document.

Robert Bruce Crouch

50 Queen St. West  
Brampton  
L6X 4H3acting for  
Transferee(s)First  
Signed

2016 01 27

Tel 905-451-6610

Fax 905-451-1549

Katie Marie Saldanha

50 Queen St. West  
Brampton  
L6X 4H3acting for  
Transferee(s)Last  
Signed

2016 02 12

Tel 905-451-6610

Fax 905-451-1549

I have the authority to sign and register the document on behalf of all parties to the document.

**Submitted By**

PROUSE DASH &amp; CROUCH LLP

50 Queen St. West  
Brampton  
L6X 4H3

2016 02 12

Tel 905-451-6610

Fax 905-451-1549

**Fees/Taxes/Payment**

Statutory Registration Fee \$62.85

Provincial Land Transfer Tax \$0.00

Total Paid \$62.85

**File Number**

Transferor Client File Number :

130298

**LAND TRANSFER TAX STATEMENTS**

In the matter of the conveyance of: 14235 – 4996 SERVICENT LANDS: PART OF BLOCK 97, PLAN 43M1855, BEING PARTS 6, 7 & 13 ON PLAN 43R-36883; TOWN OF CALEDON

DOMINANT LANDS: PIN 14235-4995, PART OF BLOCK 172, PLAN 43M1860, BEING PART 1 ON PLAN 43R-36418; TOWN OF CALEDON

DOMINANT LANDS: PIN 14235-4997, BLOCK 97, PLAN 43M1855, PART 4 ON PLAN 43R-36418; EXCEPT PART 3 ON PLAN 43R-36522; TOWN OF CALEDON

DOMINANT LANDS: PIN 14235-3468, PART OF RESERVE BLOCK 111, PLAN 43M1855, BEING PART 7, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOWN OF CALEDON

DOMINANT LANDS: PIN 14235-3470, PART OF DOUGALL AVENUE LYING NORTH OF RESERVE BLOCK 110, PLAN 43M1855, BEING PART 8, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOWN OF CALEDON

BY: 6876285 CANADA LIMITED

TO: CHACON STRAWBERRY FIELDS INC.

**1. PARMINDER CHAHAL**

I am

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

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

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

**4.**

Explanation for nominal considerations:

- o) Transfer of easement or right of way for no consideration.

**5. The land is not subject to an encumbrance**

**PROPERTY Information Record**

A. Nature of Instrument: Transfer Easement  
 LRO 43 Registration No. PR2859003 Date: 2016/01/27

B. Property(s): PIN 14235 – 4996 Address CALEDON Assessment – Roll No

C. Address for Service: 321 Deerhurst Drive  
 Unit B  
 Brampton, Ontario  
 L6T 5K3

D. (i) Last Conveyance(s): PIN 14235 – 4996 Registration No. PR2755775  
 (ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes  No  Not known

E. Tax Statements Prepared By: Robert Bruce Crouch  
 50 Queen St. West  
 Brampton L6X 4H3

## **PRIVATE WATER LINE EASEMENT**

The Transferor grants to the Transferee its successors and assigns an easement and right to a non-exclusive permanent easement for the purposes of installing, laying, constructing, maintaining, inspecting, repairing, removing, replacing, renewing, using and operating Water lines, together with all facilities, connectors and appurtenances ("Water Lines"), including the right of ingress and egress for the said purposes.

The Transferee shall have the right, without notice and without prior institution of any suit or proceeding at law, at times as may be necessary, to enter upon said property and adjoining property owned by the Transferor and its assigns and successors to install, lay, construct, renew, operate and maintain lines and necessary facilities and other equipment for the purposes of serving the property and other properties with water service. The Transferee agrees to restore the property to its condition prior to any disturbance from construction, operation, maintenance, repair, or replacement of the Water Lines.

