

Bill No. 129
2026

By-law No. A.- ____ - __

A by-law to approve Contribution Agreements with ZerIn Development Corporation and Perpetually Innovative Developments Inc. and 2614442 Ontario Inc. for affordable housing developments at 1364-1408 Hyde Park Road.

WHEREAS section 5(3) of the Municipal Act, 2001, as amended, provides that a municipal power shall be exercised by by-law:

AND WHEREAS section 9 of the Municipal Act, 2001 provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 107(1) of the Municipal Act, 2001 authorizes the municipality to make a grant on such terms as to security and otherwise as the council considers appropriate to any person, group, or body for any purpose that the council considers to be in the interests of the municipality;

AND WHEREAS Municipal Council selects ZerIn Development Corporation and Perpetually Innovative Developments Inc. and 2614442 Ontario Inc. for a municipal grant for the development and operation of affordable housing;

NOW THEREFORE The Municipal Council of The Corporation of the City of London enacts as follows:

1. The Contribution Agreement between The Corporation of the City of London and ZerIn Development Corporation attached as Schedule '1' to this bylaw is hereby approved.
2. The Contribution Agreement between The Corporation of the City of London and 261442 Ontario Inc. and Perpetually Innovative Developments Inc. attached as Schedule "2" to this bylaw is hereby approved.
3. The Deputy City Manager, Housing and Community Growth, or their written designate, is authorized to approve amendments to the Contribution Agreements approved under sections 1 and 2 of this bylaw.
4. The Mayor and City Clerk are hereby authorized to execute the Contribution Agreement approved under sections 1 and 2 of this bylaw, as amended in accordance with the authority delegated under section 3 of this bylaw.
5. The Deputy City Manager, Community and Housing Growth, or their written designate, is authorized to approve and execute amending agreements to the Contribution Agreements approved under section 1 and 2 of this bylaw.
6. This by-law comes into effect on the day it is passed subject to the provisions of PART VI.1 of the Municipal Act, 2001.

PASSED in Open Council on March 31, 2026, subject to the provisions of PART VI.1 of the Municipal Act, 2001.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – March 31, 2026
Second Reading – March 31, 2026
Third Reading – March 31, 2026

Schedule 1

CONTRIBUTION AGREEMENT

This Agreement made the 31st day of March, 2026

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the "City")

- and -

ZERIN DEVELOPMENT CORPORATION

(hereinafter called the "Proponent")

WHEREAS:

- A. The City issued a NRFP 2025-148 for the development and operation of affordable housing on the Subject Lands in the City of London;
- B. The Proponent made a submission to NRFP 2025-148 and the parties wish to outline the terms and conditions of the transfer of the Subject Lands and the associated loan for the value of the municipal contribution to the Proponents' Project;

NOW THEREFORE, in consideration of the sum of TWO DOLLARS (\$2.00) now paid by the Proponent to the City and for other good and value consideration, the receipt of which is hereby acknowledged, the City and the Proponent agree with each other as follows:

1. INTERPRETATION

- 1.1 In this Agreement, including its Schedules, unless the context requires otherwise,
- "Affordability Period" means twenty-five years from the Occupancy Date;
 - "Affordable Rent" means the rent for an Affordable Rental Housing Unit that does not exceed 80% of the AMR for that Unit;
 - "Affordable Rental Housing" means new, purpose-built, rental housing accommodation which is modest in terms of floor area and amenities, based on household needs and community norms, rented in accordance with this Agreement, but does not include residential premises used as a nursing home, retirement home, shelter, crisis care facility or any other type of similar facility;
 - "Affordable Rental Housing Unit" means an Affordable Rental Housing unit in the Project rented and operated in accordance with this Agreement;
 - "Agreement" or "Contribution Agreement" means this Contribution Agreement entered into between the City and the Proponent;
 - "Average Market Rent" or "AMR" means the average monthly market rent for a rental housing unit, by unit type, as published by CMHC for the London CMA (or, should CMHC not publish such information annually, as determined from time to time by the City, acting reasonably), as adjusted on an annual basis;

- “Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;
- “CMHC” means Canada Mortgage and Housing Corporation;
- “Development Activities” means those activities which have been approved for the Project as set out in the approved Plans and Specifications and, generally, activities that are normally undertaken for the development, construction, repair, renovation, rehabilitation or conversion of buildings for residential purposes and include the acquisition of property;
- “Force Majeure” means a delay arising from strike, lockout, lockdown, riot, insurrection, terrorism, war, fire, tempest, act of God, pandemic, lack of material or supply of service at a reasonable cost, inclement weather, binding orders, directives or regulations of governmental bodies, courts or arbitrators or any other event beyond the control of the Parties which causes a delay in the fulfillment of a Party's obligations under this Agreement notwithstanding the reasonable efforts of such Party and provided that any such nonavailability or delay does not relate to any extent to any act or omission by such Party or any of its authorized agents or employees;
- “Housing” means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, or services and facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;
- “Interest Adjustment Date (or “IAD”) means the date on which the Proponent makes the first payment of principal and interest in respect of the Proponent's permanent financing obligations for the Project, following the completion of construction;
- “Improvements” means the improvements to be made on the Property, consisting of a building and other improvements to be constructed by the Proponent on the Subject Lands in accordance with the Plans and Specifications;
- “Minister” shall mean the Minister of Municipal Affairs and Housing;
- “Occupancy Date” means the first day of the month immediately following the month in which a Unit was rented for the first rental period following Substantial Completion;
- “Parties” means the Proponent and the City and “Party” means either of them, as the context may require;
- “Permitted Encumbrances” means the encumbrances encumbering the Affordable Housing Units listed in Schedule “C”, together with such renewals or replacement financing that may be approved by the City during the term of this Agreement;
- “PIPEDA” means the Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5, including any amendments thereto;
- “PIPEDA Protected Information” means any “Personal Information” or “Personal Health Information”, as defined under PIPEDA;
- “Plans and Specifications” means the plans and specifications for the development of the Project that have been approved and reviewed by all appropriate governmental authorities for the issuance of all permits necessary to construct and occupy the buildings and as certified by a Quantity Surveyor;

- “Project” means the development and construction of a 7-storey, 99-Unit apartment building on the Subject Lands, which shall have thirty (30) Affordable Rental Housing Units and facilities ancillary thereto provided and operated in accordance with the terms of this Contribution Agreement;
- “Property” means the property and the buildings as the context may require on lands described in Schedule “D”;
- “Quantity Surveyor” means such architect, engineer or other professional duly licensed to practice in the Province of Ontario as the Proponent may from time to time appoint to supervise, direct, monitor, inspect or assess the Project or a specific aspect of the Development Activities;
- “Security Documents” means the security documents attached to and forming part of the Contribution Agreement under Schedules B-1, B-2 and B-3.;
- “Service Manager” means The Corporation of the City of London;
- “Substantial Completion” means the substantial performance, within the meaning of the Construction Act, of all contracts which the Proponent has entered into for Development Activities in connection with the Project under this Agreement;
- “Subject Lands” means the property and the buildings as the context may require on lands described in Schedule “D”; and
- “Unit” means a self-contained residential dwelling.

1.2 The following Schedules are attached to and form part of this Agreement:

Schedule “A”	Option Agreement
Schedule “B-1”	City Charge/Mortgage of Land
Schedule “B-2”	Assignment of Rents
Schedule “B-3”	Security Agreement
Schedule “C”	Permitted Encumbrances
Schedule “D”	Legal Description of Property
Schedule “E”	Initial Occupancy Report
Schedule “F”	Annual Occupancy Report
Schedule “G”	Development Schedule
Schedule “H”	Agreement of Purchase and Sale

1.3 In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of a Schedule, the provisions of this Agreement shall prevail.

1.4 All references in this Agreement to section numbers are references to sections of this Agreement unless otherwise stated.

2. MUNICIPAL CONTRIBUTION TO PROJECT

2.1. The Proponent agrees to advance as its equity contribution to the Project, the amount of \$500,000 on or before the commencement of Development Activities and provide written confirmation to the City that the equity contribution has been advanced.

2.2. The Proponent acknowledges that the municipal contribution to the Project, consisting of the fair market value of the Subject Lands, being the amount of \$4,210,000 shall constitute a debt owed to the City by the Proponent (the “Loan”).

- 2.3. The City and Proponent shall jointly review and approve a construction schedule, which shall include a Project Completion Date, no later than four (4) weeks prior to the start of construction. The proponent shall share copies of the project budgets prepared for the cost consultant engaged in conjunction with CMHC or bank financing at the time of submission to the respective lender(s).
- 2.4. The Proponent is solely responsible for any cost overruns; the City will not increase the Loan.

3. SPECIAL CONDITIONS

- 3.1. The Proponent agrees to undertake its Development Activities in connection with the Project in accordance with this Agreement and in conformity with the Plans and Specifications.
- 3.2. The Proponent shall, subject to Force Majeure, achieve substantial completion of the Project by no later than March 31, 2030.
- 3.3. The Proponent shall discharge or cause the discharge of any registered construction liens so as to ensure that there are no construction liens registered against the Project.
- 3.4. The Proponent shall not at any time during the term of this Agreement breach any contribution agreement with the City, including any municipal capital facility agreement made pursuant to section 110 of the *Municipal Act, 2001* and shall not, through any breach on its part, cause the City to terminate a contribution agreement for cause. The Proponent agrees that a breach by it of any such contribution agreement, that has not been corrected, shall constitute a breach of this Agreement.

4. OPERATION OF AFFORDABLE HOUSING

- 4.1. The Proponent shall develop and operate a 7-storey, 99-Unit apartment building Project containing thirty (30) Affordable Rental Housing Units in the Project, for a period of twenty-five (25) years commencing upon the Occupancy Date.
- 4.2. The Proponent shall manage the Project so that the rent for the thirty (30) Affordable Rental Housing Units will not exceed eighty per cent (80%) of Average Market Rent during the Affordability Period.

The initial rents for the Affordable Rental Housing Units shall be:

- i. \$819 for a studio Unit;
 - ii. \$1,039 for a one-bedroom Unit.
 - iii. \$1,238 for a two-bedroom Unit.
 - iv. \$1,490 for a three-bedroom Unit.
- 4.3. The Proponent acknowledges and agrees that the rent for all thirty (30) Affordable Rental Housing Units in the Project will not exceed the Affordable Rent of eighty per cent (80%) of AMR, of which the rent for nine (9) units (Low Rent Units) in the Project will not exceed seventy per cent (70%) of AMR.
 - 4.4. The Proponent acknowledges and agrees that the Affordable Rent for a Project includes the provision of heating, air conditioning, water, fridge and stove, but not the hydro charges.

- 4.5. The Proponent shall not rent the Affordable Rental Housing Units to themselves, their shareholders, directors, family members or to any other individual that is not at arm's length from the Proponent, their shareholders or directors.
- 4.6. The monthly gross tenant household income from all sources for tenants at the time of signing a lease for the Affordable Rental Housing Units shall be no greater than five (5) times the monthly rent for the Affordable Rental Housing Unit.
- 4.7. The Proponent shall select tenants from the City's client list of eligible individuals or households seeking affordable housing in accordance with the process set by the City. The Proponent shall provide the City with information on the size of the unit. The current process when filling a vacant unit:
 - i. As soon as the Proponent is aware of a vacancy or a notice to vacate, the Proponent will contact the City employee designated by the City, or if no person has been designated, Deputy City Manager, Social and Health Development or their written designate ("City Contact").
 - ii. The City Contact then notifies the next City Client on the Housing Stability Services waiting list and provides that City Client with a referral letter, with the City Contact's card attached, indicating they are being referred for housing under this agreement.
 - iii. The City Contact asks the City Client on the waiting list to contact the Owner directly, if the City Client is interested in applying.
 - iv. The City Client will provide the Owner with the referral letter.
 - v. For greater certainty, the Owner makes the final decision with respect to filling a vacancy in a designated unit, and, acting reasonably, the Owner can accept or reject a referral from the City. The Owner shall notify the City if they reject the referral from the City, provide the rationale for the rejection and the City will provide further referrals using the process outlined above until the Owner accepts a referral.
 - vi. If a City Client is at risk of eviction, the Owner shall reach out to the City employee designated by the City to work through a variety of prevention measures to try and maintain the housing placement.
- 4.8. The Proponent shall ensure that the following occupancy standards are observed when entering into a tenancy agreement for an Affordable Rental Housing Unit:
 - i. A minimum of one and a maximum of two persons per bedroom for adult household members;
 - ii. A minimum of one and a maximum of two children per bedroom under the age of 18;
 - iii. An additional bedroom may be provided, if requested by the household under the following specific circumstances;
 - iv. If a member of the household requires a separate bedroom due to a disability or medical condition (Written verification: a doctor's note describing the nature of the disability or medical condition clearly specifying why an extra room is required);
 - v. Store equipment required by a member of the household due to a disability or medical condition (Written verification: a doctor's note describing the equipment required clearly specifying why an extra room is needed);

- vi. Accommodate an individual who is not a member of the household and who provides a member of the household with support services that are required due to the member's disability or medical condition (Written verification: a letter from the support service agency or person providing support services, describing the nature of the service and hours of service);
- vii. If a member of the household is pregnant (Written verification: a doctor's note specifying why an extra room is needed);
- viii. If a member of the household has joint custody over a child who is not a member of the household, however, the member is required to provide accommodation for the child where a bedroom is required (Written verification: court order, custody arrangement, or other applicable documentation); and
- ix. If a member of the household has overnight access to a child who is not a member of the household, the member provide accommodation for the child where a bedroom is required (Written verification: court order, custody arrangement, or other applicable documentation).

5. TERMS OF THE LOAN

- 5.1. The Loan shall have a term of twenty-five (25) years equivalent to the Affordability Period, commencing as of the Occupancy Date of the Project.
- 5.2. Prior to the Interest Adjustment Date, interest shall accrue on the total amount of the Loan at the rate of eight percent (8%) per annum. The interest so calculated shall compound annually, not in advance, until the Interest Adjustment Date.
- 5.3. The amount of interest accrued on the Loan as calculated in section 5.2 shall be forgiven on the Interest Adjustment Date, provided that the Proponent has satisfied the requirements of the Agreement and is in good standing under this Agreement.
- 5.4. Following the Interest Adjustment Date, interest shall accrue on the total amount of the Loan at the rate of eight per cent (8%) per annum. The interest so calculated shall compound annually, not in advance.
- 5.5. Where the Proponent has satisfied the requirements of this Agreement, as of such anniversary date, the amount of the interest so owing shall automatically be forgiven on each anniversary date of the Interest Adjustment Date. The Proponent shall only pay the City the amount of interest, as calculated on the Loan amount according to the interest rate stipulated in section 5.4 if the requirements of this Agreement are not met.
- 5.6. The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Affordability Period, provided that the Proponent has fulfilled all the requirements of this Agreement.
- 5.7. The Proponent shall provide the City with such information respecting the Proponent's permanent financing obligations for the Project as the City may require from time to time.

6. CONDITIONS PRECEDENT TO THE TRANSFER OF THE LAND

- 6.1. The obligation of the City to transfer the Subject Lands to the Proponent is conditional upon the Proponent entering into an Agreement of Purchase and Sale attached as Schedule "H" with the City and with prior compliance with the following conditions precedent:

- a) The Proponent shall have confirmation of financing for all financing in its Project budget (capital budget and operating budget) and Project Construction Schedule to the City in a form and content satisfactory to the City;
- b) The Proponent shall have obtained site plan approval for the Subject Lands;
- c) The Proponent shall have delivered to the City evidence satisfactory to the City that the Proponent's equity has been paid, delivered or pledged;
- d) The City shall have received the following documents and materials each of which shall be satisfactory in substance in and in form to the City:
 - i. Certificates of incumbency of the persons signing on behalf of the Proponent;
 - ii. Certified copies of such corporate documents of the Proponent as the City may reasonably require including, without limitation, letters patent, articles of incorporation, certified abstracts from by-laws, and certified copies of relevant directors' resolutions;
 - iii. An opinion of the Proponent's counsel addressed to the City Solicitor's Office that:
 - A. The Proponent:
 - i. Is a body corporate, duly incorporated and properly organized and validly existing as a corporation under the laws of the jurisdiction in which it was incorporated;
 - ii. Is qualified to do business in the Province of Ontario;
 - iii. Has all the necessary corporate power and authority to carry on the business to be conducted by it in respect of the development, operation and management of the Project; and
 - iii. Has all the necessary corporate power and authority to enter into and perform its obligations under this Agreement, the Agreement of Purchase and Sale and each of the Security Documents to which it is a party in accordance with their respective terms;
 - B. This Agreement to which the Proponent is a party has been duly and validly authorized, executed and delivered by the Proponent and are valid and binding obligations of the Proponent enforceable in accordance with their respective terms;
 - C. Neither the execution and delivery by the Proponent of this Agreement to which it is a party nor compliance by the Proponent with any of their respective terms will contravene the charter documents or bylaws of the Proponent or, to the best of such counsel's knowledge, after having made due enquiry of the Proponent, contravene or result in a default under any other agreement or instrument by which Proponent may be bound or affected;
 - D. To the best of such counsel's knowledge, without having made independent enquiry, there are no actions or proceedings pending or threatened against the Proponent, before any court;
 - E. No encumbrances that are not permitted under the Contribution Agreement have been registered against the Subject Lands;

F. As to such other matters as the City or its counsel may reasonably request.

7. SECURITY

- 7.1. In conjunction with the conveyance of the Property to the Proponent, the Proponent shall provide the City with executed registerable security documents in the form attached hereto as Schedules “B-1”, “B-2” and “B-3” (the “Security”), completed in accordance with this Agreement.
- 7.2. The Security shall secure the obligations of the Proponent under this Agreement. The amount of the Loan shall be included in the Security documents.
- 7.3. Without limiting the Proponent's covenants and the remedies of the City under the Contribution Agreement and the Security, the Proponent agrees that a breach of this Agreement shall constitute a breach of the Security and a breach of the Security shall constitute a breach of this Agreement.
- 7.4. The City acknowledges and agrees that notwithstanding that the Security provides that the principal and interest secured thereunder is payable on demand, the City shall have no right to demand payment thereunder except in accordance with the provisions of this Agreement relating to repayment. In the event of a conflict or inconsistency between the provisions of this Agreement and the Security, the provisions of this Agreement shall prevail with respect to the Loan.

8. ACCOUNTABILITY FRAMEWORK

- 8.1. (a) In the event:
 - i. The City is advised by the Proponent that the Project will not proceed;
 - ii. The building permit for the Project is not issued on or before March 31, 2028, or such longer period of time as the City may determine;
 - iii. The Proponent has not complied with a term or condition of this Agreement;the Proponent will be in default, the Loan shall be payable to the City, forthwith upon demand.
- 8.2. Following the full completion of the Development Activities related to the Project, the Proponent shall submit the Initial Occupancy Report attached as Schedule “E” and annually thereafter shall complete the annual occupancy report attached as Schedule “F”.
- 8.3. Without limiting the Proponent’s obligations under any other section, the Proponent, if requested by the City, shall forthwith submit to the City information similar to an occupancy report, where necessary, in addition to any such material that the Proponent may have previously submitted to the City.
- 8.4. The Proponent represents that it has not provided any false or misleading information in relation to the Project and agrees that it shall not provide any false or misleading information under this Agreement.
- 8.5. The Proponent shall, at a mutually convenient and agreeable time, give the City free access to the Project and to such staff, documents, books, records, and accounts as may be required to conduct an audit, investigation, or inquiry for the purpose of verifying compliance with this Agreement.

8.6. The City may conduct an audit, investigation, or inquiry in relation to the Project or any larger development or project of which the Project is a part of, and the Proponent shall provide free access, at a mutually convenient and agreeable time, to the Project and to such staff, documents, book, records and accounts as may be determined by the City.

8.7. The provisions of sections 8.2, 8.3, 8.4, 8.5, and 8.6 shall continue to apply for a period of seven (7) years following the end of the Affordability Period of each Building as applicable or the date of any early termination of this Agreement.

9. REMEDIES

9.1. Upon the occurrence of any one or more of the following events (each an "Event of Default"):

(a) the failure of the Proponent to perform, observe or comply with any other term, covenant, condition or provision of this Agreement within thirty (30) days of receipt of written notice of the failure from the City provided the Proponent shall not be deemed to be in default if within the said period of thirty (30) days, the Proponent commences the necessary action to remove the failure and such action is diligently prosecuted;

(b) any representation or warranty made by the Proponent in this Agreement proves to have been untrue or misleading in any material respect as of the date on which it was made;

(c) the Improvements have not been substantially completed in accordance with the Plans and Specifications and such substantial completion is not certified to the City by the Quantity Surveyor on or before 12 months after the date require for substantial completion of the applicable building on the Property in accordance with this Agreement;

(d) any person commences an action, suit or proceeding materially affecting the Project or file a lien against the Property, or any person shall commence an action, suit or proceeding contesting or questioning the validity or enforceability of this Agreement, unless the Proponent shall diligently contest or settle such action, suit or proceeding and discharge any such lien forthwith without the requirement of notice by the City and post such bonds, cash or letters of credit or give such other security in order to obtain such discharge in amounts and on terms satisfactory to the City, acting reasonably.