Except in an emergency, the Transferor shall not undertake, authorize, permit or consent to any construction or excavation including, without limitation, digging, tunneling, or other forms of construction activity on or near the Easement which might in any fashion unearth, undermine, or damage the Water Lines or endanger the lateral or other support of the Water Lines without Transferee's prior written approval. The Transferor further agrees that no structure or obstruction including, without limitation, fences and rockeries shall be erected over, upon or within the Easement, and no trees, bushes or other shrubbery shall be planted or maintained within the Easement, provided the Transferor shall have full use of the surface of the lands within the Easement, so long as such use does not interfere with the Easement or the Water Lines.

The Easement and the covenants, terms, and conditions contained herein are intended to and shall run with the lands and shall be binding upon the Transferee and the Transferor and their respective successors, and assigns.

This Transfer Easement relates to and is subject to the Shared Facilities and Easement Agreement dated the 7<sup>th</sup> day of July, 2015 between **CHACON STRAWBERRY FIELDS INC.** and **6876285 CANADA LIMITED**. The Notice was registered as PR2755663 on July 29, 2015 in the Land Titles Office of Peel (No. 43).

# APPENDIX U

**Properties**

<i>PIN</i>	14235 – 4995 LT	<i>Interest/Estate</i>	Easement	<input checked="" type="checkbox"/> Remove Easement
<i>Description</i>	SERVIENT LANDS: PART OF BLOCK 172, PLAN 43M–1860, DESIGNATED AS PART 1, PLAN 43R–36883; TOWN OF CALEDON, AS IN INSTRUMENT NO. PR2858986;			
	DOMINANT LANDS: 14235–4994, PART OF BLOCK 172, PLAN 43M1860, BEING PART 2 ON PLAN 43R–36418; TOWN OF CALEDON, T/W AN EASEMENT AS IN INSTRUMENT PR2858986;			
	DOMINANT LANDS: PIN 14235–4996, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36418; PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36522; TOWN OF CALEDON, T/W AN EASEMENT AS IN INSTRUMENT PR2858986;			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 – 4997 LT	<i>Interest/Estate</i>	Easement	<input checked="" type="checkbox"/> Remove Easement
<i>Description</i>	SERVIENT LANDS: PART OF BLOCK 97, PLAN 43M–1855, BEING PARTS 2, 3 & 4 ON PLAN 43R–36883; TOWN OF CALEDON, AS IN INSTRUMENT PR2858986;			
	DOMINANT LANDS: 14235–4994, PART OF BLOCK 172, PLAN 43M1860, BEING PART 2 ON PLAN 43R–36418; TOWN OF CALEDON, T/W AN EASEMENT AS IN INSTRUMENT PR2858986;			
	DOMINANT LANDS: PIN 14235–4996, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36418, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36522; TOWN OF CALEDON, T/W AN EASEMENT AS IN INSTRUMENT PR2858986;			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 – 3468 LT	<i>Interest/Estate</i>	Easement	<input checked="" type="checkbox"/> Remove Easement
<i>Description</i>	SERVIENT LANDS: PART OF RESERVE BLOCK 111, PLAN 43M–1855 (CLOSED BY BY–LAW 2012–124), BEING PART 11 ON PLAN 43R36883, TOWN OF CALEDON, AS IN INSTRUMENT PR2858986;			
	DOMINANT LANDS: 14235–4994, PART OF BLOCK 172, PLAN 43M1860, BEING PART 2 ON PLAN 43R–36418; TOWN OF CALEDON, T/W AN EASEMENT AS IN INSTRUMENT PR2858986;			
	DOMINANT LANDS: PIN 14235–4996, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36418, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36522; TOWN OF CALEDON; T/W AN EASEMENT AS IN INSTRUMENT PR2858986;			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 – 3470 LT	<i>Interest/Estate</i>	Easement	<input checked="" type="checkbox"/> Remove Easement
<i>Description</i>	SERVIENT LANDS: PART DOUGALL AVENUE LYING NORTH OF RESERVE BLOCK 110, PLAN 43M1855, CLOSED BY BY–LAW 2014–124, BEING PART 12 ON PLAN 43R–36883; TOWN OF CALEDON, AS IN INSTRUMENT NO. PR2858986;			
	DOMINANT LANDS: 14235–4994, PART OF BLOCK 172, PLAN 43M1860, BEING PART 2 ON PLAN 43R–36418; TOWN OF CALEDON, T/W AN EASEMENT AS IN INSTRUMENT PR2858986;			
	DOMINANT LANDS: PIN 14235–4996, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36418, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36522; TOWN OF CALEDON; T/W AN EASEMENT AS IN INSTRUMENT PR2858986;			
<i>Address</i>	CALEDON			

**Consideration**

Consideration \$2.00

**Transferor(s)**

The transferor(s) hereby transfers, releases and abandons the easement to the transferee(s).

*Name* 6876285 CANADA LIMITED  
*Address for Service* 1000 – 33 Bloor Street East  
 Toronto, Ontario  
 M4W 3H1

**Transferor(s)**

The transferor(s) hereby transfers, releases and abandons the easement to the transferee(s).

I, Frank Pedinelli, A.S.O. and Michael Gomes, A.S.O., have the authority to bind the corporation.

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

**Transferee(s)**

		Capacity	Share
Name	CHACON STRAWBERRY FIELDS INC.	Registered Owner	
Address for Service	321 Deerhurst Drive, Unit B Brampton, Ontario L5T 5K3		

**Document(s) to be Deleted**

Registration No.	Date	Type of Instrument
PR2858986	2016/01/27	Transfer Easement

**Statements**

I ROBERT BRUCE CROUCH, solicitor, confirm that there are no parties with an interest required to consent to this release of easement.  
Schedule: Deleted Instruments: PR2858987, PR2858988 (POSTPONMENT OF INTEREST)

STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act. I am an Ontario solicitor in good standing.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEREE (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

**Signed By**

Robert Bruce Crouch	50 Queen St. West Brampton L6X 4H3	acting for Transferor(s)	Signed	2016 04 22
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Tel 905-451-6610

Fax 905-451-1549

I have the authority to sign and register the document on behalf of all parties to the document.

Robert Bruce Crouch	50 Queen St. West Brampton L6X 4H3	acting for Transferee(s)	Signed	2016 04 22
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Tel 905-451-6610

Fax 905-451-1549

I have the authority to sign and register the document on behalf of all parties to the document.

**Submitted By**

PROUSE DASH & CROUCH LLP	50 Queen St. West Brampton L6X 4H3			2016 04 22
--------------------------	--	--	--	------------

Tel 905-451-6610

Fax 905-451-1549

**Fees/Taxes/Payment**

Statutory Registration Fee	\$62.85
Provincial Land Transfer Tax	\$0.00
Total Paid	\$62.85

**File Number**

Transferor Client File Number : 130298

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**LAND TRANSFER TAX STATEMENTS**

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In the matter of the conveyance of: 14235 – 4995 SERVIENT LANDS: PART OF BLOCK 172, PLAN 43M–1860, DESIGNATED AS PART 1, PLAN 43R–36883; TOWN OF CALEDON, AS IN INSTRUMENT NO. PR2858986;

DOMINANT LANDS: 14235–4994, PART OF BLOCK 172, PLAN 43M1860, BEING PART 2 ON PLAN 43R–36418; TOWN OF CALEDON, T/W AN EASEMENT AS IN INSTRUMENT PR2858986;

DOMINANT LANDS: PIN 14235–4996, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36418; PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36522; TOWN OF CALEDON, T/W AN EASEMENT AS IN INSTRUMENT PR2858986;

14235 – 4997 SERVIENT LANDS: PART OF BLOCK 97, PLAN 43M–1855, BEING PARTS 2, 3 & 4 ON PLAN 43R–36883; TOWN OF CALEDON, AS IN INSTRUMENT PR2858986;

DOMINANT LANDS: 14235–4994, PART OF BLOCK 172, PLAN 43M1860, BEING PART 2 ON PLAN 43R–36418; TOWN OF CALEDON, T/W AN EASEMENT AS IN INSTRUMENT PR2858986;