(e) the Proponent ceases to carry on business;

(f) the Proponent:

(i) becomes insolvent or unable to pay its debts as they become due; or

(ii) files a petition in bankruptcy or voluntary petition seeking reorganization or effect a plan or other arrangement with creditors; or

(iii) makes an assignment for the benefit of creditors under the Bankruptcy Act (Canada) or any other insolvent debtors' legislation; or

(iv) applies for or consents to the appointment of any receiver or trustee for it or of all or any substantial part of its property and assets; or

(v) voluntarily liquidates or winds-up or suffers itself to be liquidated or wound-up;

(g) any of:

- (i) an involuntary petition seeking the adjudication of the Proponent as bankrupt or insolvent not removed within 30 days; or
 - (ii) an order of any court or other authority appointing any receiver or trustee for the Proponent or for all or any substantial portion of its property and assets; or
 - (iii) a writ of execution, judgment or writ of attachment or any similar process which may, in the reasonable opinion of the City, materially impair the ability of the Proponent to perform its obligations under this Agreement or any of the Security Documents shall be made, given or issued against the Proponent or in respect of its property and assets, and such petition, order, writ or judgment is not vacated or stayed within 15 days after its date;
- (h) the occurrence of a material adverse change in the financial condition of the Proponent which would, in the reasonable opinion of the City, detrimentally affect the ability of the Proponent to meet its obligations to the City; and
- (i) if the Improvements shall be entirely destroyed or damaged to such an extent that, in the opinion of the Quantity Surveyor, acting reasonably, they are no longer fit for the purpose for which they were intended and the insurance proceeds, if any, held by the City, in the opinion of the Quantity Surveyor, acting reasonably, are insufficient to repair such destruction or damage, and the Proponent has not provided evidence satisfactory to the City of the timely availability of such sufficient funds or timely ability to otherwise make the necessary repairs or replacement, then, at its option, the City may declare the full principal amount of the Loan then advanced, together with all other monies owing to the City hereunder, due and payable forthwith. In such case, the City may realize upon any and all security pledged to it and may commence such other legal actions or proceedings against the Proponent, the Property or assets of the Proponent as may be permitted hereunder, by any one or more of the Security Documents or at law or in equity, all as it, in its sole discretion, deems expedient. The Proponent hereby acknowledges that the City's remedies are cumulative and not mutually exclusive.

9.2. Complete Construction: If an Event of Default occurs, then a mutually agreed Committee of Stakeholders including the Proponent and the City shall be formed to establish an appropriate remedy. If the Committee of Stakeholders is not able to reach an agreement on an appropriate remedy, the City may, in addition to any other remedy available to it, enter upon and take charge of the Project and assuming full charge of the Improvements and may complete the Improvements or enter into a contract with another to complete the same, and all amounts advanced for such purpose, including reasonable legal fees incurred by the incident to the enforcement of any provisions hereof, shall be an indebtedness of the Proponent to the City. All such amounts, even though they may, when added to the monies advanced and disbursed under this agreement, exceed the Loan, shall be secured by the Mortgage and other Security Documents.

9.3. During Term of Agreement: Should the Proponent be in default under the terms of the Loan or under the terms of this Agreement or under the terms of any mortgage or other encumbrance registered on title to the Property, the City shall have the right to declare all or part of the unearned portion of the Loan due and payable immediately.

- 9.4. Assignment of Plans and Specifications: The Proponent hereby assigns to the City and its successors, the right to possess and use the Plans and Specifications and the Proponent's rights under all construction contracts, for the purpose of completing the Improvements if Proponent defaults subject to any prior assignment to the holder of any primary financing against the Property.
- 9.5. Costs and Expenses of Collection: All reasonable costs and expenses of collection (including legal fees, disbursements, and court costs) of all amounts owing hereunder or of enforcement of any security created in favour of the City pursuant hereto, shall be for the account of the Proponent and shall be repayable within thirty (30) days from the date of request.
- 9.6. All the remedies in this Agreement and the Security are cumulative and are not alternative and the City shall not be precluded from availing itself simultaneously of some or all of the said remedies and any other remedies available in equity or at law.
- 9.7. Notwithstanding any of the terms of this Agreement or of the Security, the City shall have the option of waiving any or all of its remedies under this Agreement and the Security, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

10. OPTION TO PURCHASE THE PROPERTY

- 10.1. The Proponent shall grant the City an Option to Purchase the Property in accordance with Schedule "A" for a term of twenty-five (25) years commencing on the Occupancy Date of the Project, exercisable upon an Event of Default under Section 9.1 of this Agreement or a transfer or assignment of the Proponent's interest in the Property pursuant to Sections 13.2 (b) and 16.12.
- 10.2. The Proponent hereby consents to the City's registration of a Notice of Option to Purchase against title to the Property, in first priority.

11. ENERGY EFFICIENCY AND BUILDING DESIGN

- 11.1. The Proponent confirms that the Project does not impose adverse impacts that cannot be mitigated.
- 11.2. Municipal Council of the City declared a Climate Emergency. The Proponent shall make reasonable efforts to design, construct, and operate the buildings on the Subject Lands with the highest energy efficiency possible.

12. REPRESENTATION AND WARRANTIES

- 12.1. The Proponent represents and warrants to the City that:
- a. The Proponent is duly incorporated, organized and validly existing under the laws of the Province of Ontario and has full capacity, power and authority to own all its property and to carry on its business as now conducted and as contemplated under this Agreement and all other agreements contemplated thereunder, and is duly qualified and in good standing in each jurisdiction in which the character of the property owned or leased or the nature of the business carried on by it makes such qualification necessary or desirable.
 - b. The Proponent has full corporate power, legal right and authority to enter into this Agreement and to do all acts and things as are required or contemplated hereunder to be done, observed or performed by it.

c. Neither the execution and delivery of this Agreement, the consummation of the transactions herein contemplated, nor the compliance with the terms, conditions and provisions hereof and of the mortgage will conflict with, or result in a breach of any of the terms, conditions or provisions of the constating documents of the Proponent or of any agreement or instrument to which it is now a party, or constitute a default thereunder, or (except as contemplated by this Agreement) result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Proponent (whether such properties or assets are owned legally or beneficially) pursuant to the terms of any agreement or instrument to which it is a party.

d. There is not now pending against the Proponent any litigation, action, suit or other proceeding of a material nature by or before any court, tribunal or other governmental agency or authority or any other such pending or threatened action, suit or other proceeding against the Proponent or against or affecting any of the properties or assets of the Proponent (whether such property or assets are owned legally or beneficially) such that if the same were adversely determined, it could be reasonably expected to materially and adversely affect the business operations, properties or assets, or the condition, financial or otherwise, of the Proponent.

e. Except as previously disclosed in writing to the City, the Proponent is not a party to any agreement or instrument or subject to any restriction or any judgment, order, writ, injunction, decree, rule or regulation which materially and adversely affects the business, operations, prospects, properties or assets, or condition, financial or otherwise, of the Proponent.

f. None of the information, financial or otherwise, provided by the Proponent to the City to induce the City to convey the Property and to enter into this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in light of the circumstances in which it was made.

13. COVENANTS OF THE PROPONENT

13.1. The Proponent covenants and agrees with the City that, it shall:

a. take all such actions and do all such things required to develop and continuously carry on the construction of the Improvements in a good and workman-like manner and in accordance with the Plans and Specifications;

b. do or cause to be done all acts and things necessary to preserve in full force and effect the existence of the Proponent and all licenses and permits required for the carrying on of the operations of the Proponent at and from the Property and to preserve and protect all of the properties, real and personal owned and used by the Proponent in connection with the Project and to cause the same to be properly maintained and to be kept in good state of repair;

c. pay and discharge or cause to be paid and discharged all taxes and other levies of the Province of Ontario, the City, or of any other entity having jurisdiction to impose such taxes or levies, when the same become due and payable, except such taxes as are being contested in good faith by appropriate proceedings and provided that, in such case the Proponent shall have provided the City with appropriate security;

d. deliver to the City the statements and reports as required by the Contribution Agreement.

13.2. The Proponent covenants and agrees with the City that, so long as any obligation is outstanding by the Proponent to the City hereunder the Proponent will not, without the prior written consent of the City:

a. create by the following encumbrances (collectively, the "Permitted Encumbrances"): create, incur, assume or permit to exist, after knowledge of the existence thereof, any mortgage, pledge, lien, hypothecation, charge (fixed or floating), security interest or other encumbrance whatsoever on the Property or any personal property or fixtures thereon except the following encumbrances:

i. encumbrances created in favour of or assigned or pledged to the City;

ii. inchoate or statutory liens for taxes which have not been assessed, or if assessed, which are either not delinquent or which are being contested by bona fide proceedings in good faith, and sufficient security for the payment of same has been given to the City, if requested;

iii. inchoate or statutory liens of contractors, sub-contractors, mechanics, suppliers, workers and others in respect of the construction, maintenance, repair and operation of the Improvements, provided that the same are not registered encumbrances against title to the Property or any personal property, or, if so registered, have been postponed to all charges in favour of the City contained in the Security Documents or are being contested by bona fide proceedings in good faith with sufficient security for the payment thereof having been given to the City or paid into Court to prevent effectively in the City's opinion realization by disposal or other alienation from the Proponent of its legal or beneficial title to or interest in any such property; and

iv. other Permitted Encumbrances listed in Schedule "D" hereto.

b. become a party, without the prior written consent of the City, to any transaction whereby the Subject Lands would become the property of any other person, whether by way of reorganization, amalgamation, merger, transfer, sale, lease, sale and leaseback, or otherwise. Such consent shall not be unreasonably withheld;

c. permit any change in the beneficial ownership of the Proponent without prior written consent of the City, such consent shall not be unreasonably withheld;

d. make any material change in the Plans and Specifications or the Construction Contract which pertains to the number or type of Affordable Rental Housing Units of the Project without the prior written approval of the City; or

14. INDEMNIFICATION

14.1. The Proponent shall indemnify and save harmless the City from all claims, costs, all matter of actions, cause and causes of action, duties, dues, accounts, covenants, demands or other proceeding of every kind or nature whatsoever at law or in equity arising out of this Agreement and out of the operation of the Affordable Rental Housing Units including claims arising out of negligence of the Proponent and specifically, all claims arising out of the intentional or criminal acts of any officers, directors, employees, agents, volunteers, or independent contractors of the Proponent. Such indemnification

shall survive the termination of this Agreement for claims arising from or out of incidents occurring the term of this Agreement.

- 14.2. The Proponent agrees to purchase and maintain, during the term of this Agreement third party liability insurance in a limit of not less than five million dollars (\$5,000,000) covering bodily injury, and loss or property damage resulting from any activity related in any way to this Agreement. This insurance shall include the City as an additional insured, a cross liability clause, severability of interest clause, non-owned automobile insurance and personal injury liability clause.
- 14.3. The Proponent further agrees, upon Substantial Completion, to purchase and maintain insurance policies that a prudent manager of similar premises would maintain and, without limiting those types of policies, at least the following:
 - a) Broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of the Project and with a deductible of not more than one hundred thousand dollars (\$100,000);
 - b) All risks property insurance (including flood and earthquake) in an amount equal to the full replacement cost of the Project and with a deductible of not more than one hundred thousand dollars (\$100,000).
- 14.4. In addition, during the design and construction period of the contract, the Proponent will obtain and maintain the following policies of insurance:
 - a) All risk builder's risk property insurance for the full replacement value of the completed construction project, including boiler and machinery, earthquake and flood based on a stated amount co-insurance and including a waiver of subrogation and loss payable, as their interest may appear, in favour of the City, and with a deductible of not more than one hundred thousand dollars (\$100,000) and remaining in effect until the completion of construction;
 - b) Construction liability insurance coverage including owners and contractors protective, broad form products and completed operations, cross liability and severability of interest clauses, blanket contractual, hook liability, employers liability, non-owned automobile liability and shoring, , excavating, under-pinning, demolition, pile driving and, work below and above ground surface, and grading, and similar operations associated with the construction work, as applicable; to an inclusive limit of not less than \$5,000,000 and in the joint names of the Proponent, City, designated consultants, designated contractors, all other contractors, sub- contractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants and other persons (including, but not limited to directors, officers, employees, shareholders, legislators and officials involved in the Project) which the City reasonably may require to be added as insured parties.
- 14.5. The Proponent shall advise the City of any cancellation, material alteration or lapse of any policies of insurance required to be provided hereunder. If the Proponent fails to effect and keep such insurance in force, or if such insurance is in an amount less than the amount
- 14.6. required under this Agreement, the City shall have the right, upon notice to the Proponent and without assuming any obligation in connection therewith, to effect such insurance at the cost of the Proponent and all outlays by the City shall be payable by the Proponent to the City forthwith upon demand without prejudice to any other rights and recourses of the City hereunder. No such insurance taken out by the City shall relieve the Proponent of its obligations to

insure hereunder and the City shall not be liable for any loss or damage suffered by the Proponent.

- 14.7. The Proponent shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining the insurance to be provided pursuant to this Article. Evidence that the insurance described above is in force shall be provided to the City prior to commencement of the Agreement and thereafter once annually at least ten (10) clear days prior to the renewal date of the policy, and that the insurance will not be cancelled or permitted to expire unless the insurer notifies the City in writing at least thirty (30) days prior to such cancellation.
- 14.8. Further, the Proponent shall require all professionals involved with the Project to carry professional (errors and omissions) liability insurance in an amount not less than two million (\$2,000,000) dollars and make reasonable efforts to verify such insurance is in force throughout the period of the work.
- 14.9. The Proponent agrees to obtain for its employees and to require all designated consultants, designated contractors, all other contractors, sub-contractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants and other persons Workplace Safety and Insurance Board coverage and to ensure that such coverage continues in effect throughout the period of the work.

15. NOTICE

- 15.1. Any notice or other communication required, desired or permitted to be given by this Agreement shall be in writing and shall be effectively given if:
 - (a) delivered personally;
 - (b) sent by prepaid courier service; or
 - (c) sent by e-mail communication, and confirmed by mailing the original documents so sent by prepaid mail on the same or following day, addressed as follows:
 - (i) in the case of notice to the City:

The Corporation of the City of London
Municipal Housing and Industrial Development
P.O. Box 5035 London, ON N6A 4L9
E-mail: housing@london.ca
 - (ii) in the case of notice to the Proponent:

Zerin Development Corporation
615 Colborne Street
London, ON N6B 2V3
E-mail:

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section.

Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day. Any notice or other communication transmitted by facsimile communication

shall be deemed to have been given and received on the day of its transmission, provided that such day is a Business Day and such transmission is completed before 4:30 p.m. on such day, failing which such notice or other communication shall be deemed to have been given and received on the first (1st) Business Day after its transmission. If there has been a mail stoppage and if a party sends a notice or other communication by facsimile communication, such party shall be relieved from the obligation to mail the original document in accordance with this paragraph.

16. GENERAL

- 16.1. Any power, right or function of the City contemplated by this Agreement, may be exercised by any employee, agent or assign of the City who is hereby specifically authorized in this regard.
- 16.2. It is understood that the Municipal Freedom of Information and Protection of Privacy Act shall apply to all records submitted to or created by the City pursuant to this Agreement.
- 16.3. The Proponent represents and warrants that:
- (a) it shall preserve the PIPEDA compliance of all PIPEDA protected Information transferred to it by the City;
 - (b) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information it collects in the course of performing its contractual obligations; and
 - (c) it shall ensure the PIPEDA compliance of all PIPEDA protected information that it transfers to the City.
- 16.4. Nothing in this Agreement is to be construed as authorizing one Party to contract for or incur any obligation on behalf of the other or to act as agent for the other and nothing in this Agreement shall be construed to constitute the City and the Proponent as partners of each other.
- 16.5. No member of:
- (a) the House of Commons or Senate of Canada; or
 - (b) the Legislative Assembly of Ontario; or
 - (c) the Municipal Council constituting the Service Manager or the Municipal Council of any local municipality of the Service Manager or the governing body of any Municipal Agency, Board or Commission, of any such municipalities;
- shall knowingly be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement.
- 16.6. Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or abridged by agreement in writing signed by the City and the Proponent or their respective solicitors on their behalf, who are hereby expressly authorized in this regard.
- 16.7. Any tender of documents or money hereunder may be made by the City or the Proponent or their respective solicitors, and it shall be sufficient that a bank draft or certified cheque may be tendered instead of cash.

- 16.8. This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed, and which has the effect of supplementing or superseding such statute or regulations.
- 16.9. The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.
- The Parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting the Property or this Agreement other than as expressed in writing in this Agreement.
- 16.10. This Agreement shall be read with all changes of gender and number required by the context.
- 16.11. The Proponent shall not transfer or convey its interest in all or any part of the Project without, subject to subsection 13.2(b), simultaneously assigning its interest in this Agreement to the transferee, which transferee shall enter into one or more agreements with the City, in a form satisfactory to the City, to assume all of the Proponent's obligations under this Agreement and to provide the City with Security in accordance with this Agreement.
- 16.12. The Proponent shall not assign its interest in this Agreement and/or the Property without the prior written consent of the City, which consent shall not be arbitrarily or unreasonably withheld.
- 16.13. For the purpose of this Agreement, a transfer of the beneficial interest in the shares of the Proponent shall be deemed to constitute an assignment if it results in a change in the party or parties who owns or own more than fifty per cent (50%) of the voting shares of the said corporation.
- 16.14. Each of the Parties shall, at any time and from time to time, upon not less than twenty (20) Business Days prior written notice by the other Party, execute and deliver to the other Party a statement in writing certifying that this Agreement is in good standing, unmodified and in full force and effect, or if there have been modifications that the same are in good standing and in full force and effect, as modified, and stating the modifications. Where applicable, the statement shall state the defaults, if any, known to the Party to whom such request has been made and the action taken or proposed to be taken by such requested Party with respect to same.
- 16.15. If more than one entity is a party to this Agreement as a Proponent, all references to the Proponent shall include all of the said entities and this Agreement shall be binding on each jointly and severally.
- 16.4 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided that this paragraph shall in no way derogate from the provisions herein restricting the Proponent's ability to assign this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by the **Parties**.

THE CORPORATION OF THE CITY OF LONDON

Josh Morgan, Mayor

Michael Schulthess, City Clerk

ZERIN DEVELOPMENT CORPORATION

Name:
Title:

I have the authority to bind the Corporation.

SCHEDULE "A" OPTION AGREEMENT

This Option Agreement dated the _____ day of _____, 2026.

Between:

ZERIN DEVELOPMENT CORPORATION

(hereinafter called "the Optionor")

and

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called "the Optionee")

WHEREAS the Optionor is the owner of an estate in fee simple in the lands hereinafter referred to;

AND WHEREAS the Optionee has conveyed to the Optionor, the Subject Lands in the City of London, County of Middlesex hereinafter referred to as the "Property", pursuant to an Agreement of Purchase and Sale dated March 31, 2026("APS") and subject to the conditions contained in the Contribution Agreement to which this Option Agreement is appended;

AND WHEREAS it being a condition of the conveyance of the Property to the Optionor that the Optionee be granted an Option to reacquire the Property in fee simple, free and clear of all liens, claims, charges or encumbrances, under certain conditions;

NOW THEREFORE this agreement witnesseth that in consideration of these covenants and agreements herein contained, and in consideration of the payment or payments made or to be made to the Optionor by the Optionee in accordance with the provisions of this agreement, the Optionor agrees to sell to the Optionee the Property upon the terms and subject to the conditions hereinafter set forth:

1. Capitalized terms in this Agreement not otherwise defined shall have the meaning defined within the Contribution Agreement to which this Option Agreement is appended.
2. The Optionor hereby grants to the Optionee, for a period of twenty-five (25) years commencing on the date of the transfer of the Subject Lands, (the "Term") the option to purchase the Property for the purchase price as hereinafter set forth subject to the terms and conditions set out herein (the "Option"). The Option shall be exercisable by the Optionee only upon the occurrence of any one of the following events (the "Triggering Events") during the Term:
 - a. The occurrence of an Event of Default under Section 9 of the Contribution Agreement; or
 - b. The Optionor requests the City's consent to assign or otherwise transfer their interest in the Property pursuant to Sections 13.2 (b) and 16.12 of the Contribution Agreement.
3. The Optionee may exercise the Option by the delivery of written notice to the Optionor at any time after the occurrence of a Triggering Event, prior to the expiry of the Term. The date for completion ("Closing") specified in such notice from the Optionee to the Optionor shall be no less than 30 days and no more than 120 days after the date of such notice, subject to any further extensions of Closing required to facilitate the determination of the purchase price.
4. If the Optionor has advised that the Project will not proceed or if an Event of Default occurs prior to Substantial Completion of the buildings on the Property, the Optionee may exercise its Option and the Property will be transferred to the Optionee at

nominal consideration. If an Event of Default occurs after Substantial Completion, the purchase price for the Property pursuant to the Option shall be the fair market value of the Property, determined as of the date of the exercise of the Option. The fair market value shall be such amount as is agreed upon by the Optionor and Optionee or, failing such agreement, such amount as may be as determined by a qualified appraiser selected by agreement of the parties or, failing agreement as to an appraiser, the average of the amounts determined by three qualified appraisers, one of whom shall be selected by the Optionor, one of whom shall be selected by the Optionee and the third of whom shall be selected by the other two appraisers. The purchase price shall be paid by cash or cheque of lawful money of Canada as follows:

(a) The Optionee shall be credited a setoff against the purchase price equivalent to the total amount of the Loan, being \$4,210,000, plus any accrued interest that remains payable at the date of exercise of the Option and any additional amounts the parties may agree remain owing to the Optionee by the Optionor on Closing;

(b) the balance of the purchase price shall be paid by the Optionee on Closing, subject to the usual adjustments.

5. The Optionor shall on Closing execute and deliver to the Optionee a good and valid deed or Transfer (the "Conveyance") of the Property in appropriate form for registration in the land registration office where the Property are recorded in order to enable the Optionee to be registered as owner in fee simple of such Property and the Optionor covenants with the Optionee that it will execute such further assurances of the Property as may reasonably be required.

6. Provided the title to the property is good and free from all encumbrances, except as otherwise expressly provided herein, and except as to any registered easements, restrictions or covenants that run with the land, or municipal by-laws, or other governmental enactments, providing that such are complied with. If prior to Closing any valid objection to title or to the fact that the proposed use of the Property by the Optionee may not lawfully be undertaken is made in writing to the Optionor (or its solicitors) and which the Optionor is unable or unwilling to remove, remedy or satisfy and which the Optionee will not waive, this Agreement, notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies therefore paid shall be returned to the Optionee without interest or deduction and the Optionor shall not be liable for any costs or damages.

7. The Optionor covenants to the Optionee that it has the right to convey the Property to the Optionee notwithstanding any act of the Optionor and that the Optionee shall have vacant and quiet possession of the lands free from all encumbrances, except residential leases, as aforesaid, from and after Closing.

8. The Property and any other things being purchased shall be and remain until Closing at the risk of the Optionor. Pending Closing, the Optionor shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, the Optionee may either terminate this agreement or else take the proceeds of any insurance and complete the purchase.

9. All Harmonized Sales Tax (HST), if any, which may be payable in connection with this transaction, shall be in addition to and not included in the Purchase Price. The Optionee is a HST Registrant and will account for its HST liability, if any, in accordance with Subsection 228(4) of the Excise Tax Act.

10. The Optionor shall pay all charges including, without limitation, taxes (including local improvements) levied against the Property up to and including Closing and the Optionee shall pay all said taxes after that date.

11. The Optionor hereby agrees that the Optionee shall have the right to register this Option Agreement, or notice of any of the Optionee's rights hereunder, against the title to the Property, and the Optionor agrees to promptly execute any documents required in connection therewith.

12. This Agreement is conditional on compliance with the subdivision control provisions of the Planning Act (Ontario).

13. This Agreement shall be binding upon and enure to the benefit of the Optionor and the Optionee and their respective successors and assigns and the Optionor covenants and agrees that prior to conveying any interest in the Property it shall obtain an agreement by any successor, assigns or transferee in favor of the Optionee whereby such successor, assign or transferee to be bound by all of the terms of this Agreement in favor of the Optionee.

14. The parties hereto acknowledge each with the other that neither execution nor registration of the Conveyance, nor the issuance of title to the Optionee, shall supersede, cancel or in any way render unenforceable any of the provisions of this agreement.

15. All notices required or permitted to be given hereunder shall be in writing and may be given by either (i) delivering the same to the other party, or (ii) if postal service is fully operative, by mailing same by registered mail postage prepaid:

in case of the Optionee to:
The Corporation of the City of London
Realty Services Division
300 Dufferin Avenue, P.O. Box 5035
London, ON N6A 2L9
Attention: Director, Realty Services

and in the case of the Optionor to:
Zerin Development Corporation
615 Colborne Street
London, ON N6B 2V3

or to such other address as the Optionee and the Optionor respectively may from time to time designate in writing and any such notice shall be deemed to have been given to and received by the addressee on the date on which it was delivered or if mailed shall be deemed to have been given to and received by the addressee on the fifth business day following the date on which it was deposited in the mail, except in the event of interruption of mail service after mailing, in which event it shall be deemed to have been given when actually received.

IN WITNESS THEREOF the Optionee has hereunto executed this agreement as of the day and year first above written.

Zerin Development Corporation

Name:

Title:

Name:

Title:

**THE CORPORATION OF THE CITY OF
LONDON**

Josh Morgan, Mayor

Michael Schulthess, City Clerk

SCHEDULE “B-1”, “B-2”, “B-3”
SECURITY DOCUMENTS

Schedule B-1: City Charge/Mortgage of Land - register in land titles/land registry system

Schedule B-2: Assignment of Rents - register in land titles/land registry system and PPSA

Schedule B-3: Security Agreement (chattels) - register in PPSA

SCHEDULE "B-1"
CITY CHARGE / MORTGAGE OF LAND

ADDITIONAL PROVISIONS: Continued from Page 1 - Box 10 (TERAVEIW)

1. Section 24 of the Standard Charge Terms filed as No. 200033 is deemed to be excluded.
2. This Charge/Mortgage of Land is collateral security for a Contribution Agreement made between the Chargor and the Corporation of the City of London ("Chargee"), dated the 31st day of March, 2026, (the "Contribution Agreement") under which the Chargee contributed a total of four million, two hundred ten thousand dollars (\$4,210,000) (the "Loan") towards the Project and is in addition to and not in substitution for any other security held by the Chargee for all or any part of the monies secured under this Charge/Mortgage of Land.
3. In the event of a breach of the terms of the Security Agreement or the Assignment of Leases and Rents being given by the Chargor to the Chargee simultaneously with this Charge, the principal balance then outstanding, together with any other amounts payable pursuant to the terms of this Charge, shall forthwith become due and payable at the option of the Chargee and all powers conferred by this Charge shall become exercisable by the Chargee.
4. With respect to the portion of the Loan advanced by the Chargee:
 - (a) Prior to the Interest Adjustment Date as defined in the Contribution Agreement, interest shall accrue on the total amount of the Loan at the rate of eight per cent (8%) per annum. The interest so calculated shall compound annually, not in advance, until the Interest Adjustment Date.
 - (b) On the Interest Adjustment Date, the amount of interest accrued shall be forgiven, provided that the Chargor has satisfied all requirements as set out in the Contribution Agreement and is in good standard under the Contribution Agreement.
 - (c) Following the Interest Adjustment date, interest shall accrue on the total amount of the Loan at a rate of eight per cent (8%) per annum. The interest so calculated shall compound annually, not in advance.
 - (d) On each anniversary date of the Interest Adjustment Date, the Chargor shall pay the Chargee the amount of interest, as calculated according to the interest rate stipulated in paragraph 4(c), so accrued during the previous year; provided, however, if the Chargor has satisfied, as of such anniversary date, the requirements of the Contribution Agreement, the amount of the interest so owing shall automatically be forgiven.
 - (e) The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Loan, provided that the Chargor has fulfilled all the requirements of the Contribution Agreement.
 - (f) Upon the occurrence of any one or more of the Events of Default described in the Contribution Agreement, the Chargee, at its option, may declare the outstanding principal amount of the Loan then advanced, together with all other moneys owing under the Contribution Agreement, due and payable forthwith.

5. The Chargor covenants with the Chargee that upon request in writing from the Chargee, it will provide the Chargee, within thirty (30) days of receipt of such request, a schedule containing the names of all tenants in the building constructed on the Charged Premises, accompanied by a certificate of an officer of the Chargor confirming the terms of all existing leases, that the same are in full force and effect, that the Chargor has complied with all terms thereof, that there are no outstanding set-offs or equities disclosed or undisclosed as between the Chargor and the tenant, that no money other than a maximum of two (2) months rent has been prepaid by the tenant to the Chargor, and that the tenant is aware of the assignment by the Chargor of all rents and leases affecting the Charged Premises.

6. The Chargor covenants with the Chargee that if the Chargee makes any payment, in connection with the determination, establishment or preservation of its priority, whether such payment is made to a lien claimant or other person claiming an interest in the Charged Premises or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall be forthwith payable to the Chargee by the Chargor and shall be a charge on the Charged Premises and shall be added to the debt hereby secured and shall bear interest at the said rate, and in default of payment, the power of sale and other remedies hereunder may be exercised. It is further agreed that the Chargee shall not become a mortgagee in possession by reason only of exercising any of the rights given to them under this paragraph or in making any payment to preserve, protect or secure the Charged Premises.

7. The Chargor covenants with the Chargee that in the event of the Chargor selling, conveying, transferring or entering into an agreement for the sale or transfer of title of the Charged Premises to a purchaser or transferee not approved in writing by the Chargee, which approval shall not unreasonably be withheld, delayed or conditioned, all monies hereby secured with accrued interest thereon, at the option of the Chargee, shall forthwith become due and payable.

8. Subject to the renewals, replacements and consolidations permitted in paragraph 13 below, the Chargor shall not further mortgage or encumber the Charged Premises without the prior written approval of the Chargee, save and except for a prior ranking mortgage in favour of Canada Mortgage and Housing Corporation.

9. The Chargor shall take out and maintain throughout the term of the Charge the following insurance, all in a form and with insurers acceptable to the Chargee, acting reasonably:

- (a) all policies shall include thirty (30) days written notice to the Chargee of material alteration or cancellation and must be signed by the insurer(s) or their authorized representative(s);
- (b) the policies shall include the Chargee as loss payee, as its interest may appear, and shall contain the Insurance Bureau of Canada approved standard mortgage clause endorsement; all risks, including extended coverage and flood, to full one hundred per cent (100%) replacement cost, and boiler and pressure vessel and machinery insurance;
- (c) comprehensive or commercial general liability insurance to a limit of not less than five million dollars (\$5,000,000.00) per occurrence;
- (d) general liability coverage for non-owned automobile to a limit of not less than two million dollars (\$2,000,000.00); and

(e) co-insurance shall not be acceptable.

10.

(a) The Chargor, at its sole cost and expense, shall comply, or cause its tenants, agents, and invitees, at their sole cost and expense, to comply with all federal, provincial and municipal laws, rules, regulations and orders, with respect to the discharge and removal of hazardous or toxic wastes, and with respect to the discharge of contaminants into the natural environment. The Chargor shall pay immediately when due the cost of removal of any such wastes and the cost of any improvements necessary to deal with such contaminants and keep the Charged Premises free and clear of any lien imposed pursuant to such laws, rules and regulations. In the event the Chargor fails to do so, after notice to the Chargor and the expiration of the earlier of (i) any applicable cure period under the Charge or (ii) the cure period under the applicable law, rule, regulation or order, the Chargee at their sole option may declare the Charge to be in default.

(b) The Chargor shall indemnify and hold the Chargee harmless from and against all losses, costs, damages or expenses (including, without limitation, legal fees and costs incurred in the investigation, defence and settlement of any claims) relating to the presence of any hazardous waste or contaminant referred to herein.

11. The Chargee or its agents may, at any time, before and after default, and for any purpose deemed necessary by the Chargee, enter upon the Charged Premises to inspect the lands and buildings thereon. Without limiting the generality of the foregoing, the Chargee or its agents may enter upon the Charged Premises to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee and the reasonable cost of such testing, assessment, investigation or study, as the case may be, shall be payable by the Chargor forthwith and shall be a charge upon the said Charged Premises. The exercise of any of the powers enumerated in this paragraph shall not deem the Chargee or its agents to be in possession, management or control of the said lands and buildings.

12. At any time after the security hereby constituted becomes enforceable, or the moneys hereby secured shall have become payable, the Chargee may appoint in writing a receiver or receiver-manager (the "Receiver") of the Charged Premises, with or without bond, and may from time to time remove the Receiver and appoint another in its stead, and any such Receiver appointed hereunder shall have the following powers:

(a) To take possession of the Charged Premises and to collect the rents and such property, undertaking and assets of the Chargor assigned and/or charged to the Chargee herein and for such purpose to enter into and upon any lands, buildings and premises and for such purpose to do any act and take any proceedings in the name of the Chargor or otherwise as it shall deem necessary, specifically including, but not limited to managing, operating, repairing, altering or extending the Charged Premises or any part thereof;

(b) To employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as it shall think proper, to repair and keep in repair the Charged Premises and to do all necessary acts and things for the protection of the said Charged Premises;

(c) To sell or lease or concur in selling or leasing any or all of the Charged Premises, or any part thereof; and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver; and any such sale may be made from time to time as to the whole or any part or parts of the Charged Premises; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise which it shall deem proper; and it may buy or rescind or vary any contracts for the sale of any part of the Charged Premises and may resell the same, and it may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in its sole opinion to be most advantageous and at such prices as can reasonably be obtained thereof; and in the event of a sale on credit, neither the Receiver nor the Chargee shall be accountable for or charged with any moneys until actually received;

(d) To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of this Charge and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;

(e) To borrow money to carry on the operations of the Chargor at the Charged Premises and to charge the whole or any part of the Charged Premises in such amounts as the Receiver may from time to time deem necessary, and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall constitute a Charge against the Charged Premises in priority to this Charge;

(f) To execute and prosecute all suits, proceedings and actions which the Receiver, in its opinion, considers necessary for the proper protection of the Charged Premises, and to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;

(g) To execute and deliver to the purchaser of any part or parts of the Charged Premises, good and sufficient deeds for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deed, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other persons claiming the said property or any part or parcels thereof by, from, through or under the Chargor, and the proceeds of any such sale shall be distributed in the manner hereinafter provided;

(h) The net profits of the operations of the Chargor at the Charged Premises and the net proceeds of any sale of the Charged Premises or part thereof shall be applied by the Receiver, subject to the claims of any creditor ranking in priority to this Charge:

(i) Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by it of all or any of the powers aforesaid, including the reasonable remuneration of the Receiver and all amounts properly payable by it;

- (ii)
- (iii) Secondly, in payment of all costs, charges and expenses payable hereunder;
- (iv) Thirdly, in payment to the Chargee of the principal sum owing hereunder;
- (v) Fourthly, in payment to the Chargee of all interest and arrears of interest, if any, and any other monies remaining unpaid hereunder; and
- (vi) Fifthly, any surplus shall be paid to the Chargee, provided that in the event any party claims a Charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.

(j) During any period wherein the Chargee or any receiver or receiver and manager appointed by it shall manage the Charged Premises or any part thereof, upon or after entry, as provided herein, the Chargee shall not, nor shall any receiver or receiver and manager, be responsible or liable for any debts contracted by it, for damages to any other property or person, or for salaries or non-fulfilment of any contract, save and except as to claims at law or in equity to an accounting; and the Chargee shall not be bound to do, observe, or perform or to see the observance or performance by the Chargor of any of the obligations herein imposed upon the Chargor nor in any other way supervise or interfere with the conduct of the Chargor's operations of the Charged Premises;

(k) The Chargee shall not be liable to the Receiver for his remuneration, costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising, unless the same shall be caused by his own gross negligence or willful default; and he shall, when so appointed, by notice in writing pursuant hereto, be deemed to be the agent of the Chargor, and the Chargor shall be solely responsible for his acts and defaults and for his remuneration;

(l) Save as to claims for an accounting contained in this paragraph, the Chargor hereby releases and discharges any such Receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by such Receiver, unless such claim be in direct and proximate result of dishonesty or fraud; The Chargee may, at any time and from time to time, terminate any Receiver by notice in writing to the Chargor and to the Receiver;

(m) The statutory declaration of an employee or agent of the Chargee as to default under the provisions of this Charge and as to the due appointment of the Receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with the Receiver through its ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual;

13. The rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.

SCHEDULE "B-2"

ASSIGNMENT OF RENTS

THIS ASSIGNMENT made this _____ day _____, 2024,

BETWEEN:

ZERIN DEVELOPMENT CORPORATION

(hereinafter called the "Assignor")

- and -

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the "Assignee")

WHEREAS:

1. The Assignor is the owner of the lands and premises hereof (the "Premises"), subject to a charge to the Assignee of even date (the "Charge");
2. The Assignor has leased or granted a right of use, occupation or license with respect to parts of the Premises and will from time to time lease or grant a right of use, occupation or license with respect to parts of the Premises.

NOW THEREFORE, the Assignor and the Assignee agree with each other as follows:

1. The Assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns, as security for payment of the principal and interest and other moneys secured by the Charge and for performance of the obligations of the Assignor thereunder, all rents, charges and other moneys (the "Rents") now due and payable or hereafter to become due and payable,
 - (a) under every existing and future lease of and agreement to lease the whole or any portion of the Premises,
 - (b) under every existing and future tenancy, use, occupation or license granted by the Assignor, its successors and assigns, in respect of the whole or any portion of the Premises, whether or not pursuant to a lease, agreement to lease or license, and
 - (c) under every existing and future guarantee of all or any of the obligations of existing or future tenants, users, occupiers or licensees of the whole or any portion of the Premises, including all rents and other moneys under every lease, agreement to lease, use, occupancy, license and guarantee (the "Leases"), with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents, and to enforce payment of the same in the name of the Assignor, its successors and assigns, or otherwise.
2. The Assignor shall be permitted to collect and receive the Rents as and when the same shall become due and payable according to the terms of the Leases,

unless and until the Assignor is in default under any of the provisions of the Charge and thereafter, the Assignee shall give notice to the tenant, user, occupier, licensee or guarantor, requiring the same to pay the Rents to the Assignee, which notice shall be binding upon the Assignor and may not be contested by it.

3. The Assignor represents, warrants, covenants and agrees that, subject to the provisions of paragraph 9,
 - (a) none of the Leases or the Assignor's rights thereunder, including the right to receive the Rents, have been or will be amended (except in the ordinary course of business), assigned, encumbered, discounted (save and except in connection with any settlement with a defaulting tenant in the ordinary course of business) or anticipated in priority to this Assignment, without the prior written consent of the Assignee;
 - (b) it has not and will not do or omit to do any act having the effect of terminating, canceling or accepting surrender of any of the Leases or of waiving, releasing, reducing or abating any rights or remedies of the Assignor or obligations of any other party thereunder or in connection therewith;
 - (c) none of the rights, remedies and obligations are or will be affected by any reduction, abatement, defense, set-off or counterclaim;
 - (d) none of the Rents under any of the Leases has been or will be paid in advance, except rent for the ensuing month and rent for the last month of the term of the lease;
 - (e) none of the Rents under any of the Leases has been paid prior to the due date for payment thereof;
 - (f) there has been no default under any of the Leases;
 - (g) there is no outstanding dispute under any of the Leases between the Assignor and any other party thereto;
 - (h) each of the Leases is valid, enforceable and in full force and effect;
 - (i) the Assignor shall observe and perform all of its obligations under the Leases.
4. Nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of the Rents or any of them or for the performance of any obligations or provisions under or in respect of the Leases or any of them to be observed and performed by the Assignor; and the Assignee shall not, by virtue of this Assignment or their receipt of the Rents or any of them, become or be deemed to be a mortgagee in possession; and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them, or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them; and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less proper collection charges and such moneys may be applied on account of any indebtedness of the Assignor to the Assignee.

5. In the event the Assignee shall have exercised its rights under paragraph 2 and shall have received any of the Rents and if the Assignor shall cure the default under the Charge which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee shall provide the Assignor with details of all Rents received by them prior to such resumption.
6. The Assignor covenants and agrees to execute such further assurances as may be reasonably required by the Assignee from time to time to perfect this Assignment and without limiting the generality of the foregoing, upon the request of the Assignee made at any time, it shall assign, transfer and set over unto the Assignee the Leases or such of them so requested by a valid assignment thereof and shall give any other parties thereto a notice of such assignment and shall obtain from them acknowledgements of such notice, and the Assignor hereby irrevocably appoints the Assignee its attorney to effect and execute such assignment.
7. A full and complete Discharge of the Charge shall operate as a full and complete release and re-assignment of all of the Assignee's rights and interest hereunder, and after the Charge has been fully discharged, this instrument shall be void and of no further effect. In the event further documentation is required for such release and re-assignment, the Assignees shall execute the same promptly, upon request by the Assignor.
8. This Assignment is given in addition to and not in substitution for any other security held by the Assignee for all or any part of the monies secured under the Charge. It is understood and agreed that the Assignee may pursue its remedies under the Charge or hereunder or under any other security, concurrently or successively, at its option. Any judgment or recovery hereunder or under any other security held by the Assignee for the monies secured under the Charge shall not affect the right of the Assignee to realize upon this or any other security.
9. This Assignment is hereby postponed to the Assignment of Rents registered against the Premises as of the date of registration of this Assignment and any extension or renewal thereof and any specific assignment of Rents made thereunder from time to time.
10. This Assignment shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF this Assignment has been executed on behalf of the Assignor by its authorized officers.