DOMINANT LANDS: PIN 14235–4996, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36418, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36522; TOWN OF CALEDON, T/W AN EASEMENT AS IN INSTRUMENT PR2858986;

14235 – 3468 SERVIENT LANDS: PART OF RESERVE BLOCK 111, PLAN 43M–1855 (CLOSED BY BY–LAW 2012–124), BEING PART 11 ON PLAN 43R36883, TOWN OF CALEDON, AS IN INSTRUMENT PR2858986;

DOMINANT LANDS: 14235–4994, PART OF BLOCK 172, PLAN 43M1860, BEING PART 2 ON PLAN 43R–36418; TOWN OF CALEDON, T/W AN EASEMENT AS IN INSTRUMENT PR2858986;

DOMINANT LANDS: PIN 14235–4996, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36418, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36522; TOWN OF CALEDON; T/W AN EASEMENT AS IN INSTRUMENT PR2858986;

14235 – 3470 SERVIENT LANDS: PART DOUGALL AVENUE LYING NORTH OF RESERVE BLOCK 110, PLAN 43M1855, CLOSED BY BY–LAW 2014–124, BEING PART 12 ON PLAN 43R–36883; TOWN OF CALEDON, AS IN INSTRUMENT NO. PR2858986;

DOMINANT LANDS: 14235–4994, PART OF BLOCK 172, PLAN 43M1860, BEING PART 2 ON PLAN 43R–36418; TOWN OF CALEDON, T/W AN EASEMENT AS IN INSTRUMENT PR2858986;

DOMINANT LANDS: PIN 14235–4996, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36418, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R–36522; TOWN OF CALEDON; T/W AN EASEMENT AS IN INSTRUMENT PR2858986;

---

BY: 6876285 CANADA LIMITED

TO: CHACON STRAWBERRY FIELDS INC.

Registered Owner

---

1. PARMINDER CHAHAL

I am

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

---

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

(a) Monies paid or to be paid in cash	2.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00

---

**LAND TRANSFER TAX STATEMENTS**

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(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	2.00
(h) VALUE OF ALL CHATTELS –items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	2.00

---

4.

Explanation for nominal considerations:

s) other: Transfer, Release and Abandonment of Easement. Being replaced with a different easement.

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5. The land is subject to encumbrance

---

6. Other remarks and explanations, if necessary.

1. This conveyance is being tendered for registration by an officer of CHACON STRAWBERRY FIELDS INC. who is authorized to act for the transferor and who has sufficient information to complete these statements.

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**PROPERTY Information Record**

A. Nature of Instrument: Transfer Release & Abandonment  
LRO 43 Registration No. PR2901507 Date: 2016/04/22

B. Property(s):  
PIN 14235 – 4995 Address CALEDON Assessment –  
Roll No  
PIN 14235 – 4997 Address CALEDON Assessment –  
Roll No  
PIN 14235 – 3468 Address CALEDON Assessment –  
Roll No  
PIN 14235 – 3470 Address CALEDON Assessment –  
Roll No

C. Address for Service: 321 Deerhurst Drive, Unit B  
Brampton, Ontario  
L5T 5K3

D. (i) Last Conveyance(s): PIN 14235 – 4995 Registration No. PR2885670  
PIN 14235 – 4997 Registration No. PR2885670  
PIN 14235 – 3468 Registration No. PR2885670  
PIN 14235 – 3470 Registration No. PR2885670

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

E. Tax Statements Prepared By: Robert Bruce Crouch  
50 Queen St. West  
Brampton L6X 4H3

# APPENDIX V

**AMENDMENT TO THE SHARED FACILITIES AND EASEMENT AGREEMENT**

This Agreement made of the 25<sup>th</sup> day of August 2023.