Name:

Title:

ZERIN DEVELOPMENT
CORPORATION

I have the authority to bind the Corporation.

SCHEDULE "B-3"
SECURITY AGREEMENT

THIS AGREEMENT made this _____ day of _____, 2024,

BETWEEN:

ZERIN DEVELOPMENT CORPORATION

(hereinafter called the "Assignor")

- and -

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the "Assignee")

1. SECURITY INTEREST

- 1.1 **IN CONSIDERATION** of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignees, the Assignor hereby grants, bargains, assigns and transfers to the Assignees a fixed and specific mortgage and charge, as and by way of a continuing security interest (the "Security Interest") in the following property now or hereafter owned or acquired by or on behalf of the Assignor:

Equipment - All tools, machinery, equipment, furniture, plants, fixtures, and other tangible personal property, fixed goods, chattels or assets of the kind, nature or description of the property particularly described in Schedule "B" hereto (the "Collateral").

- 1.2 The Security Interest is given for the payment of all obligations, indebtedness and liabilities, direct and indirect, of the Assignor to the Assignee, pursuant to the charge/mortgage (the "Charge") given by the Assignor to the Assignee, registered on
[insert date and Registry Office: _____]
as Instrument No. [insert number: _____], including extensions or renewals thereof (the "Obligations").

2. LOCATION OF PROPERTY

- 2.1 The Assignor confirms and warrants that the Collateral shall be kept at 1408 Hyde Park Road, London, Ontario more particularly described in Schedule "A1" hereto, and that the Assignor shall not remove any of the Collateral from said location, without the prior written consent of the Assignee.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

- 3.1 The Assignor hereby represents, warrants and covenants to or with the Assignee, as the case may be, that:
- (a) the Assignor shall reimburse the Assignee for all costs and expenses, (including legal fees on a solicitor and his own client basis), incurred by them in the filing of this Agreement and the taking, recovering or possessing the Collateral, and in any other proceedings taken for the purpose of protecting

or enforcing the remedies provided herein, or otherwise in relation to the Collateral or by reason of non-payment of the Obligations, and all such costs and expenses shall be payable on demand;

- (b) at the time of execution and delivery of this Security Agreement, the Assignor is and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title to the Collateral, free of any charge, lien, charge, security interest or encumbrance.
- (c) the Assignor shall not remove any of the Collateral from the lands and premises described in paragraph 2, without the Assignee's prior written consent, unless such Collateral is worn out or obsolete and provided that prior to such removal such Collateral is replaced with other Collateral of comparable quality, which shall be free of any mortgage, lien, charge, security interest or encumbrance, from time to time, of the said lands and premises;
- (d) the Assignor shall care for, protect and preserve the Collateral and shall not permit its value to be impaired, and shall not sell, transfer, assign, mortgage, charge, pledge, hypothecate or deliver or otherwise dispose of any such property or any interest therein from time to time, of the lands and premises described in Schedule A1, without the prior written consent of the Assignee;
- (e) the Assignor shall keep the Collateral insured under the policies provided for in the Charge;
- (f) the Assignee shall be entitled, from time to time and at any time, to inspect the Collateral wherever located and to make enquiries and tests concerning the Collateral, and the Assignor shall defray all expenses in connection therewith; and
- (g) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Assignor in accordance with its terms.

4. USE OF SPECIFICALLY CHARGED PROPERTY

- 4.1 Until the occurrence of an event of default, as hereinafter provided, the Assignor may use the Collateral specifically charged in any lawful manner not inconsistent with this Agreement.

5. EVENTS OF DEFAULT

- 5.1 Obligations not payable on demand shall immediately become payable upon the occurrence of one (1) or more of the following events of default:
 - (a) the Assignor fails to pay when due any of the Obligations, or to perform or rectify a breach of any of the representations, warranties or covenants of this Agreement or of the Charge;
 - (b) the Assignor ceases or threatens to cease to carry on business, becomes insolvent or the subject of bankruptcy or insolvency proceedings;
 - (c) an encumbrancer takes possession of any of the Collateral or any process of execution is levied or enforced upon or against any of the Collateral;
 - (d) indebtedness or liability of the Assignor, other than to the Assignee, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof, or any such indebtedness or liability shall

not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or any guarantee given by the Assignor is not honoured when due and called upon;

and the Assignee shall have all rights and remedies under the applicable laws, as well as any other rights and remedies provided by this Agreement.

6. ADDITIONAL POWERS UPON DEFAULT

6.1 In addition to the rights and powers provided in paragraphs 5 and 8 and under the *Personal Property Security Act*, the Assignee and the Receiver, as defined in paragraph 8, shall have the following rights and powers, if the security hereby constituted becomes enforceable:

to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition; and the Assignor shall from time to time forthwith on the Assignee's request, execute, do and make all such agreements, statements, further assignments, acts, matters and things which may, from time to time, in the opinion of the Assignee, be necessary or expedient for the purpose of carrying into effect any of the provisions hereof and of perfecting the title of the Assignee in the collateral; and the Assignee and any of its managers or acting managers are by the Assignor hereby irrevocably constituted and appointed the true and lawful attorney of the Assignor, with full power of substitution for the Assignee, at its option, whenever and wherever it may deem necessary or expedient to do, make and execute all such statements, assignments, documents, acts, matters or things, with the right to use the name of the Assignor.

7. WAIVER BY THE ASSIGNEE

7.1 Any breach by the Assignor of any of the provisions contained in this Agreement or any default by the Assignor in the observance or performance of any covenant or condition required to be observed or performed by the Assignor hereunder may only be waived by the Assignee in writing, provided that no such waiver by the Assignee shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

8. APPOINTMENT OF RECEIVER AND MANAGER

8.1 The Assignee may appoint in writing any person, whether an employee or employees of the Assignee or not, to be a receiver or a receiver and manager (the "Receiver") of the Collateral or any part of parts thereof.

8.2 A receiver so appointed shall have power:

- (i) to take possession of, collect and get in the Collateral or any part thereof, and for that purpose to take any proceedings in the name of the Assignor or otherwise; and
- (j) to sell or concur in selling any of the Collateral.

8.3 Any Receiver so appointed shall be deemed to be the agent of the Assignor. The Assignor shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Assignees shall not, in any way, be responsible for any misconduct or negligence on the part of the Receiver.

- 8.4 All moneys received by the Receiver after providing for payment of all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver shall be applied in or towards satisfaction of the Security Interest.
- 8.5 The rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights the Assignees may have from time to time.

9. NOTICE

- 9.1 The Assignor shall be entitled to not less than fifteen (15) days notice in writing of the date, time and place of any intended disposition of the Collateral, such notice to be sent by registered mail to the last known registered office address of the Assignor.

10. APPROPRIATION

- 10.1 The Assignee shall have the right, at any time, to appropriate any payment made to any portion of the Obligations and to revoke or alter any such appropriation.

11. TERM

- 11.1 This Agreement shall be a continuing agreement, in every respect, for the payment of the Obligations and it shall remain in full force until all of the Obligations shall be paid in full. In the event any provisions of this Agreement shall be deemed invalid or void by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

12. NON-SUBSTITUTION

- 12.1 The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Assignee.

13. ACKNOWLEDGEMENT

- 13.1 The Assignor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF this Assignment has been executed on behalf of the Assignor by its authorized officers.

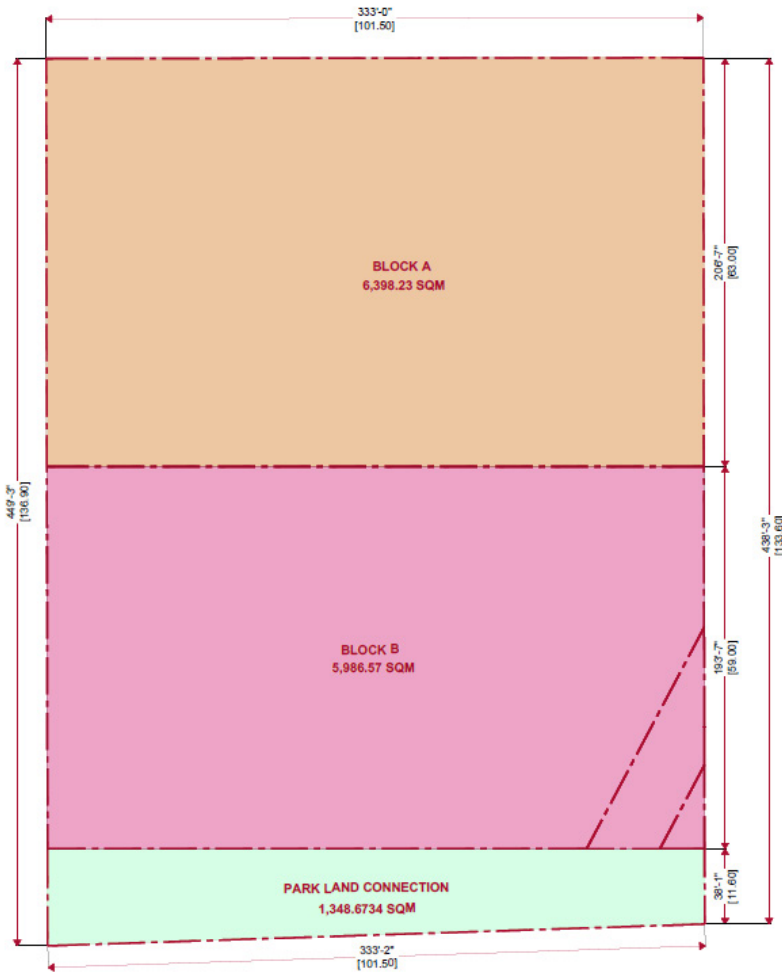
Zerin Development Corporation

I have the authority to bind the Corporation.

SCHEDULE "A1"

LOCATION OF THE COLLATERAL

Part of Lots 72, 73, 74 and 75, Plan 33M219 as shown as Block "B" in the sketch attached hereto as Schedule "A" and to be more particularly described in a reference plan to be deposited, being part of PIN 08053-1409.



SCHEDULE "B
PROPERTY COMPRISING THE COLLATERAL

All refrigerators, stoves, washers, dryers and all other items of personal property owned by the Assignor and located on or used in connection with the operation of the lands and premises described in Schedule "A1".

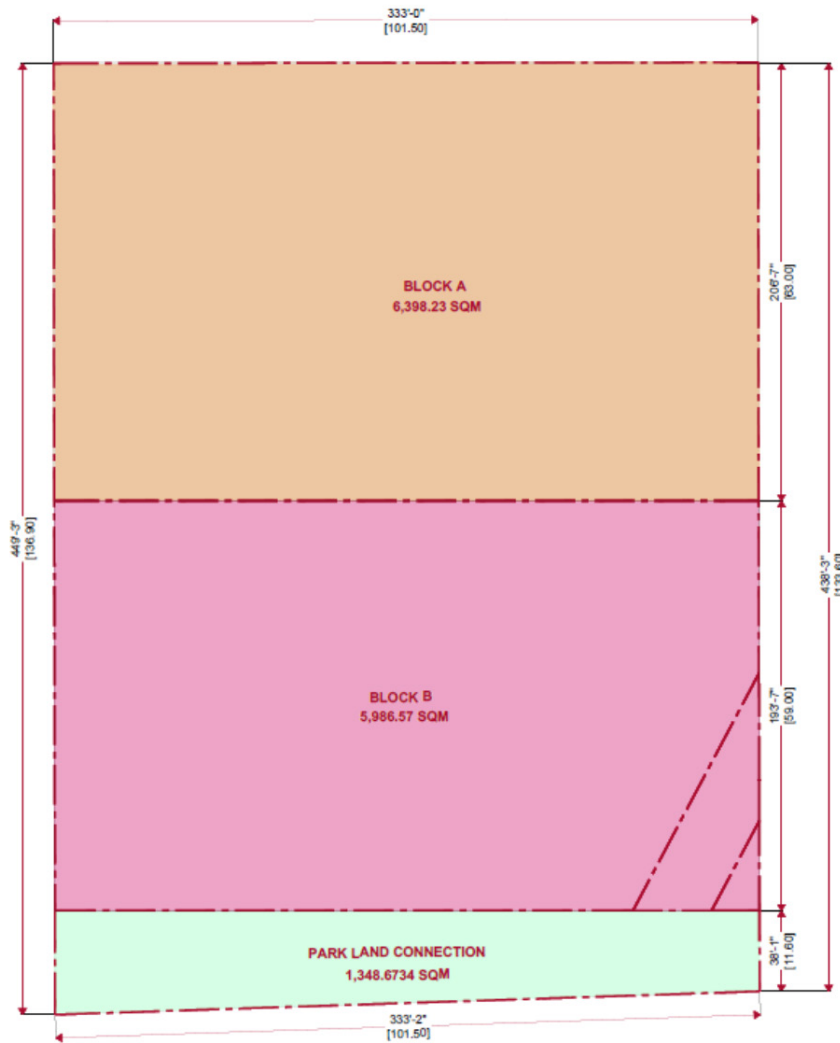
SCHEDULE "C"
PERMITTED ENCUMBRANCES

1. Such easements and restrictive covenants as do not prevent the Project from being constructed or used as Affordable Rental Housing.

2. Municipal agreements relating to the Development Activities in connection with the Project.

SCHEDULE "D"
DESCRIPTION OF PROPERTY

Part of Lots 72, 73, 74 and 75, Plan 33M219 as shown as Block "B" in the sketch attached hereto as Schedule "A" and to be more particularly described in a reference plan to be deposited, being part of PIN 08053-1409.



SCHEDULE "E"
INITIAL OCCUPANCY REPORT

The Initial Occupancy Report (IOR) will be signed by the Proponent and City. The following information will be required for the IOR form:

- Section A – Project Information
- Section B – Tenant Information
- Section C – Units and Rent Information
- Section D – Project Certification

NOTE: The IOR is required to be submitted by the Proponent to City, for approval, before receiving final payment. The "permitted rents" must be consistent with the formula for determining the initial rents, set out in Section 4 of this agreement.

INITIAL OCCUPANCY REPORT

A. Project Information

Reporting Period	
Initial Occupancy	
Contribution Agreement Expiry Date	
Project Name	
Project Address	
Proponent	
Contact	
Mailing Address	

B. Household Income of New Tenants During Reporting Period

Unit Number	Unit Type	Tenant Name(s) and Dependent(s)	Total Gross Household Income	Tenant Move-In Date

C. Units and Rent Information

Unit Type	# of Affordable Units	(A) Actual Monthly Rent \$	(B) CMHC AMR \$ (20XX)	C = (A)/(B)*100 Depth of Affordability
1 BR				
2 BR				
3 BR				

D. Project Certification, Consent and Solemn Declaration

I hereby declare and certify the following statements to be true and correct:

1. To the best of my knowledge, all information provided in Section B of this report is true and correct and matches financial statements and rent rolls.
2. All new tenants have been appropriately screened for program eligibility and unit occupancy standards in accordance with the Contribution Agreement and Residential Tenancies Act prior to signing of leases.
3. No additional fees, charges, or lease costs are required of tenants outside of the requirements of the Contribution Agreement.

4. Any increases in rental rates have been done so, no more than one time annually in accordance with the practices and limitations as set out in the Contribution Agreement.
5. I am aware of the controls and remedies outlined within the Contribution Agreement related to compliance with the agreement and affordable housing program.

Consent:

I understand that, in accordance with the Contribution Agreement, the City or its agents may review the rent roll, financial statements, and verification of initial tenant eligibility which has been retained and will be made available for review purposes.

Solemn Declaration:

I declare that all the information on these forms is true to the best of my knowledge and that no information has been withheld or omitted. I make this declaration knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

Proponent Name/Position Company/Organization	Date

**SCHEDULE “F”
ANNUAL OCCUPANCY REPORT**

The AOR will be generated on an annual basis for the term of the Loan Agreement. The AOR will be signed by the Proponent and the City.

The following information will be required for the AOR form:

- Section A – Project Information
- Section B – Units and Rent Information
- Section C – Depth of Affordability
- Section D – Project Certification

ANNUAL OCCUPANCY REPORT

A. Project Information

Reporting Period	
Initial Occupancy	
Loan Agreement Expiry Date	

Project Name	
Project Address	
Proponent	
Contact	
Mailing Address	

B. Household Income of New Tenants During Reporting Period

Unit Number	Unit Type	Tenant Name(s) and Dependent(s)	Total Gross Household Income	Tenant Move-In Date

C. Units and Rent Information

Unit Type	# of Affordable Units	(A) Actual Monthly Rent \$	(B) CMHC AMR \$ (20XX)	C = (A)/(B)*100 Depth of Affordability
1 BR				
2 BR				
3 BR				

D. Project Certification, Consent and Solemn Declaration

I hereby declare and certify the following statements to be true and correct:

- a. To the best of my knowledge, all information provided in Section B of this report is true and correct and matches financial statements and rent rolls.
- b. All new tenants have been appropriately screened for program eligibility and unit occupancy standards in accordance with the Contribution Agreement and Residential Tenancies Act prior to signing of leases.
- c. No additional fees, charges, or lease costs are required of

tenants outside of the requirements of the Contribution Agreement.

- d. Any increases in rental rates have been done so, no more than one time annually in accordance with the practices and limitations as set out in the Contribution Agreement.
- e. I am aware of the controls and remedies outlined within the Contribution Agreement related to compliance with the agreement and affordable housing program.

Consent:

I understand that, in accordance with the Contribution Agreement, the City or its agents may review the rent roll, financial statements, and verification of initial tenant eligibility which has been retained and will be made available for review purposes.

Solemn Declaration:

I declare that all the information on these forms is true to the best of my knowledge and that no information has been withheld or omitted. I make this declaration knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

Proponent Name/Position
Company/Organization

Date

Signature

SCHEDULE "G"
DEVELOPMENT SCHEDULE

Site Plan Approval	December 2026
Building Permit	September 2027
Construction Start	October 2027
Foundation Completed	December 2027
Structural Framing Completed	April 2028
Substantial Completion	June 2028
Lien Publication	September 2028
First Occupancy	September 2028

Capital Audit Report – Must be submitted within 90 days of construction completion.

Schedule “H”

AGREEMENT OF PURCHASE AND SALE AND REDEVELOPMENT

VENDOR: THE CORPORATION OF THE CITY OF LONDON

PURCHASER: ZerIn Development Corporation

REAL PROPERTY:

Address 1364, 1376, 1390 and 1408 Hyde Park Road, London, Ontario.

Location Hyde Park Road, south of South Carriage Road, London

Legal Description Part of Lots 72, 73, 74 and 75, Plan 33M219 as shown as Block “B” in the sketch attached hereto as Schedule “A” and to be more particularly described in a reference plan to be deposited, being part of PIN 08053-1409.

(collectively the “Property”)

1. **OFFER TO PURCHASE:** The Purchaser agrees to purchase the Property from the Vendor in accordance with the terms and conditions as set out in this Agreement.
2. **SALE PRICE:** The purchase price shall be TWO DOLLARS CDN (\$2.00) payable, subject to adjustments, in cash or by certified cheque on completion of this Agreement.:
3. **ADJUSTMENTS:** Any unearned fire insurance premiums, rents, mortgage interest, realty taxes including local improvements rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to the Purchaser.
4. **SCHEDULE(S):** The following Schedule(s) form(s) part of this Agreement:
 - Schedule “A” – Sketch of the Property
 - Schedule “B” – Additional Terms and Conditions
 - Schedule “C” – Purchaser’s Conceptual Site Plan
 - Schedule “D” – Permanent City Easement
5. **IRREVOCABILITY:** This Offer shall be irrevocable by the Purchaser until May 31, 2026, after which date, if not accepted by the Vendor, this Offer shall be null and void.
6. **TITLE SEARCH:** The Purchaser shall be allowed until 30 days prior to completion date (Requisition Date) to examine the title to the Property and at its own expense

and to satisfy itself that there are no outstanding work orders or deficiency notices affecting the Property, that its present use may be lawfully continued.

7. **COMPLETION DATE:** This Agreement shall be completed by no later than 30 days after the waiver or fulfillment of the Additional Terms and Conditions as stipulated within Schedule "B" in this Agreement. Upon completion, vacant possession of the Property shall be given to the Purchaser unless otherwise provided for in this Agreement.
8. **NOTICES:** Any notice relating to or provided for in this Agreement shall be in writing.
9. **HST:** If this transaction is subject to Harmonized Sales Tax (HST) then such HST shall be in addition to and not included in the sale price, and HST shall be collected and remitted in accordance with applicable legislation. If this transaction is not subject to HST, the Vendor agrees to provide, on or before completion, to the Purchaser's solicitor, a certificate in a form satisfactory to the Purchaser's solicitor certifying that the transaction is not subject to HST.
10. **FUTURE USE:** Vendor and the Purchaser agree that there is no representation or warranty of any kind that the future intended use of the Property by the Purchaser is or will be lawful except as may be specifically provided for in this Agreement.
11. **TITLE:** Provided that the title to the Property is good and free from all encumbrances, except as otherwise provided in this Agreement. If within the specified times referred to in paragraph 6 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued is made in writing to the Vendor and which Vendor is unable or unwilling to remove, remedy or satisfy and which the Purchaser will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and any deposit paid shall be returned without interest or deduction and Vendor shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title or in connection with any registration made after such day, the Purchaser shall be conclusively deemed to have accepted Vendor's title to the Property.
12. **DOCUMENTS AND DISCHARGE:** The Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title to the Property except such as are in the possession or control of Vendor. If requested by the Purchaser, Vendor will deliver any sketch or survey of the Property within Vendor's control to the Purchaser as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by the Purchaser on completion, is not available in registerable form on completion, the Purchaser agrees to accept Vendor's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registerable form and to register same on title within a reasonable period of time after completion, provided that on or before completion Vendor shall provide to the Purchaser a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, together with a direction executed by Vendor directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
13. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registerable form at the expense of the Vendor. If requested by the Purchaser, Vendor covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50 (22) of the *Planning Act*, R.S.O. 1990

14. **RESIDENCY:** The Purchaser shall be credited towards the Purchase Price with the amount, if any, necessary for the Purchaser to pay to the Minister of National Revenue to satisfy the Purchaser's liability in respect of tax payable by Vendor under the non-resident provisions of the Income Tax Act by reason of this sale. The Purchaser shall not claim such credit if Vendor delivers on completion the prescribed certificate or a statutory declaration that Vendor is not a non-resident of Canada.
15. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Vendor and the Purchaser or their respective lawyers who are hereby specifically authorized in that regard.
16. **TENDER:** Any tender of documents or money hereunder may be made upon Vendor or the Purchaser or their respective solicitors on the day set for completion. Money may be tendered by bank draft or certified cheque by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.
17. **FAMILY LAW ACT:** Vendor warrants that spousal consent is not necessary to this transaction under the provisions of the *Family Law Act*, R.S.O. 1990 unless Vendor's spouse has executed the consent provided.
18. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if the subdivision control provisions of the Planning Act are complied with.
19. **CLOSING ARRANGEMENTS:** Where each of the Vendor and Purchaser retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. , Chapter L4, and any amendments thereto, the Vendor and Purchaser acknowledge and agree that the delivery of documents and the release thereof to the Vendor and Purchaser may, at the lawyer's discretion: (a) not occur contemporaneously with the registration of the Transfer/Deed (and other registerable documentation) and (b) be subject to conditions whereby the lawyer receiving documents and/or money will be required to hold them in trust and not release them except in accordance with the terms of a written agreement between the lawyers.
20. **AGREEMENT IN WRITING:** This Agreement, including any Schedule attached, shall constitute the entire Agreement between the Purchaser and Vendor. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.
21. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.
22. **RISK:** The Property shall remain at the risk of the Vendor until closing.

GIVEN UNDER MY/OUR HAND AND SEAL, (OR, IN WITNESS WHEREOF THE PARTIES HERETO HAVE HEREUNTO CAUSED TO BE AFFIXED THEIR CORPORATE SEAL ATTESTED BY THE HANDS OF ITS PROPER SIGNING OFFICERS, as the case may be) this ____ day of _____, 202__.

THE CORPORATION OF THE CITY OF LONDON

Josh Morgan, Mayor

Michael Schulthess, City Clerk

ZERIN DEVELOPMENT CORPORATION

I/We Have the Authority to Bind the Corporation

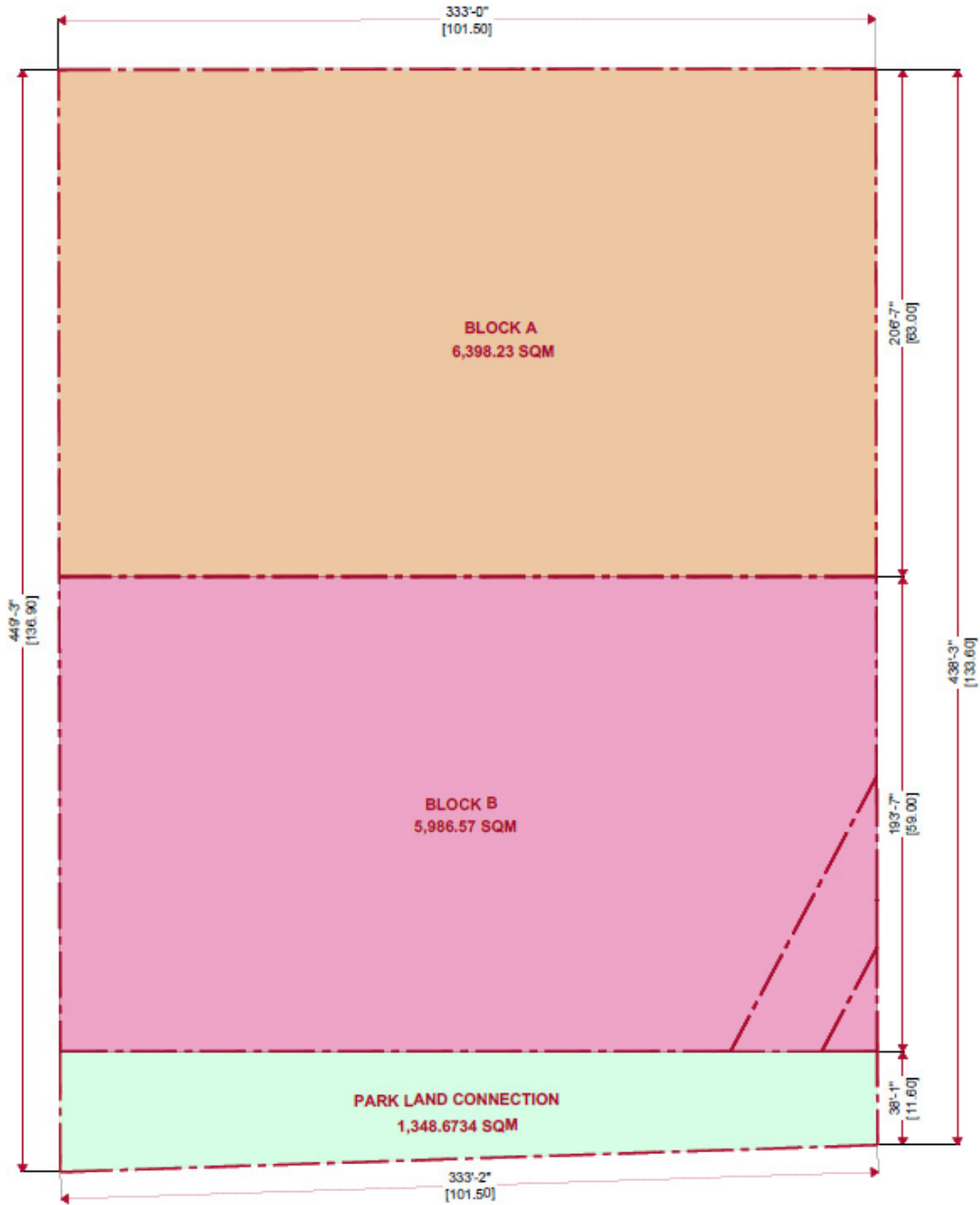
VENDOR'S LAWYER:

Sachit Tatavarti, Solicitor, 519-661-2500 Ext. 5018 Fax: 519-661-5530

SCHEDULE "A"

SKETCH OF THE PROPERTY

Shown as Block B below.



SCHEDULE "B"

Additional Terms and Conditions

- 1. SOIL, GEOTECHNICAL AND ENVIRONMENTAL TESTS:** As part of the Purchaser's due diligence, a period of Ninety (90) days from the date of acceptance of this Agreement shall be provided to satisfy itself in its sole and absolute discretion as to the soil and environmental condition of the Property. The Purchaser may enter on the Property and have soil and environmental tests conducted using qualified agents or servants. The Purchaser agrees that all such tests shall be conducted using reasonable care and that the Property shall be restored to a condition as close as reasonably possible to its condition prior to entry at the Purchaser's expense failing which the Vendor may restore at the Purchaser's expense.

If the results of the Record of Site Condition or any soil or environmental tests are not satisfactory to the Purchaser, it shall within the time limited deliver written notice to that effect to the Vendor and the Agreement shall be terminated and the deposit immediately returned to the Purchaser without interest or deduction; failing delivery of written notice, the condition shall be deemed to have not been waived or satisfied. This condition is inserted for the benefit of the Purchaser and may be waived by it at any time during the time limited period.

- 2. INSPECTION OF PROPERTY:** The agreement is conditional upon the inspection of the Property by the Purchaser's inspector(s) (the "Inspection") at the Purchaser's own expense, and the obtaining of a report(s) (the "Report") satisfactory to the Purchaser in the Purchaser's sole and absolute discretion within Ninety (90) days from date of acceptance of this Agreement. The Vendor agrees to co-operate in providing access to the Property for the purpose of this Inspection.

If the results of the Inspection and Report are not satisfactory to the Purchaser in its sole and absolute discretion, it shall within the time limited deliver written notice to that effect to the Vendor and the Agreement shall be terminated and the deposit immediately returned to the Purchaser without interest or deduction; failing delivery of written notice, the condition shall be deemed to have been waived. This condition is inserted for the benefit of the Purchaser and may be waived by it at any time during the time limited period.

- 3. ZONING/OFFICIAL PLAN APPROVAL:** If required, the Purchaser shall have a period of Two Hundred (200) days from the date of acceptance of this Agreement to obtain, at the Purchaser's own expense, appropriate amendments to the Zoning By-Law, Official Plan Amendment and/or a Minor Variance (the "Planning Approvals").

And provided however that if an appeal against one or more of the Planning Approvals is made to the Ontario Land Tribunal (OLT) within the time limited period above, then the time period for the fulfillment of this condition shall be automatically extended until 5:00pm on the 30th day following the release of the OLT's final decision and Order regarding all such appeals within its jurisdiction. In the event that the OLT modifies or amends the Planning Approvals in any manner which is unacceptable to the Purchaser, in its sole discretion, the Purchaser shall within 10 days of the release of the OLT decision or order advise the Vendor to that effect and this Agreement shall be terminated and no further force and effect and the deposit returned to the Purchaser without interest or deduction.

If the Purchaser is unable to obtain the aforesaid Planning Approvals and no appeal of a refusal by the approval authority is pursued, it shall within the aforesaid 200 day time period deliver written notice to the effect to the Vendor and the Agreement shall be terminated and the deposit immediately returned to the Purchaser without interest or deduction; failing delivery of written notice, the condition shall be deemed to have been waived. For clarity, the Purchaser shall be obliged to advise the Vendor in writing as to whether it is able or not able to obtain the Planning Approvals.

4. **ENVIRONMENTAL CLAUSE:** The Purchaser acknowledges that the Property is being purchased on an "as is" basis. The Purchaser acknowledges that the Vendor has not made, did not make and shall not be required to provide any representations or warranties of any kind with respect to whether the Property and processes and undertakings performed thereon have been and are in compliance with all applicable environmental laws, regulations and orders and whether the Property is suitable for any specific use including and without limitation to any construction or development. The Purchaser acknowledges and agrees that the Vendor shall not be liable for any damages of loss whatsoever arising out of or pursuant to any claims in respect to the foregoing. This condition shall not merge on but shall survive the completion of this transaction.
5. **EASEMENTS:** The Purchaser agrees to accept the title to the Property subject to an easement for municipal services over Part 2 on the draft reference plan included in Schedule "A", substantially in the form attached as Schedule "D" to this Agreement. The permanent easement shall be registered in sequence to the Transfer on completion and in priority to any registered encumbrances on title.
6. **DEVELOPMENT AGREEMENT:** The Purchaser acknowledges and agrees that it will be required to obtain a Development Agreement and Site Plan Approval, which will include, but not be limited to, conditions and requirements for site access, servicing, grading, drainage, landscaping, municipal easements, building height, setbacks, orientation, exterior building design, noise levels and obtaining if necessary any permits or approvals deemed necessary by the City of London.

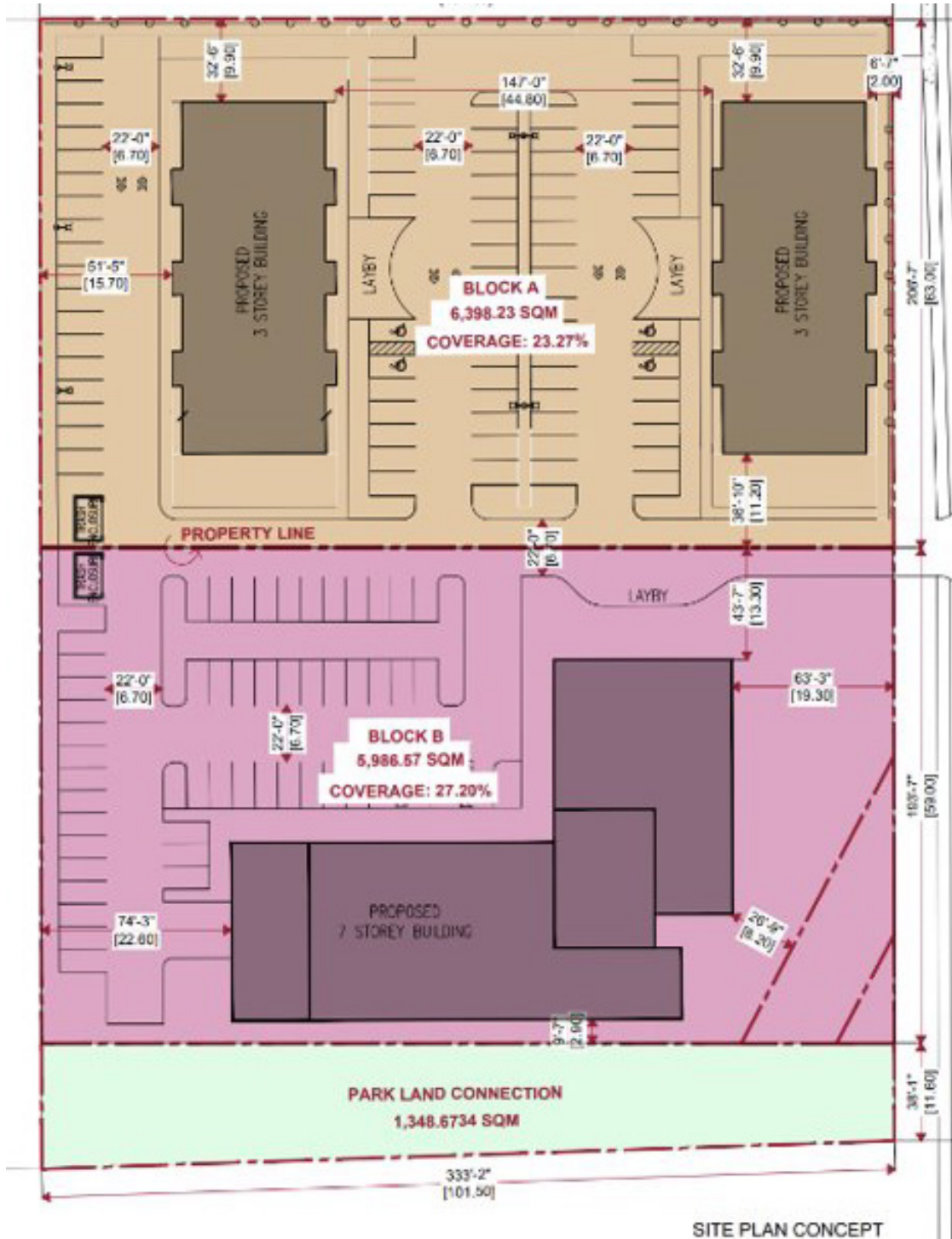
The Purchaser shall have a period of two hundred (200) days from the date of acceptance of this Agreement to obtain Site Plan Approval for the Property in accordance with Section 42 of the Planning Act. Should the Purchaser appeal the decision of the approval authority on Site Plan Approval, the period of time to obtain Site Plan Approval shall be extended until all appeals have been resolved. If the Purchaser is unable to obtain Site Plan Approval within the time prescribed above, this Agreement shall be terminated and the deposit immediately returned to the Purchaser without interest or deduction.

7. **CONTRIBUTION AGREEMENT:** The Purchaser shall enter into an amending agreement to the Contribution Agreement between the Purchaser and Vendor dated March 31, 2026 to include the legal description of the Property. The obligation of the Vendor to complete this transaction shall be subject to and conditional on the Vendor and Purchaser entering into the aforementioned amending agreement and the prior compliance by the Purchaser of the conditions precedent contained in the Contribution Agreement, which shall include but not be limited to:
 - a. The Purchaser's provision of proof of financing, a project budget (capital budget and operating budget) and construction schedule in a form satisfactory to the Vendor;
 - b. The Purchaser shall have delivered to the City evidence satisfactory to the City that the Purchaser's equity in the project has been paid, delivered or pledged; and

- c. The Purchaser's provision of the required corporate by-laws, resolutions and other documents authorizing the relevant agreements and a solicitor's opinion in relation to same, to the satisfaction of the Vendor.
 - d. The Purchaser having entered into an amending agreement satisfactory to the City following the deposit of the Reference Plan to include the legal description of the Property in the Contribution Agreement.
- 8. OPTION TO PURCHASE:** The Purchaser shall enter into an Option Agreement with the City of London, in the form prescribed by the City within the Contribution Agreement and for a term of 25 years, granting the City an option to acquire title to the Property free and clear of any encumbrances at a negotiated fair market value, less any amounts owing pursuant to the Contribution Agreement. Notice of the City's Option to Purchase shall be registered in sequence with the Purchaser's primary financing, in priority to any other registered encumbrances.
- 9. LOCAL IMPROVEMENTS:** The Purchaser shall pay local improvement charges and any other special levies assessed at any time against the land on and after completion of the purchase.
- 10. HST:** Notwithstanding paragraph 9 on the first page of the Agreement to which this Schedule is attached, the following paragraph shall apply with respect to HST. The Purchaser covenants and agrees that it will on or prior to Closing provide the Vendor with a certificate of an officer of the Purchaser confirming its registration number relating to the federal government's goods and services tax under the Excise Tax Act (Canada). The Purchaser further agrees to self-assess and remit the required amount (if any) in accordance with the applicable statutory requirements in connection with HST. The Purchaser further agrees to indemnify and save harmless the Vendor from and against such HST together with any penalties and interest thereon which may arise as a result of any failure by the Purchaser to pay such HST as aforesaid. The Purchaser shall deliver on Closing an undertaking and indemnity with respect to the foregoing.
- 11. PURCHASER CONCEPTUAL SITE PLAN DRAWINGS:** Subject to the appropriate approvals, the Purchaser shall develop the site generally in accordance with the Purchaser's conceptual site plan shown in Schedule "C".
- 12. ASSIGNMENT OF AGREEMENT:** The Purchaser shall not assign this agreement without the written consent of the Vendor, which may be unreasonably withheld.
- 13. REFERENCE PLAN:** The Vendor agrees to prepare and deposit the Reference Plan on title, on or before closing, at the Vendor's expense. In the event that the Reference Plan has not yet been deposited by the Completion Date specified in paragraph 7 of this Agreement, the Purchaser shall consent to extend the Completion Date for a period of up to six (6) months, without condition, to allow the Vendor sufficient time to deposit the Reference Plan prior to closing
- 14. SURVIVAL OF CONDITIONS:** The obligations of Purchaser contained in Schedule "B" shall survive and not merge on the completion of this transaction.

SCHEDULE "C"

**PURCHASER'S CONCEPTUAL SITE PLAN
BLOCK B**



SCHEDULE "D"

THIS EASEMENT made this ___ day of _____, 2025.