**BETWEEN**

**CHACON STRAWBERRY FIELDS INC.**

(“Grantor”)

AND

**STRAWBERRY FIELDS RESIDENCES (CHACON) INC.**

(“Grantee”)

**WHEREAS**, the Grantor is the registered owner of the lands more particularly described in Schedule “A”, (the “Plaza Property”).

**AND WHEREAS** the Plaza Property consists of retail buildings being, Building A which is municipally known as, 12550 Kennedy Road, Caledon and Building B which is municipally known as, 12560 Kennedy Road, Caledon.

**AND WHEREAS**, the Grantee is the registered owner of the lands more particularly described in Schedule “B”, (the “Development Property”).

**AND WHEREAS**, the Grantee desires to use the airspace above Building A and Building B, the Plaza Property, for the purpose of constructing a residential structure, specifications of which are being finalized and maybe subject to change.

**AND WHEREAS**, the Grantor and Grantee entered into a shared facilities and easement agreement (“SFEA”) dated July 7<sup>th</sup>, 2015, which was registered on title on July 29<sup>th</sup>, 2015, as instrument #PR2755663 (the “existing SFA”), copy attached herein at Schedule “C”, the Grantee now wishes to expand the area of the existing easements and make changes to the restrictive covenants.

**AND WHEREAS**, the existing SFEA allows for modifications from time to time

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

**1. The Stratified Severance**

- a. Transfer of Severed parcel:** The Grantor its successors and assigns will transfer ownership of the severed parcel (the "Stratified Severance"), as described in the drawings at Schedule “D”, for the purpose of constructing a residential structure above buildings A and B on the Plaza Property.
- b. Changes:** The Grantor shall allow any changes to the drawings at Schedule “D” as maybe required from time to time at no cost.
- c.** The parties agree to sever the Properties in a manner that allows for the creation of separate strata title to be conveyed to the Grantee. The title to the Stratified Severance described at Schedule “D” shall be transferred to the Grantee once complete.
- d. Use of Airspace:** The Grantee shall have the right to use the area of the severed parcel for the purpose of building a residential structure, and for maintaining, repairing, and replacing any structures or equipment necessary for such use. The existing buildings will remain and under the ownership and control of the Grantor. The new residential building will be built independently of Buildings A and B and will be in the complete control of the Grantee.
- e.** The Grantor shall assist in obtaining all necessary approvals from the local municipality as may be required from time to time, including but not limited to approval of the plan of subdivision, any required zoning amendments or variances, and any other permits or approvals required for the stratified severance.

- f. **Registration:** Upon obtaining all necessary approvals, the parties shall jointly proceed with the registration of any plans as required and the creation of the separate strata titles at the local land registry office.
- g. **Title Transfer:** for consideration of \$2.00 the sufficiency of which is acknowledged by the parties, the Grantor shall transfer to the Grantee title to the Stratified Severed parcel.
- h. **Cost and Expenses:** the Grantee shall pay all costs and expenses associated with the Stratified Severance including but not limited to approval of the plan of subdivision, required zoning amendments or variances and any other permits or approvals required for the Stratified Severance.
- i. **Mutual Cooperation:** The parties agree to cooperate fully and in good faith to achieve the stratified severance of the Properties. This includes providing any necessary information, executing documents, and taking any other actions reasonably required to complete the severance.

2. **Easements, Rights of Way and Shared Facilities.**

- a. The parties agree to grant and register any necessary easements or rights of way to ensure access, utility services, and other necessary rights for the newly created strata titles. These easements and rights of way shall be detailed in the plans and registered on title.
- b. The parties agree to amend further the existing shared facilities as maybe required from time to time for any revised parking on the Plaza Property. The grantor shall facilitate any parking adjustments in the parking areas of the plaza property including any municipal approvals. All costs shall be borne by the Grantee.
- c. The existing easements shall be expanded as outlined in Schedule "D", which may be subject to change as required from time to time.

3. **Maintenance and Repair:** The Grantee shall be responsible for the maintenance and repair of any structures or equipment located within the Easement area used exclusively for the Development Property. All other maintenance and repair shall remain as per the existing SFEA.