B E T W E E N:

XXXXXXX

(Hereinafter called the "Transferor")

OF THE FIRST PART

- and -

THE CORPORATION OF THE CITY OF LONDON

(Hereinafter called the "Transferee")

OF THE SECOND PART

WHEREAS the Transferor is seized of the lands and premises herein described, and has agreed to transfer to the Transferee a multi-purpose easement for municipal services in, over and upon the said Lands;

AND WHEREAS Section 91(2) of the *Municipal Act*, S.O. 2001, c. 25, as amended provides that an easement of a public utility provided by a municipality does not have to be appurtenant or annexed to or for the benefit of any specific parcel of land to be valid;

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the sum of ONE DOLLAR (\$1.00), of lawful money of Canada now paid by the Transferee to the Transferor (the receipt and sufficiency of which is hereby acknowledged), the Transferor DOTH GRANT unto the Transferee, its successors and assigns, forever, the full, free and uninterrupted right, liberty, privilege and easement in gross to install, construct, reconstruct, repair, clean, maintain, inspect and use as part of the Municipal Services system of the City of London and as appurtenant thereto, and for all times hereafter, sewers, watermains, electrical cables, communications cables, conduits and other municipal services of such kind, size, type and number as the Transferee may from time to time determine necessary (the "Municipal Services"), in, through, over, on and under that part of the lands of the Transferor more particularly described as XXXXXXXX; London (the "Lands").

TOGETHER WITH the full right, liberty, privilege and easement unto the Transferee, its successors and assigns, and its and their servants, agents, work people, contractors and others designated by it and them, from time to time and at all times forever hereafter, to enter upon the said Lands, with or without tools, machinery, equipment and vehicles, for the purposes aforesaid and to enter as aforesaid upon the adjoining lands of the Transferor in order to obtain access to and from the said Lands.

AND TOGETHER WITH the full right, liberty, privilege and easement unto the Transferee, its successors and assigns, and its and their servants, agents, work people, contractors and others designated by it and them, from time to time and at all times forever hereafter, to enter upon the said Lands, with or without tools, machinery, equipment and vehicles, for the purpose of obtaining access to abutting lands owned by the Transferee or to abutting lands in which Municipal Services are installed.

IT SHALL BE LAWFUL for the Transferee and its successors and assigns to exercise and enjoy the rights, liberties and privileges hereby granted without being liable for any interference, loss of use or loss of profit which shall or may be thereby caused to the said lands or to the owners and occupiers thereof from time to time, and the Transferee shall have the right to cut down or remove any brush, trees, shrubs, fences, pavements, ramps, curbs and other objects or structures as may be necessary or convenient in the exercise of the rights and privileges hereby granted and likewise to excavate and remove the soil and surfacings for the purposes aforesaid.

THE TRANSFEE COVENANTS with the Transferor that it will restore the said Lands to the approximate condition which existed immediately prior to each and every entry upon the said Lands, excluding the replacement of brush and trees and structures. Restoration of hard surfaces will be at the sole discretion of the Transferee unless the surface predated the acquisition of this easement or was subsequently constructed as part of a development approved by the Transferee.

THE TRANSFEROR COVENANTS that no buildings or other structures shall be erected on or over the Lands described herein without the written consent of the Engineer of the Transferee or his designate.

THE TRANSFEROR FURTHER COVENANTS that it has the right to convey the rights, liberties, privileges and easements hereby granted and will execute such further assurances as may be requisite to give full effect to this indenture.

IT IS HEREBY AGREED that the covenants and agreements on the part of the Transferor shall run with the Lands of the Transferor, and these shall enure to the benefit of and be binding upon the respective successors, heirs, executors, administrators and assigns of the parties hereto.

WHERE THE context requires, the masculine shall be construed as feminine or neuter and the singular shall be construed as plural.

Schedule 2

CONTRIBUTION AGREEMENT

This Agreement made the 31st day of March, 2026

BETWEEN:

PERPETUALLY INNOVATIVE DEVELOPMENTS INC.

-and-

2614442 ONTARIO INC.

(collectively, the "Proponents")

- and -

THE CORPORATION OF THE CITY OF LONDON

(the "City")

WHEREAS:

- A. The City issued an NRFP 2025-148 for the development and operation of affordable housing on the Subject Lands in the City of London;
- B. Perpetually Innovative Development Inc. and 2614442 Ontario Inc. made a submission to NRFP 2025-148 to develop the Subject Lands as a joint venture and the parties wish to outline the terms and conditions of the transfer of the Subject Lands and the associated loan for the value of the municipal contribution to the Proponents' Project;

NOW THEREFORE, in consideration of the sum of TWO DOLLARS (\$2.00) now paid by the Proponents to the City and for other good and value consideration, the receipt of which is hereby acknowledged, the City and the Proponents agree with each other as follows:

1. INTERPRETATION

- 1.1 In this Agreement, including its Schedules, unless the context requires otherwise,
- "Affordability Period" means twenty-five years from the Occupancy Date;
 - "Affordable Rent" means the rent for an Affordable Rental Housing Unit that does not exceed 80% of the AMR for that Unit;
 - "Affordable Rental Housing" means new, purpose-built, rental housing accommodation which is modest in terms of floor area and amenities, based on household needs and community norms, rented in accordance with this Agreement, but does not include residential premises used as a nursing home, retirement home, shelter, crisis care facility or any other type of similar facility;
 - "Affordable Rental Housing Unit" means an Affordable Rental Housing unit in the Project rented and operated in accordance with this Agreement;

- “Agreement” or “Contribution Agreement” means this Contribution Agreement entered into between the City and the Proponents;
- “Average Market Rent” or “AMR” means the average monthly market rent for a rental housing unit, by unit type, as published by CMHC for the London CMA (or, should CMHC not publish such information annually, as determined from time to time by the City, acting reasonably), as adjusted on an annual basis;
- “Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;
- “CMHC” means Canada Mortgage and Housing Corporation;
- “Development Activities” means those activities which have been approved for the Project as set out in the approved Plans and Specifications and, generally, activities that are normally undertaken for the development, construction, repair, renovation, rehabilitation or conversion of buildings for residential purposes and include the acquisition of property;
- “Force Majeure” means a delay arising from strike, lockout, lockdown, riot, insurrection, terrorism, war, fire, tempest, act of God, pandemic, lack of material or supply of service at a reasonable cost, inclement weather, binding orders, directives or regulations of governmental bodies, courts or arbitrators or any other event beyond the control of the Parties which causes a delay in the fulfillment of a Party's obligations under this Agreement notwithstanding the reasonable efforts of such Party and provided that any such nonavailability or delay does not relate to any extent to any act or omission by such Party or any of its authorized agents or employees;
- “Housing” means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, or services and facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;
- “Interest Adjustment Date (or “IAD”) means the date on which the Proponents make the first payment of principal and interest in respect of the Proponents' permanent financing obligations for the Project, following the completion of construction;
- “Improvements” means the improvements to be made on the Property, consisting of a building and other improvements to be constructed by the Proponents on the Subject Lands in accordance with the Plans and Specifications;
- “Minister” shall mean the Minister of Municipal Affairs and Housing;
- “Occupancy Date” means the first day of the month immediately following the month in which a Unit in the Project was rented for the first rental period following Substantial Completion;
- “Parties” means the Proponents and the City and “Party” means either of them, as the context may require;
- “Permitted Encumbrances” means the encumbrances encumbering the Affordable Housing Units listed in Schedule “C”, together with such renewals or replacement financing that may be approved by the City during the term of this Agreement;
- “PIPEDA” means the Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5, including any amendments thereto;
- “PIPEDA Protected Information” means any “Personal Information” or “Personal Health Information”, as defined under PIPEDA;

- “Plans and Specifications” means the plans and specifications for the development of the Project that have been approved and reviewed by all appropriate governmental authorities for the issuance of all permits necessary to construct and occupy the buildings and as certified by a Quantity Surveyor;
- “Project” means the development and construction of two 3-storey, 45-Unit apartment buildings on the Subject Lands, which shall have thirty-one (31) Affordable Rental Housing Units and facilities ancillary thereto provided and operated in accordance with the terms of this Contribution Agreement;
- “Property” means the property and the buildings as the context may require on lands described in Schedule “D”;
- “Quantity Surveyor” means such architect, engineer or other professional duly licensed to practice in the Province of Ontario as the Proponents may from time to time appoint to supervise, direct, monitor, inspect or assess the Project or a specific aspect of the Development Activities;
- “Security Documents” means the security documents attached to and forming part of the Contribution Agreement under Schedules B-1, B-2 and B-3;
- “Service Manager” means The Corporation of the City of London;
- “Substantial Completion” means the substantial performance, within the meaning of the Construction Act, of all contracts which the Proponents have entered into for Development Activities in connection with the Project under this Agreement;
- “Subject Lands” means the property and the buildings as the context may require on lands described in Schedule “D”; and
- “Unit” means a self-contained residential dwelling.

1.2 The following Schedules are attached to and form part of this Agreement:

Schedule “A”	Option Agreement
Schedule “B-1”	City Charge/Mortgage of Land
Schedule “B-2”	Assignment of Rents
Schedule “B-3”	Security Agreement
Schedule “C”	Permitted Encumbrances
Schedule “D”	Legal Description of Property
Schedule “E”	Initial Occupancy Report
Schedule “F”	Annual Occupancy Report
Schedule “G”	Development Schedule
Schedule “H”	Agreement of Purchase and Sale

1.3 In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of a Schedule, the provisions of this Agreement shall prevail.

1.4 All references in this Agreement to section numbers are references to sections of this Agreement unless otherwise stated.

2. MUNICIPAL CONTRIBUTION TO PROJECT

2.1 The Proponents agree to advance as their equity contribution to the Project, the amount of \$1,203,146 on or before the commencement of Development Activities and provide written confirmation to the City that the equity contribution has been advanced.

2.2 The Proponents acknowledge that the municipal contribution to the Project, consisting of the fair market value of the Subject Lands, being the amount of

\$4,050,000 shall constitute a debt owed to the City by the Proponents (the "Loan").

- 2.3 The City and Proponents shall jointly review and approve a construction schedule, which shall include a Project Completion Date, no later than four (4) weeks prior to the start of construction. The Proponents shall share copies of the project budgets prepared for the cost consultant engaged in conjunction with CMHC or bank financing at the time of submission to the respective lender(s).
- 2.4 The Proponents are solely responsible for any cost overruns; the City will not increase the Loan.

3. SPECIAL CONDITIONS

- 3.1 The Proponents agree to undertake Development Activities in connection with the Project in accordance with this Agreement and in conformity with the Plans and Specifications.
- 3.2 The Proponents shall, subject to Force Majeure, achieve substantial completion of the Project by no later than March 31, 2030.
- 3.3 The Proponents shall discharge or cause the discharge of any registered construction liens so as to ensure that there are no construction liens registered against the Project.
- 3.4 The Proponents shall not at any time during the term of this Agreement breach any contribution agreement with the City, including any municipal capital facility agreement made pursuant to section 110 of the *Municipal Act, 2001* and shall not, through any breach on its part, cause the City to terminate a contribution agreement for cause. The Proponents agree that a breach by it of any such contribution agreement, that has not been corrected, shall constitute a breach of this Agreement.

4. OPERATION OF AFFORDABLE HOUSING

- 4.1 The Proponents shall develop and operate thirty (30) Affordable Rental Housing Units in the Project, for a period of twenty-five (25) years commencing upon the Occupancy Date.
- 4.2 The Proponents shall manage the Project so that the rent for the thirty (30) Affordable Rental Housing Units will not exceed eighty per cent (80%) of Average Market Rent during the Affordability Period. The initial rents for Affordable Rental Housing Unit shall be:
 - i. \$819 for a studio Unit; and
 - ii. \$1,039 for a one-bedroom Unit.
 - iii. \$1,238 for a two-bedroom Unit.
 - iv. \$1,490 for a three-bedroom Unit.
- 4.3 The Proponents acknowledge and agree that the rent for all thirty (30) Affordable Rental Housing Units in the Project will not exceed the Affordable Rent of eighty per cent (80%) of AMR, of which the rent for four (4) Affordable Rental Housing Units (Low Rent Units) in the Project will not exceed seventy per cent (70%) of AMR.
- 4.4 The Proponents acknowledge and agree that the Affordable Rent for a Project includes the provision of heating, air conditioning, water, fridge and stove, but not the hydro charges.

- 4.5 The Proponents shall not rent the Affordable Rental Housing Units to themselves, their shareholders, directors, family members or to any other individual that is not at arm's length from the Proponents, their shareholders or directors.
- 4.6 The monthly gross tenant household income from all sources for tenants at the time of signing a lease for the Affordable Rental Housing Units shall be no greater than five (5) times the monthly rent for the Affordable Rental Housing Unit.
- 4.7 The Proponents shall select tenants from the City's client list of eligible individuals or households seeking affordable housing in accordance with the process set by the City. The Proponents shall provide the City with information on the size of the unit. The current process when filling a vacant unit:
- i. As soon as the Proponents are aware of a vacancy or a notice to vacate, the Proponents will contact the City employee designated by the City, or if no person has been designated, Deputy City Manager, Social and Health Development or their written designate ("City Contact").
 - ii. The City Contact then notifies the next City Client on the Housing Stability Services waiting list and provides that City Client with a referral letter, with the City Contact's card attached, indicating they are being referred for housing under this agreement.
 - iii. The City Contact asks the City Client on the waiting list to contact the Owner directly, if the City Client is interested in applying.
 - iv. The City Client will provide the Owner with the referral letter.
 - v. For greater certainty, the Owner makes the final decision with respect to filling a vacancy in a designated unit, and, acting reasonably, the Owner can accept or reject a referral from the City. The Owner shall notify the City if they reject the referral from the City, provide the rationale for the rejection and the City will provide further referrals using the process outlined above until the Owner accepts a referral.
 - vi. If a City Client is at risk of eviction, the Owner shall reach out to the City employee designated by the City to work through a variety of prevention measures to try and maintain the housing placement.
- 4.8 The Proponents shall ensure that the following occupancy standards are observed when entering into a tenancy agreement for an Affordable Rental Housing Unit:
- i. A minimum of one and a maximum of two persons per bedroom for adult household members;
 - ii. A minimum of one and a maximum of two children per bedroom under the age of 18;
 - iii. An additional bedroom may be provided, if requested by the household under the following specific circumstances;
 - iv. If a member of the household requires a separate bedroom due to a disability or medical condition (Written verification: a doctor's note describing the nature of the disability or medical condition clearly specifying why an extra room is required);
 - v. Store equipment required by a member of the household due to a disability or medical condition (Written verification: a doctor's note describing the equipment required clearly specifying why an extra room is needed);
 - vi. Accommodate an individual who is not a member of the household and who provides a member of the household with support services that are required due to the member's disability or medical condition (Written verification: a letter from the support service agency or person providing support services, describing the nature of the service and hours of service);

- vii. If a member of the household is pregnant (Written verification: a doctor's note specifying why an extra room is needed);
- viii. If a member of the household has joint custody over a child who is not a member of the household, however, the member is required to provide accommodation for the child where a bedroom is required (Written verification: court order, custody arrangement, or other applicable documentation); and
- ix. If a member of the household has overnight access to a child who is not a member of the household, the member provide accommodation for the child where a bedroom is required (Written verification: court order, custody arrangement, or other applicable documentation).

5. TERMS OF THE LOAN

- 5.1 The Loan shall have a term of twenty-five (25) years equivalent to the Affordability Period, commencing as of the Occupancy Date of the Project.
- 5.2 Prior to the Interest Adjustment Date, interest shall accrue on the total amount of the Loan at the rate of eight percent (8%) per annum. The interest so calculated shall compound annually, not in advance, until the Interest Adjustment Date.
- 5.3 The amount of interest accrued on the Loan as calculated in section 5.2 shall be forgiven on the Interest Adjustment Date, provided that the Proponents have satisfied the requirements of the Agreement and is in good standing under this Agreement.
- 5.4 Following the Interest Adjustment Date, interest shall accrue on the total amount of the Loan at the rate of eight per cent (8%) per annum. The interest so calculated shall compound annually, not in advance.
- 5.5 Where the Proponents have satisfied the requirements of this Agreement, as of such anniversary date, the amount of the interest so owing shall automatically be forgiven on each anniversary date of the Interest Adjustment Date. The Proponents shall only pay the City the amount of interest, as calculated on the Loan amount according to the interest rate stipulated in section 5.4 if the requirements of this Agreement are not met.
- 5.6 The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Affordability Period, provided that the Proponents have fulfilled all the requirements of this Agreement.
- 5.7 The Proponents shall provide the City with such information respecting the Proponents' permanent financing obligations for the Project as the City may require from time to time.

6. CONDITIONS PRECEDENT TO THE TRANSFER OF THE LAND

- 6.1 The obligation of the City to transfer the Subject Lands to the Proponents is conditional upon the Proponents entering into an Agreement of Purchase and Sale attached as Schedule "H" with the City and with prior compliance with the following conditions precedent:
 - a) the Proponents shall have confirmation of financing for all financing for the Project budget (capital budget and operating budget) and Project Construction Schedule to the City in a form and content satisfactory to the City;
 - b) The Proponents shall have obtained site plan approval for the Subject Lands;

- c) The Proponents shall have delivered to the City evidence satisfactory to the City that the Proponents' equity has been paid, delivered or pledged;
- d) The City shall have received the following documents and materials each of which shall be satisfactory in substance in and in form to the City;
 - i. Certificates of incumbency of the persons signing on behalf of each Proponent;
 - ii. Certified copies of such corporate documents of the Proponents' as the City may reasonably require including, without limitation, letters patent, articles of incorporation, certified abstracts from by-laws, and certified copies of relevant directors' resolutions;
 - iii. An opinion from each of the Proponents' counsel addressed to the City Solicitor's Office that the Proponent:
 - A.
 - i. Is a body corporate, duly incorporated and properly organized and validly existing as a corporation under the laws of the jurisdiction in which it was incorporated;
 - ii. Is qualified to do business in the Province of Ontario;
 - iii. Has all the necessary corporate power and authority to carry on the business to be conducted by it in respect of the development, operation and management of the Project; and
 - iv. Has all the necessary corporate power and authority to enter into and perform its obligations under this Agreement, the Agreement of Purchase and Sale and each of the Security Documents to which it is a party in accordance with their respective terms;
 - B. That this Agreement to which the Proponent is a party has been duly and validly authorized, executed and delivered by the Proponent and are valid and binding obligations of the Proponent enforceable in accordance with their respective terms;
 - C. That neither the execution and delivery by the Proponents of this Agreement to which it is a party nor compliance by the Proponents with any of their respective terms will contravene the charter documents or bylaws of the Proponent or, to the best of such counsel's knowledge, after having made due enquiry of the Proponent, contravene or result in a default under any other agreement or instrument by which Proponent may be bound or affected;
 - D. That, to the best of such counsel's knowledge, without having made independent enquiry, there are no actions or proceedings pending or threatened against the Proponent, before any court;
 - E. That no encumbrances that are not permitted under the Contribution Agreement have been registered against the Subject Lands;
 - F. As to such other matters as the City or its counsel may reasonably request.

7. SECURITY

- 7.1 In conjunction with the conveyance of the Property to the Proponents, the Proponents shall provide the City with executed registerable security documents in the form attached hereto as Schedules "B-1", "B-2" and "B-3" (the "Security"), completed in accordance with this Agreement.
- 7.2 The Security shall secure the obligations of the Proponents under this Agreement. The amount of the Loan shall be included in the Security documents.

- 7.3 Without limiting the Proponents' covenants and the remedies of the City under the Contribution Agreement and the Security, the Proponents agree that a breach of this Agreement shall constitute a breach of the Security and a breach of the Security shall constitute a breach of this Agreement.
- 7.4 The City acknowledges and agrees that notwithstanding that the Security provides that the principal and interest secured thereunder is payable on demand, the City shall have no right to demand payment thereunder except in accordance with the provisions of this Agreement relating to repayment. In the event of a conflict or inconsistency between the provisions of this Agreement and the Security, the provisions of this Agreement shall prevail with respect to the Loan.

8. ACCOUNTABILITY FRAMEWORK

8.1 (a) In the event:

- i. The City is advised by the Proponents that the Project will not proceed;
- ii. The building permit for the Project is not issued on or before March 31, 2028, or such longer period of time as the City may determine;
- iii. The Proponents have not complied with a term or condition of this Agreement;

the Proponents will be in default, the Loan shall be payable to the City, forthwith upon demand.

- 8.2 Following the full completion of the Development Activities related to the Project, the Proponents shall submit the Initial Occupancy Report attached as Schedule "E" and annually thereafter shall complete the annual occupancy report attached as Schedule "F"
- 8.3 Without limiting the Proponents' obligations under any other section, the Proponents, if requested by the City, shall forthwith submit to the City information similar to an occupancy report, where necessary, in addition to any such material that the Proponents may have previously submitted to the City.
- 8.4 The Proponents represents that they have not provided any false or misleading information in relation to the Project and agree that they shall not provide any false or misleading information under this Agreement.
- 8.5 The Proponents shall, at a mutually convenient and agreeable time, give the City free access to the Project and to such staff, documents, books, records, and accounts as may be required to conduct an audit, investigation, or inquiry for the purpose of verifying compliance with this Agreement.
- 8.6 The City may conduct an audit, investigation, or inquiry in relation to the Project or any larger development or project of which the Project is a part of, and the Proponents shall provide free access, at a mutually convenient and agreeable time, to the Project and to such staff, documents, book, records and accounts as may be determined by the City.
- 8.7 The provisions of sections 8.2, 8.3, 8.4, 8.5, and 8.6 shall continue to apply for a period of seven (7) years following the end of the Affordability Period as applicable or the date of any early termination of this Agreement.

9. REMEDIES

9.1 Upon the occurrence of any one or more of the following events (each an “Event of Default”):

- (a) the failure of the Proponents to perform, observe or comply with any other term, covenant, condition or provision of this Agreement within thirty (30) days of receipt of written notice of the failure from the City provided the Proponents shall not be deemed to be in default if within the said period of thirty (30) days, the Proponents commence the necessary action to remove the failure and such action is diligently prosecuted;
- (b) any representation or warranty made by the Proponents in this Agreement proves to have been untrue or misleading in any material respect as of the date on which it was made;
- (c) the Improvements have not been substantially completed in accordance with the Plans and Specifications and such substantial completion is not certified to the City by the Quantity Surveyor on or before 12 months after the date required for substantial completion of the Property in accordance with this Agreement;
- (d) any person commences an action, suit or proceeding materially affecting the Project or files a lien against the Property, or any person shall commence an action, suit or proceeding contesting or questioning the validity or enforceability of this Agreement, unless the Proponents shall diligently contest or settle such action, suit or proceeding and discharge any such lien forthwith without the requirement of notice by the City and post such bonds, cash or letters of credit or give such other security in order to obtain such discharge in amounts and on terms satisfactory to the City, acting reasonably.
- (e) a Proponent cease to carry on business;
- (f) a Proponent:
 - (i) becomes insolvent or unable to pay its debts as they become due; or
 - (ii) files a petition in bankruptcy or voluntary petition seeking reorganization or effect a plan or other arrangement with creditors; or
 - (iii) makes an assignment for the benefit of creditors under the *Bankruptcy Act* (Canada) or any other insolvent debtors' legislation; or
 - (iv) applies for or consents to the appointment of any receiver or trustee for it or of all or any substantial part of its property and assets; or
 - (v) voluntarily liquidates or winds-up or suffers itself to be liquidated or wound-up;
- (g) any of:
 - (i) an involuntary petition seeking the adjudication of a Proponent as bankrupt or insolvent not removed within 30 days; or

- (ii) an order of any court or other authority appointing any receiver or trustee for the Proponent or for all or any substantial portion of its property and assets; or
 - (iii) a writ of execution, judgment or writ of attachment or any similar process which may, in the reasonable opinion of the City, materially impair the ability of the Proponents to perform its obligations under this Agreement or any of the Security Documents shall be made, given or issued against the Proponents or in respect of its property and assets, and such petition, order, writ or judgment is not vacated or stayed within 15 days after its date;
- (h) the occurrence of a material adverse change in the financial condition of the Proponents which would, in the reasonable opinion of the City, detrimentally affect the ability of the Proponents to meet their obligations to the City; and
- (i) if the Improvements shall be entirely destroyed or damaged to such an extent that, in the opinion of the Quantity Surveyor, acting reasonably, they are no longer fit for the purpose for which they were intended and the insurance proceeds, if any, held by the City, in the opinion of the Quantity Surveyor, acting reasonably, are insufficient to repair such destruction or damage, and the Proponents have not provided evidence satisfactory to the City of the timely availability of such sufficient funds or timely ability to otherwise make the necessary repairs or replacement, then, at its option, the City may declare the full principal amount of the Loan then advanced, together with all other monies owing to the City hereunder, due and payable forthwith. In such case, the City may realize upon any and all security pledged to it and may commence such other legal actions or proceedings against the Proponents, the Property or assets of the Proponents as may be permitted hereunder, by any one or more of the Security Documents or at law or in equity, all as it, in its sole discretion, deems expedient. The Proponents hereby acknowledge that the City's remedies are cumulative and not mutually exclusive.

9.2 Complete Construction: If an Event of Default occurs, then a mutually agreed Committee of Stakeholders including the Proponents and the City shall be formed to establish an appropriate remedy. If the Committee of Stakeholders is not able to reach an agreement on an appropriate remedy, the City may, in addition to any other remedy available to it, enter upon and take charge of the Project and assuming full charge of the Improvements and may complete the Improvements or enter into a contract with another to complete the same, and all amounts advanced for such purpose, including reasonable legal fees incurred by the incident to the enforcement of any provisions hereof, shall be an indebtedness of the Proponents to the City. All such amounts, even though they may, when added to the monies advanced and disbursed under this agreement, exceed the Loan, shall be secured by the Mortgage and other Security Documents.

9.3 During Term of Agreement: Should the Proponents be in default under the terms of the Loan or under the terms of this Agreement or under the terms of any mortgage or other encumbrance registered on title to the Property, the City shall have the right to declare all or part of the unearned portion of the Loan due and payable immediately.

9.4 Assignment of Plans and Specifications: The Proponents hereby assigns to the City and its successors, the right to possess and use the Plans and Specifications and the Proponents's rights under all construction contracts, for the purpose of completing the Improvements if Proponents defaults subject to any prior assignment to the holder of any primary financing

against the Property.

- 9.5 Costs and Expenses of Collection: All reasonable costs and expenses of collection (including legal fees, disbursements, and court costs) of all amounts owing hereunder or of enforcement of any security created in favour of the City pursuant hereto, shall be for the account of the Proponents and shall be repayable within thirty (30) days from the date of request.
- 9.6 All the remedies in this Agreement and the Security are cumulative and are not alternative and the City shall not be precluded from availing itself simultaneously of some or all of the said remedies and any other remedies available in equity or at law.
- 9.7 Notwithstanding any of the terms of this Agreement or of the Security, the City shall have the option of waiving any or all of its remedies under this Agreement and the Security, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

10. OPTION TO PURCHASE THE PROPERTY

- 10.1 The Proponents shall grant the City an Option to Purchase the Property in accordance with Schedule "A" for a term of twenty-five (25) years commencing on the Occupancy Date of the Project, exercisable upon an Event of Default under Section 9.1 of this Agreement or a transfer or assignment of the Proponents' interest in the Property pursuant to Sections 13.2 (b) and 16.12.
- 10.2 The Proponents hereby consent to the City's registration of a Notice of Option to Purchase against title to the Property, in first priority.

11. ENERGY EFFICIENCY AND BUILDING DESIGN

- 11.1 The Proponents confirm that the Project does not impose adverse impacts that cannot be mitigated.
- 11.2 Municipal Council of the City declared a Climate Emergency. The Proponents shall make reasonable efforts to design, construct, and operate the buildings on the Subject Lands with the highest energy efficiency possible.

12. REPRESENTATION AND WARRANTIES

- 12.1 The Proponents represents and warrants to the City that:
- a. Each of the Proponents is duly incorporated, organized and validly existing under the laws of the Province of Ontario and has full capacity, power and authority to own all its property and to carry on its business as now conducted and as contemplated under this Agreement and all other agreements contemplated thereunder, and is duly qualified and in good standing in each jurisdiction in which the character of the property owned or leased or the nature of the business carried on by it makes such qualification necessary or desirable.
 - b. Each of the Proponents have full corporate power, legal right and authority to enter into this Agreement and to do all acts and things as are required or contemplated hereunder to be done, observed or performed by it.
 - c. Neither the execution and delivery of this Agreement, the consummation of the transactions herein contemplated, nor the compliance with the terms, conditions and provisions hereof and of the mortgage will conflict with, or result in a breach of any of the terms, conditions or provisions of

the constating documents of the Proponents or of any agreement or instrument to which it is now a party, or constitute a default thereunder, or (except as contemplated by this Agreement) result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Proponents (whether such properties or assets are owned legally or beneficially) pursuant to the terms of any agreement or instrument to which it is a party.

- d. There is not now pending against the Proponents any litigation, action, suit or other proceeding of a material nature by or before any court, tribunal or other governmental agency or authority or any other such pending or threatened action, suit or other proceeding against the Proponents or against or affecting any of the properties or assets of the Proponents (whether such property or assets are owned legally or beneficially) such that if the same were adversely determined, it could be reasonably expected to materially and adversely affect the business operations, properties or assets, or the condition, financial or otherwise, of the Proponents.
- e. Except as previously disclosed in writing to the City, the Proponents are not party to any agreement or instrument or subject to any restriction or any judgment, order, writ, injunction, decree, rule or regulation which materially and adversely affects the business, operations, prospects, properties or assets, or condition, financial or otherwise, of the Proponents.
- f. None of the information, financial or otherwise, provided by the Proponents to the City to induce the City to convey the Property and to enter into this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in light of the circumstances in which it was made.

13. COVENANTS OF THE PROPONENTS

13.1 The Proponents covenant and agree with the City that, they shall:

- a. take all such actions and do all such things required to develop and continuously carry on the construction of the Improvements in a good and workman-like manner and in accordance with the Plans and Specifications;
- b. do or cause to be done all acts and things necessary to preserve in full force and effect the existence of the Proponents and all licenses and permits required for the carrying on of the operations of the Proponents at and from the Property and to preserve and protect all of the properties, real and personal owned and used by the Proponents in connection with the Project and to cause the same to be properly maintained and to be kept in good state of repair;
- c. pay and discharge or cause to be paid and discharged all taxes and other levies of the Province of Ontario, the City, or of any other entity having jurisdiction to impose such taxes or levies, when the same become due and payable, except such taxes as are being contested in good faith by appropriate proceedings and provided that, in such case the Proponents shall have provided the City with appropriate security;
- d. deliver to the City the statements and reports as required by the Contribution Agreement.

13.2 The Proponents covenant and agree with the City that, so long as any obligation is outstanding by the Proponents to the City hereunder the Proponents will not, without the prior written consent of the City:

- a. create by the following encumbrances (collectively, the “Permitted Encumbrances”): create, incur, assume or permit to exist, after knowledge of the existence thereof, any mortgage, pledge, lien, hypothecation, charge (fixed or floating), security interest or other encumbrance whatsoever on the Property or any personal property or fixtures thereon except the following encumbrances:
 - i. encumbrances created in favour of or assigned or pledged to the City;
 - ii. inchoate or statutory liens for taxes which have not been assessed, or if assessed, which are either not delinquent or which are being contested by bona fide proceedings in good faith, and sufficient security for the payment of same has been given to the City, if requested;
 - iii. inchoate or statutory liens of contractors, sub-contractors, mechanics, suppliers, workers and others in respect of the construction, maintenance, repair and operation of the Improvements, provided that the same are not registered encumbrances against title to the Property or any personal property, or, if so registered, have been postponed to all charges in favour of the City contained in the Security Documents or are being contested by bona fide proceedings in good faith with sufficient security for the payment thereof having been given to the City or paid into Court to prevent effectively in the City’s opinion realization by disposal or other alienation from the Proponents of its legal or beneficial title to or interest in any such property; and
 - iv. other Permitted Encumbrances listed in Schedule “D” hereto.
- b. become a party, without the prior written consent of the City, to any transaction whereby the Subject Lands would become the property of any other person, whether by way of reorganization, amalgamation, merger, transfer, sale, lease, sale and leaseback, or otherwise. Such consent shall not be unreasonably withheld;
- c. permit any change in the beneficial ownership of the Proponents without prior written consent of the City, such consent shall not be unreasonably withheld;
- d. make any material change in the Plans and Specifications or the Construction Contract which pertains to the number or type of Affordable Rental Housing Units of the Project without the prior written approval of the City; or

14. INDEMNIFICATION

- 14.1 The Proponents shall indemnify and save harmless the City from all claims, costs, all matter of actions, cause and causes of action, duties, dues, accounts, covenants, demands or other proceeding of every kind or nature whatsoever at law or in equity arising out of this Agreement and out of the operation of the Affordable Rental Housing Units including claims arising out of negligence of the Proponents and specifically, all claims arising out of the intentional or criminal acts of any officers, directors, employees, agents, volunteers, or independent contractors of the Proponents. Such indemnification shall survive the termination of this Agreement for claims arising from or out of incidents occurring the term of this Agreement.
- 14.2 The Proponents agree to purchase and maintain, during the term of this Agreement third party liability insurance in a limit of not less than five million dollars (\$5,000,000) covering bodily injury, and loss or property damage resulting from any activity related in any way to this Agreement. This insurance shall include the City as an additional insured, a cross liability clause,

severability of interest clause, non-owned automobile insurance and personal injury liability clause.

- 14.3 The Proponents further agree, upon Substantial Completion, to purchase and maintain insurance policies that a prudent manager of similar premises would maintain and, without limiting those types of policies, at least the following:
- a) Broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of the Project and with a deductible of not more than one hundred thousand dollars (\$100,000);
 - b) All risks property insurance (including flood and earthquake) in an amount equal to the full replacement cost of the Project and with a deductible of not more than one hundred thousand dollars (\$100,000).
- 14.4 In addition, during the design and construction period of the contract, the Proponents will obtain and maintain the following policies of insurance:
- a) All risk builder's risk property insurance for the full replacement value of the completed construction project, including boiler and machinery, earthquake and flood based on a stated amount co-insurance and including a waiver of subrogation and loss payable, as their interest may appear, in favour of the City, and with a deductible of not more than one hundred thousand dollars (\$100,000) and remaining in effect until the completion of construction;
 - b) Construction liability insurance coverage including owners and contractors protective, broad form products and completed operations, cross liability and severability of interest clauses, blanket contractual, hook liability, employers liability, non-owned automobile liability and shoring, , excavating, underpinning, demolition, pile driving and, work below and above ground surface, and grading, and similar operations associated with the construction work, as applicable; to an inclusive limit of not less than \$5,000,000 and in the joint names of the Proponents, City, designated consultants, designated contractors, all other contractors, sub- contractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants and other persons (including, but not limited to directors, officers, employees, shareholders, legislators and officials involved in the Project) which the City reasonably may require to be added as insured parties.
- 14.5 The Proponents shall advise the City of any cancellation, material alteration or lapse of any policies of insurance required to be provided hereunder. If the Proponents fail to effect and keep such insurance in force, or if such insurance is in an amount less than the amount required under this Agreement, the City shall have the right, upon notice to the Proponents and without assuming any obligation in connection therewith, to effect such insurance at the cost of the Proponents and all outlays by the City shall be payable by the Proponents to the City forthwith upon demand without prejudice to any other rights and recourses of the City hereunder. No such insurance taken out by the City shall relieve the Proponents of its obligations to insure hereunder and the City shall not be liable for any loss or damage suffered by the Proponents.
- 14.6 The Proponents shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining the insurance to be provided pursuant to this Article. Evidence that the insurance described above is in force shall be provided to the City prior to commencement of the Agreement and thereafter once annually at least ten (10) clear days prior to the renewal date of the policy, and that the insurance will not be cancelled or permitted to expire unless the insurer notifies the City in writing at least thirty (30) days prior to such cancellation.

- 14.7 Further, the Proponents shall require all professionals involved with the Project to carry professional (errors and omissions) liability insurance in an amount not less than two million (\$2,000,000) dollars and make reasonable efforts to verify such insurance is in force throughout the period of the work.
- 14.8 The Proponents agree to obtain for its employees and to require all designated consultants, designated contractors, all other contractors, sub-contractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants and other persons Workplace Safety and Insurance Board coverage and to ensure that such coverage continues in effect throughout the period of the work.

15. NOTICE

- 15.1 Any notice or other communication required, desired or permitted to be given by this Agreement shall be in writing and shall be effectively given if:

- (a) delivered personally;
- (b) sent by prepaid courier service; or
- (c) sent by e-mail communication, and confirmed by mailing the original documents so sent by prepaid mail on the same or following day, addressed as follows:

- (i) in the case of notice to the City:

The Corporation of the City of London
Municipal Housing and Industrial Development
P.O. Box 5035 London, ON N6A 4L9

E-mail: housing@london.ca

- (ii) in the case of notice to the Proponents:

Perpetually Innovative Developments Inc.
9-380 Adelaide St N
London ON N6B 3P6

E-mail:

2614442 Ontario Inc.
c/o Yossef Lavie
650 Victoria Street
London ON N5Y 4C1

E-mail:

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section.

Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day. Any notice or other communication transmitted by facsimile communication shall be deemed to have been given and received on the day of its transmission, provided that such day is a Business Day and such transmission is completed before 4:30 p.m. on such day, failing which such notice or other communication shall be deemed to have been given and received on the first (1st) Business Day after its transmission. If there has been a mail stoppage and if a party sends a

notice or other communication by facsimile communication, such party shall be relieved from the obligation to mail the original document in accordance with this paragraph.

16. GENERAL

- 16.1 Any power, right or function of the City contemplated by this Agreement, may be exercised by any employee, agent or assign of the City who is hereby specifically authorized in this regard.
- 16.2 It is understood that the *Municipal Freedom of Information and Protection of Privacy Act* shall apply to all records submitted to or created by the City pursuant to this Agreement.
- 16.3 The Proponents represent and warrant that:
- (a) they shall preserve the PIPEDA compliance of all PIPEDA protected Information transferred to it by the City;
 - (b) they shall ensure the PIPEDA compliance of all PIPEDA Protected Information it collects in the course of performing its contractual obligations; and
 - (c) they shall ensure the PIPEDA compliance of all PIPEDA protected information that it transfers to the City.
- 16.4 Nothing in this Agreement is to be construed as authorizing one Party to contract for or incur any obligation on behalf of the other or to act as agent for the other and nothing in this Agreement shall be construed to constitute the City and the Proponents as partners of each other.
- 16.5 No member of:
- (a) the House of Commons or Senate of Canada; or
 - (b) the Legislative Assembly of Ontario; or
 - (c) the Municipal Council constituting the Service Manager or the Municipal Council of any local municipality of the Service Manager or the governing body of any Municipal Agency, Board or Commission, of any such municipalities;
- shall knowingly be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement.
- 16.6 Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or abridged by agreement in writing signed by the City and the Proponents or their respective solicitors on their behalf, who are hereby expressly authorized in this regard.
- 16.7 Any tender of documents or money hereunder may be made by the City or the Proponents or their respective solicitors, and it shall be sufficient that a bank draft or certified cheque may be tendered instead of cash.
- 16.8 This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed, and which has the effect of supplementing or superseding such statute or regulations.

- 16.9 The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.
- 16.10 The Parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting the Property or this Agreement other than as expressed in writing in this Agreement.
- 16.11 This Agreement shall be read with all changes of gender and number required by the context.
- 16.12 The Proponents shall not transfer or convey its interest in all or any part of the Project without, subject to subsection 13.2(b), simultaneously assigning its interest in this Agreement to the transferee, which transferee shall enter into one or more agreements with the City, in a form satisfactory to the City, to assume all of the Proponents' obligations under this Agreement and to provide the City with Security in accordance with this Agreement.
- 16.13 The Proponents shall not assign their interests in this Agreement and/or the Property without the prior written consent of the City, which consent shall not be arbitrarily or unreasonably withheld.
- 16.14 For the purpose of this Agreement, a transfer of the beneficial interest in the shares of the Proponents shall be deemed to constitute an assignment if it results in a change in the party or parties who owns or own more than fifty per cent (50%) of the voting shares of the said corporation.
- 16.15 Each of the Parties shall, at any time and from time to time, upon not less than twenty (20) Business Days prior written notice by the other Party, execute and deliver to the other Party a statement in writing certifying that this Agreement is in good standing, unmodified and in full force and effect, or if there have been modifications that the same are in good standing and in full force and effect, as modified, and stating the modifications. Where applicable, the statement shall state the defaults, if any, known to the Party to whom such request has been made and the action taken or proposed to be taken by such requested Party with respect to same.
- 16.16 If more than one entity is a party to this Agreement as a Proponent, all references to the Proponents shall include all of the said entities and this Agreement shall be binding on each jointly and severally. Any reference to a Proponent shall mean one of the entities collectively referred to as the Proponents.
- 16.17 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided that this paragraph shall in no way derogate from the provisions herein restricting the Proponents's ability to assign this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by the **Parties**.

THE CORPORATION OF THE CITY OF LONDON

Josh Morgan,
Mayor

Michael Schulthess, City Clerk

PERPETUALLY INNOVATIVE DEVELOPMENTS INC.

[XXXX]
I have the authority to bind the Corporation.

[XXXX]
I have the authority to bind the Corporation.

2614442 ONTARIO INC.

[XXXX]
I have the authority to bind the Corporation.

[XXXX]
I have the authority to bind the Corporation.

SCHEDULE "A" OPTION AGREEMENT

This Option Agreement dated the _____ day of _____, 2026.

Between:

PERPETUALLY INNOVATIVE DEVELOPMENTS INC.