4. **Restrictive Covenants:** The changes to the existing restrictive covenants are Outlined Schedule E, which may be subject o change as required from time to time

5. **Covenants Running with the Land:** The Easement granted herein shall run with the land and shall be binding upon and inure to the benefit of the Grantor and Grantee, transferee, and their respective successors and assigns. The Stratified Severance granted herein shall run with the land and shall be binding upon and inure to the benefit of the Grantor and Grantee, transferee and their respective successors and assigns.

6. **Indemnification:** The Grantee agrees to indemnify, defend, and hold harmless the Grantor from and against all claims, liabilities, damages, and expenses arising out of or in connection with the Grantee's use of the Easement area.

7. **Insurance:** The Grantee shall maintain insurance coverage for the Easement area in amounts and types reasonably satisfactory to the Grantor and shall provide proof of such insurance upon request.

8. **Dispute Resolution:** Any disputes arising from or related to this clause shall be resolved through mediation. If mediation fails, the dispute shall be resolved through arbitration.

9. All easements, and all provisions of the existing SFEA shall continue to be in effect unless specifically amended.

10. **Successors and Assigns:** All of the covenants and agreements contained in this Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns and shall enure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns pursuant to the terms and conditions of this Agreement and the Purchase Agreement.

11. **Counterparts:** This Agreement may be executed by the parties in counterparts. Each executed counterpart shall be deemed to be an original and all counterparts taken together shall constitute one and the same agreement. This Agreement may be transmitted by fax or pdf/email and the reproduction of signatures by way of fax or pdf/email will be treated as though such reproductions were executed originals and each party undertakes to provide the other with a copy of this Agreement bearing original signatures within a reasonable time after the date of execution.

12. **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

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

**CHACON STRAWBERRY FIELDS INC.**

J. V. Chahal  
I have authority to bind the corporation.

**STRAWBERRY FIELDS RESIDENCES (CHACON) INC.**

[Signature]  
I have authority to bind the corporation.

## SCHEDULE A

PIN 14235-4995 (LT): PART OF RESERVE BLOCK 111, PLAN 43M1855, BEING PART 7, PLAN 43R34665 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 11 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON;

PIN 14235-3470 (LT): PART OF DOUGALL AVENUE LYING NORTH OF RESERVE BLOCK 110, PLAN 43M1855, BEING PARTS, PLAN 43R34865 (CLOSED, DECLARED SURPLUS & AUTHORIZED FOR SALE PURSUANT TO BY-LAW NO. 2012-124 REGISTERED AS NO. PR2330610); TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1 855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 12 ON PLAN 43R36883A5 IN PR2885670; TOWN OF CALEDON;

PIN 14235-4995 LT: PART OF BLOCK 172, PLAN 43M1860, BEING PART 1 ON PLAN 43R-36418; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M 1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PART 1 ON PLAN 43R36883 AS IN PR2885670; TOWN OF CALEDON;

PIN 14235-4997 (LT): BLOCK 97, PLAN 43M1855. PART 4 ON PLAN 43R-36418; EXCEPT PART 3 ON PLAN 43R-36522; SUBJECT TO AN EASEMENT OVER PART 4 ON PLAN 43R36522 IN FAVOUR OF PART OF BLOCK 97, PLAN 43M1855, PARTS 2 AND 3 ON PLAN 43R36522 AS IN PR2755721; TOGETHER WITH AN EASEMENT OVER PART BLOCK 97, PLAN 43M1855, PARTS 2 AND 3 PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PART OF BLOCK 172, PLAN 43M1860, PART 1 ON PLAN 43R36522 IN FAVOUR OF PART 4 ON PLAN 43R36522 AS IN PR2755775; TOGETHER WITH AN EASEMENT OVER PT BLK 97, PL 43M1855 PTS 6, 7 & 13, 43R36883 AS IN PR2859003; SUBJECT TO AN EASEMENT OVER PARTS 2, 3 & 4, PLAN 43R36883 AS IN PR2885670; SUBJECT TO AN EASEMENT AS IN PR2858994; TOWN OF CALEDON

## SCHEDULE B

PART OF BLOCK 172, PLAN 43M1860, BEING PART 2 ON PLAN 43R-36418; TOGETHER WITH AN EASEMENT OVER PART OF BLOCK 97, PLAN 43M1855, PART 4 ON PLAN 43R36522 AS IN PR2755721; SUBJECT TO AN EASEMENT OVER PART 1 ON PLAN 43R26522 IN FAVOUR OF PART OF BLOCK 97, PLAN 43M1855, PART 4 ON PLAN 43R36522 AS IN PR2755775; TOWN OF CALEDON PIN 14235-4994

PART OF BLOCK 97, PLAN 43M1855; BEING PART 3 ON PLAN 43R-36418, PART OF BLOCK 97, PLAN 43M1855, BEING PART 3 ON PLAN 43R-36522; TOGETHER WITH AN EASEMENT OVER PART OF BLOCK 97, PLAN 43M1855, PART 4 ON PLAN 43R-36522 IN FAVOUR OF PARTS 2 AND 3 ON PLAN 43R36522 AS IN PR2755721; SUBJECT TO AN EASEMENT OVER PARTS 2 AND 3 ON PLAN 43R36522 IN FAVOUR OF BLOCK 97, PLAN 43M1855, PART 4 ON PLAN 43R36522 AS IN PR2755775; SUBJECT TO AN EASEMENT OVER PTS 6, 7 & 13, 43R36883 IN FAVOUR OF PT BLK 172, PL 43M1860 PT 1, 43R36418, BLK 97, PL 43M1855 PT 4, 43R36418 EXCEPT PT 3, 43R36522, PT BLK 111, PL 43M1855 PT 7, 43R34865, PT DOUGALL AVENUE LYING NORTH OF BLK 110, PL 43M1855 PT 8, 43R34865 AS IN PR2859003; SUBJECT TO AN EASEMENT IN GROSS OVER PART 5 PLAN 43R36883 AS IN PR2898933; TOWN OF CALEDON PIN 14235-4996

**SCHEDULE C**

See attached Existing SFEA

## **SCHEDULE D**

See attached Draft plan of Easements and Stratified Severance

## SCHEDULE E

### Restrictive Covenants

#### DELETE:

The Restrictive Covenant to be registered against the Chacon Lands shall provide that the Chacon Lands, including any expansions of or additions to the Chacon Lands and any abutting lands ("Abutting Lands") owned or controlled by Chacon or any affiliated party at any time shall not be used, leased, licensed or allowed to be used, in whole or in part, for a period of 50 years, for the operation of a retail pharmacy and pharmaceutical dispensary, a medical clinic or any of the following purposes:

- (I) the sale or rental of home health care products or merchandise;
- (II) for the sale, dispensing or distribution of any items of merchandise requiring the approval or supervision of a registered or licensed pharmacist;
- (ii) for the operation of any store which sells general merchandise at one or more price points such as, by way of example, stores operating under the names "Everything for a Dollar-", "Dollar Plus", "Dollar Depot", "Looney Bin" or "Dollarama";
- (iii) for the operation of a convenience store, variety store or jug milk store;
- (iv) for the operation of a telecommunications, telephone, automated or electronic system (including without limitation, internet communication systems), whether located in a kiosk, booth, store or any other facility, whereby a customer can communicate with a third party (no matter where such third party is located) to have prescriptions filled, to order medical supplies and/or non-prescription drugs or to ask questions or receive information respecting medications, prescriptions or non-prescription drugs;
- (v) for the operation of a coffee shop such as but not limited to Starbucks or Tim Horton's;
- (vi) for the operation of any business with a drive through facility, except for a bank or other financial institution;
- (vii) for the operation of a store whose business is comprised of any two (2) or more of the types of businesses of the stores or outlets described in subparagraphs (i) to (iv) of this paragraph.

The Restrictive Covenant to be registered against that part of the 6876285 Lands designated as Parts 1 and 2 on Plan 43R-36622 (the 6876285 Burdened Lands) shall provide that the 6876285 Burdened Lands, shall not be used, leased, licensed or allowed to be used, in whole or in part, for a period of 50 years, for the operation for the following uses:

- a fast food or take out restaurant except for a coffee shop such as, but not limited to Tim Horton's and Starbucks
- a bank
- dentist
- a full service restaurant
- a daycare
- a hair & beauty supply
- a grocery store, except for a convenience store
- a liquor store
- a dry cleaners
- a weight loss clinic
- a florist
- a hardware/ paint store
- a pet store
- a cellphone/ wireless store
- a business services i.e. UPS store
- a physiotherapy, chiropractor or massage therapy store
- a nail salon
- an optical store
- a frozen food store such as M & M Meats;

and any other use not permitted under a Town of Celedon zoning bylaw applicable to the 6876285 Burdened Land.

INSERT:

The Restrictive Covenant to be registered against the Chacon Lands shall provide that the Chacon Lands, including any expansions of or additions to the Chacon Lands and any abutting lands ("Abutting Lands") owned or controlled by Chacon or any affiliated party at any time shall not be used, leased, licensed or allowed to be used, in whole or in part, for a period of 50 years, for the operation of a retail pharmacy and pharmaceutical dispensary, a medical clinic or any of the following purposes:

- (III) the sale or rental of home health care products or merchandise;
- (IV) for the sale, dispensing or distribution of any items of merchandise requiring the approval or supervision of a registered or licensed pharmacist;
- (viii) for the operation of any store which sells general merchandise at one or more price points such as, by way of example, stores operating under the names "Everything for a Dollar-", "Dollar Plus", "Dollar Depot", "Looney Bin" or "Dollarama";
- (ix) for the operation of a convenience store, variety store or jug milk store;
- (x) for the operation of a telecommunications, telephone, automated or electronic system (including without limitation, internet communication systems), whether located in a kiosk, booth, store or any other facility, whereby a customer can communicate with a third party (no matter where such third party is located) to have prescriptions filled, to order medical supplies and/or non-prescription drugs or to ask questions or receive information respecting medications, prescription or non-prescription drugs;
- (xi) for the operation of a coffee shop such as but not limited to Starbucks or Tim Horton's;
- (xii) for the operation of any business with a drive through facility, except for a bank or other financial institution;
- (xiii) for the operation of a store whose business is comprised of any two (2) or more of the types of businesses of the stores or outlets described in subparagraphs (i) to (iv) of this paragraph.
- (xiv) Any business in operation at time of entering into potential new lease beyond those listed above that is not in contravention of the restrictive covenants listed below

The Restrictive Covenant to be registered against that part of the 6876285 Lands designated as Parts 1 and 2 on Plan 43R-36622 (the 6876285 Burdened Lands) shall provide that the 6876285 Burdened Lands, shall not be used, leased, licensed or allowed to be used, in whole or in part, for a period of 50 years, for the operation for the following uses:

- a full service restaurant
- a pizza take out restaurant
- a sandwich take out restaurant
- an Indian fast food take out restaurant
- a dentist offering full general services (limited practises allowed)
- a butcher
- a hair & beauty supply
- a grocery store, except for a convenience store
- a liquor store
- a hardware/ paint store
- a pet store
- a cell phone/ wireless store
- a physiotherapy, chiropractor or massage therapy store
- an optical store
- A children's play centre with apparatus
- a frozen food store such as M & M Meats;

and any other use not permitted under a Town of Celedon zoning bylaw applicable to the 6876285 Burdened Land.

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**  
Applicant

- and -

**CHACON STRAWBERRY FIELDS INC. et al.**  
Respondents

Court File No. CV-24-00717742-00CL

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

**Proceedings commenced at Toronto**

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**MOTION RECORD – VOLUME I of II**  
**(Returnable November 15, 2024)**

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