-and-

2614442 ONTARIO INC.
(Collectively, "the Optionors")

and

THE CORPORATION OF THE CITY OF LONDON
(the "Optionee")

WHEREAS the Optionors are the owner of an estate in fee simple in the lands hereinafter referred to;

AND WHEREAS the Optionee has conveyed to the Optionors, the Subject Lands in the City of London, County of Middlesex hereinafter referred to as the "Property", pursuant to an Agreement of Purchase and Sale dated March 31, 2026 ("APS") and subject to the conditions contained in the Contribution Agreement to which this Option Agreement is appended;

AND WHEREAS it being a condition of the conveyance of the Property to the Optionor that the Optionee be granted an Option to reacquire the Property in fee simple, free and clear of all liens, claims, charges or encumbrances, under certain conditions;

NOW THEREFORE this agreement witnesseth that in consideration of these covenants and agreements herein contained, and in consideration of the payment or payments made or to be made to the Optionors by the Optionee in accordance with the provisions of this agreement, the Optionors agree to sell to the Optionee the Property upon the terms and subject to the conditions hereinafter set forth:

1. Capitalized terms in this Agreement not otherwise defined shall have the meaning defined within the Contribution Agreement to which this Option Agreement is appended.
2. The Optionors hereby grant to the Optionee, for a period of twenty-five (25) years commencing on the Occupancy Date of the Project, (the "Term") the option to purchase the Property for the purchase price as hereinafter set forth subject to the terms and conditions set out herein (the "Option"). The Option shall be exercisable by the Optionee only upon the occurrence of any one of the following events (the "Triggering Events") during the Term:
 - a. The occurrence of an Event of Default under Section 9 of the Contribution Agreement; or
 - b. The Optionor requests the City's consent to assign or otherwise transfer their interest in the Property pursuant to Sections 13.2 (b) and 16.12 of the Contribution Agreement.

3. The Optionee may exercise the Option by the delivery of written notice to the Optionors at any time after the occurrence of a Triggering Event, prior to the expiry of the Term. The date for completion ("Closing") specified in such notice from the Optionee to the Optionors shall be no less than 30 days and no more than 120 days after the date of such notice, subject to any further extensions of Closing required to facilitate the determination of the purchase price.
4. If the Optionor has advised that the Project will not proceed or if an Event of Default occurs prior to Substantial Completion of the buildings on the Property, the Optionee may exercise its Option and the Property will be transferred to the Optionee at nominal consideration. If an Event of Default occurs after Substantial Completion, the purchase price for the Property pursuant to the Option shall be the fair market value of the Property, determined as of the date of the exercise of the Option. The fair market value shall be such amount as is agreed upon by the Optionors and Optionee or, failing such agreement, such amount as may be as determined by a qualified appraiser selected by agreement of the parties or, failing agreement as to an appraiser, the average of the amounts determined by three qualified appraisers, one of whom shall be selected by the Optionors, one of whom shall be selected by the Optionee and the third of whom shall be selected by the other two appraisers. The purchase price shall be paid by cash or cheque of lawful money of Canada as follows:
 - (a) The Optionee shall be credited a setoff against the purchase price equivalent to the total amount of the Loan, being \$4,050,000, plus any accrued interest that remains payable at the date of exercise of the Option and any additional amounts the parties may agree remain owing to the Optionee by the Optionors on Closing;
 - (b) the balance of the purchase price shall be paid by the Optionee on Closing, subject to the usual adjustments.
5. The Optionors shall on Closing execute and deliver to the Optionee a good and valid deed or Transfer (the "Conveyance") of the Property in appropriate form for registration in the land registration office where the Property are recorded in order to enable the Optionee to be registered as owner in fee simple of such Property and the Optionors covenant with the Optionee that they will execute such further assurances of the Property as may reasonably be required.
6. Provided the title to the property is good and free from all encumbrances, except as otherwise expressly provided herein, and except as to any registered easements, restrictions or covenants that run with the land, or municipal by-laws, or other governmental enactments, providing that such are complied with. If prior to Closing any valid objection to title or to the fact that the proposed use of the Property by the Optionee may not lawfully be undertaken is made in writing to the Optionors (or its solicitors) and which the Optionors are unable or unwilling to remove, remedy or satisfy and which the Optionee will not waive, this Agreement, notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies therefore paid shall be returned to the Optionee without interest or deduction and the Optionors shall not be liable for any costs or damages.
7. The Optionors covenant to the Optionee that they have the right to convey the Property to the Optionee notwithstanding any act of the Optionors and

that the Optionee shall have vacant and quiet possession of the lands free from all encumbrances, except residential leases, as aforesaid, from and after Closing.

8. The Property and any other things being purchased shall be and remain until Closing at the risk of the Optionors. Pending Closing, the Optionors shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, the Optionee may either terminate this agreement or else take the proceeds of any insurance and complete the purchase.
9. All Harmonized Sales Tax (HST), if any, which may be payable in connection with this transaction shall be in addition to and not included in the Purchase Price. The Optionee is a HST Registrant and will account for its HST liability, if any, in accordance with Subsection 228(4) of the Excise Tax Act.
10. The Optionors shall pay all charges including, without limitation, taxes (including local improvements) levied against the Property up to and including Closing and the Optionee shall pay all said taxes after that date.
11. The Optionors hereby agree that the Optionee shall have the right to register this Option Agreement, or notice of any of the Optionee's rights hereunder, against the title to the Property, and the Optionors agree to promptly execute any documents required in connection therewith.
12. This Agreement is conditional on compliance with the subdivision control provisions of the Planning Act (Ontario).
13. This Agreement shall be binding upon and enure to the benefit of the Optionors and the Optionee and their respective successors and assigns and the Optionors covenant and agree that prior to conveying any interest in the Property they shall obtain an agreement by any successor, assigns or transferee in favor of the Optionee whereby such successor, assign or transferee to be bound by all of the terms of this Agreement in favor of the Optionee.
14. The parties hereto acknowledge each with the other that neither execution nor registration of the Conveyance, nor the issuance of title to the Optionee, shall supersede, cancel or in any way render unenforceable any of the provisions of this agreement.
15. All notices required or permitted to be given hereunder shall be in writing and may be given by either (i) delivering the same to the other party, or (ii) if postal service is fully operative, by mailing same by registered mail postage prepaid:

in case of the Optionee to:

The Corporation of the City of London
Realty Services Division
300 Dufferin Avenue, P.O. Box 5035
London, ON N6A 2L9
Attention: Director, Realty Services

and in the case of the Optionor to:

Perpetually Innovative Developments Inc.

9-380 Adelaide St N
London ON N6B 3P6

Attention:

2614442 Ontario Inc.
c/o Yossef Lavie
650 Victoria Street
London ON N5Y 4C1

Attention:

or to such other address as the Optionee and the Optionors respectively may from time to time designate in writing and any such notice shall be deemed to have been given to and received by the addressee on the date on which it was delivered or if mailed shall be deemed to have been given to and received by the addressee on the fifth business day following the date on which it was deposited in the mail, except in the event of interruption of mail service after mailing, in which event it shall be deemed to have been given when actually received.

IN WITNESS THEREOF the Optionors have hereunto executed this agreement as of the day and year first above written.

**PERPETUALLY INNOVATIVE
DEVELOPMENTS INC.**

Name:

Title:

I have authority to bind the Corporation.

Name:

Title:

I have authority to bind the Corporation.

2614442 ONTARIO INC.

Name:

Title:

I have authority to bind the Corporation.

Name:

Title:

I have authority to bind the Corporation.

**THE CORPORATION OF THE CITY
OF LONDON**

Josh Morgan, Mayor

Michael Schulthess, City Clerk

SCHEDULE "B-1", "B-2", "B-3"
SECURITY DOCUMENTS

Schedule B-1: City Charge/Mortgage of Land - register in land titles/land registry system

Schedule B-2: Assignment of Rents - register in land titles/land registry system and PPSA

Schedule B-3: Security Agreement (chattels) - register in PPSA

SCHEDULE "B-1"
CITY CHARGE / MORTGAGE OF LAND

ADDITIONAL PROVISIONS: Continued from Page 1 - Box 10 (TERAVEIW)

1. Section 24 of the Standard Charge Terms filed as No. 200033 is deemed to be excluded.
2. This Charge/Mortgage of Land is collateral security for a Contribution Agreement made between the Chargors and The Corporation of the City of London ("Chargee"), dated the 31st day of March, 2026, (the "Contribution Agreement") under which the Chargee contributed a total of four million fifty thousand dollars (\$4,050,000) (the "Loan") towards the Project and is in addition to and not in substitution for any other security held by the Chargee for all or any part of the monies secured under this Charge/Mortgage of Land.
3. In the event of a breach of the terms of the Security Agreement or the Assignment of Leases and Rents being given by the Chargors to the Chargee simultaneously with this Charge, the principal balance then outstanding, together with any other amounts payable pursuant to the terms of this Charge, shall forthwith become due and payable at the option of the Chargee and all powers conferred by this Charge shall become exercisable by the Chargee.
4. With respect to the portion of the Loan advanced by the Chargee:
 - (a) Prior to the Interest Adjustment Date as defined in the Contribution Agreement, interest shall accrue on the total amount of the Loan at the rate of eight per cent (8%) per annum. The interest so calculated shall compound annually, not in advance, until the Interest Adjustment Date.
 - (b) On the Interest Adjustment Date, the amount of interest accrued shall be forgiven, provided that the Chargor has satisfied all requirements as set out in the Contribution Agreement and is in good standard under the Contribution Agreement.
 - (c) Following the Interest Adjustment date, interest shall accrue on the total amount of the Loan at a rate of eight per cent (8%) per annum. The interest so calculated shall compound annually, not in advance.
 - (d) On each anniversary date of the Interest Adjustment Date, the Chargors shall pay the Chargee the amount of interest, as calculated according to the interest rate stipulated in paragraph 4(c), so accrued during the previous year; provided, however, if the Chargors have satisfied, as of such anniversary date, the requirements of the Contribution Agreement, the amount of the interest so owing shall automatically be forgiven.
 - (e) The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Loan, provided that the Chargors have fulfilled all the requirements of the Contribution Agreement.
 - (f) Upon the occurrence of any one or more of the Events of Default described in the Contribution Agreement, the Chargee, at its option, may declare the outstanding principal amount of the Loan then advanced, together with all other moneys owing under the Contribution Agreement, due and payable forthwith.
5. The Chargors covenant with the Chargee that upon request in writing from the Chargee, they will provide the Chargee, within thirty (30) days of receipt of such request, a schedule containing the names of all tenants in the building

constructed on the Charged Premises, accompanied by a certificate of an officer of the Chargors confirming the terms of all existing leases, that the same are in full force and effect, that the Chargors have complied with all terms thereof, that there are no outstanding set-offs or equities disclosed or undisclosed as between the Chargors and the tenant, that no money other than a maximum of two (2) months rent has been prepaid by the tenant to the Chargors, and that the tenant is aware of the assignment by the Chargors of all rents and leases affecting the Charged Premises.

6. The Chargors covenant with the Chargee that if the Chargee makes any payment, in connection with the determination, establishment or preservation of its priority, whether such payment is made to a lien claimant or other person claiming an interest in the Charged Premises or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall be forthwith payable to the Chargee by the Chargors and shall be a charge on the Charged Premises and shall be added to the debt hereby secured and shall bear interest at the said rate, and in default of payment, the power of sale and other remedies hereunder may be exercised. It is further agreed that the Chargee shall not become a mortgagee in possession by reason only of exercising any of the rights given to them under this paragraph or in making any payment to preserve, protect or secure the Charged Premises.
7. The Chargors covenant with the Chargee that in the event of the Chargors selling, conveying, transferring or entering into an agreement for the sale or transfer of title of the Charged Premises to a purchaser or transferee not approved in writing by the Chargee, which approval shall not unreasonably be withheld, delayed or conditioned, all monies hereby secured with accrued interest thereon, at the option of the Chargee, shall forthwith become due and payable.
8. Subject to the renewals, replacements and consolidations permitted in paragraph 13 below, the Chargors shall not further mortgage or encumber the Charged Premises without the prior written approval of the Chargee, save and except for a prior ranking mortgage in favour of Canada Mortgage and Housing Corporation.
9. The Chargors shall take out and maintain throughout the term of the Charge the following insurance, all in a form and with insurers acceptable to the Chargee, acting reasonably:
 - (a) all policies shall include thirty (30) days written notice to the Chargee of material alteration or cancellation and must be signed by the insurer(s) or their authorized representative(s);
 - (b) the policies shall include the Chargee as loss payee, as its interest may appear, and shall contain the Insurance Bureau of Canada approved standard mortgage clause endorsement; all risks, including extended coverage and flood, to full one hundred per cent (100%) replacement cost, and boiler and pressure vessel and machinery insurance;
 - (c) comprehensive or commercial general liability insurance to a limit of not less than five million dollars (\$5,000,000.00) per occurrence;
 - (d) general liability coverage for non-owned automobile to a limit of not less than two million dollars (\$2,000,000.00); and
 - (e) co-insurance shall not be acceptable.
10.
 - (a) The Chargors, at their sole cost and expense, shall comply, or cause its tenants, agents, and invitees, at their sole cost and expense, to comply with all federal, provincial and municipal laws, rules, regulations and orders, with

respect to the discharge and removal of hazardous or toxic wastes, and with respect to the discharge of contaminants into the natural environment. The Chargors shall pay immediately when due the cost of removal of any such wastes and the cost of any improvements necessary to deal with such contaminants and keep the Charged Premises free and clear of any lien imposed pursuant to such laws, rules and regulations. In the event the Chargors fail to do so, after notice to the Chargors and the expiration of the earlier of (i) any applicable cure period under the Charge or (ii) the cure period under the applicable law, rule, regulation or order, the Chargee at their sole option may declare the Charge to be in default.

- (b) The Chargors shall indemnify and hold the Chargee harmless from and against all losses, costs, damages or expenses (including, without limitation, legal fees and costs incurred in the investigation, defence and settlement of any claims) relating to the presence of any hazardous waste or contaminant referred to herein.
11. The Chargee or its agents may, at any time, before and after default, and for any purpose deemed necessary by the Chargee, enter upon the Charged Premises to inspect the lands and buildings thereon. Without limiting the generality of the foregoing, the Chargee or its agents may enter upon the Charged Premises to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee and the reasonable cost of such testing, assessment, investigation or study, as the case may be, shall be payable by the Chargors forthwith and shall be a charge upon the said Charged Premises. The exercise of any of the powers enumerated in this paragraph shall not deem the Chargee or its agents to be in possession, management or control of the said lands and buildings.
12. At any time after the security hereby constituted becomes enforceable, or the moneys hereby secured shall have become payable, the Chargee may appoint in writing a receiver or receiver-manager (the "Receiver") of the Charged Premises, with or without bond, and may from time to time remove the Receiver and appoint another in its stead, and any such Receiver appointed hereunder shall have the following powers:
- (a) To take possession of the Charged Premises and to collect the rents and such property, undertaking and assets of the Chargors assigned and/or charged to the Chargee herein and for such purpose to enter into and upon any lands, buildings and premises and for such purpose to do any act and take any proceedings in the name of the Chargors or otherwise as it shall deem necessary, specifically including, but not limited to managing, operating, repairing, altering or extending the Charged Premises or any part thereof;
 - (b) To employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as it shall think proper, to repair and keep in repair the Charged Premises and to do all necessary acts and things for the protection of the said Charged Premises;
 - (c) To sell or lease or concur in selling or leasing any or all of the Charged Premises, or any part thereof; and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargors or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver; and any such sale may be made from time to time as to the whole or any part or parts of the Charged Premises; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise which it shall deem proper; and it may buy or rescind or vary any contracts for the sale of any part of the Charged Premises and may resell the same, and it may sell any of the same on such terms as to credit or part cash and part credit

or otherwise as shall appear in its sole opinion to be most advantageous and at such prices as can reasonably be obtained thereof; and in the event of a sale on credit, neither the Receiver nor the Chargee shall be accountable for or charged with any moneys until actually received;

- (d) To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of this Charge and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;
- (e) To borrow money to carry on the operations of the Chargors at the Charged Premises and to charge the whole or any part of the Charged Premises in such amounts as the Receiver may from time to time deem necessary, and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall constitute a Charge against the Charged Premises in priority to this Charge;
- (f) To execute and prosecute all suits, proceedings and actions which the Receiver, in its opinion, considers necessary for the proper protection of the Charged Premises, and to defend all suits, proceedings and actions against the Chargors or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;
- (g) To execute and deliver to the purchaser of any part or parts of the Charged Premises, good and sufficient deeds for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargors for the purpose of making such sale and executing such deed, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargors, and all other persons claiming the said property or any part or parcels thereof by, from, through or under the Chargors, and the proceeds of any such sale shall be distributed in the manner hereinafter provided;
- (h) The net profits of the operations of the Chargors at the Charged Premises and the net proceeds of any sale of the Charged Premises or part thereof shall be applied by the Receiver, subject to the claims of any creditor ranking in priority to this Charge:
- (i) Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by it of all or any of the powers aforesaid, including the reasonable remuneration of the Receiver and all amounts properly payable by it;
 - (ii) Secondly, in payment of all costs, charges and expenses payable hereunder;
 - (iii) Thirdly, in payment to the Chargee of the principal sum owing hereunder;
 - (iv) Fourthly, in payment to the Chargee of all interest and arrears of interest, if any, and any other monies remaining unpaid hereunder; and
 - (v) Fifthly, any surplus shall be paid to the Chargee, provided that in the event any party claims a Charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.

(j) During any period wherein the Chargee or any receiver or receiver and manager appointed by it shall manage the Charged Premises or any part thereof, upon or after entry, as provided herein, the Chargee shall not, nor shall any receiver or receiver and manager, be responsible or liable for any debts contracted by it, for damages to any other property or person, or for salaries or non-fulfilment of any contract, save and except as to claims at law or in equity to an accounting; and the Chargee shall not be bound to do, observe, or perform or to see the observance or performance by the Chargors of any of the obligations herein imposed upon the Chargors nor in any other way supervise or interfere with the conduct of the Chargors; operations of the Charged Premises;

(k) The Chargee shall not be liable to the Receiver for his remuneration, costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising, unless the same shall be caused by his own gross negligence or willful default; and he shall, when so appointed, by notice in writing pursuant hereto, be deemed to be the agent of the Chargors, and the Chargors shall be solely responsible for his acts and defaults and for his remuneration;

(l) Save as to claims for an accounting contained in this paragraph, the Chargors hereby release and discharge any such Receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Chargors or any person claiming through or under it by reason or as a result of anything done by such Receiver, unless such claim be in direct and proximate result of dishonesty or fraud; The Chargee may, at any time and from time to time, terminate any Receiver by notice in writing to the Chargors and to the Receiver;

(m) The statutory declaration of an employee or agent of the Chargee as to default under the provisions of this Charge and as to the due appointment of the Receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with the Receiver through its ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual;

13. The rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.

SCHEDULE "B-2"

ASSIGNMENT OF RENTS

THIS ASSIGNMENT made this _____ day _____, 2026,

BETWEEN:

PERPETUALLY INNOVATIVE DEVELOPMENTS INC.

-and-

2614442 ONTARIO INC.

(collectively the "Assignors")

- and -

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the "Assignee")

WHEREAS:

1. The Assignors are the owner of the lands and premises hereof (the "Premises"), subject to a charge to the Assignee of even date (the "Charge");
2. The Assignors have leased or granted a right of use, occupation or license with respect to parts of the Premises and will from time to time lease or grant a right of use, occupation or license with respect to parts of the Premises.

NOW THEREFORE, the Assignors and the Assignee agree with each other as follows:

1. The Assignors hereby assigns, transfers and sets over unto the Assignee, its successors and assigns, as security for payment of the principal and interest and other moneys secured by the Charge and for performance of the obligations of the Assignors thereunder, all rents, charges and other moneys (the "Rents") now due and payable or hereafter to become due and payable,
 - (a) under every existing and future lease of and agreement to lease the whole or any portion of the Premises,
 - (b) under every existing and future tenancy, use, occupation or license granted by the Assignors, their successors and assigns, in respect of the whole or any portion of the Premises, whether or not pursuant to a lease, agreement to lease or license, and
 - (c) under every existing and future guarantee of all or any of the obligations of existing or future tenants, users, occupiers or licensees of the whole or any portion of the Premises, including all rents and other moneys under every lease, agreement to lease, use, occupancy, license and guarantee (the "Leases"), with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents, and to enforce payment of the same in the name of the Assignors, its successors and assigns, or otherwise.

2. The Assignors shall be permitted to collect and receive the Rents as and when the same shall become due and payable according to the terms of the Leases, unless and until the Assignors are in default under any of the provisions of the Charge and thereafter, the Assignee shall give notice to the tenant, user, occupier, licensee or guarantor, requiring the same to pay the Rents to the Assignee, which notice shall be binding upon the Assignors and may not be contested by it.
3. The Assignors represent, warrant, covenant and agree that, subject to the provisions of paragraph 9,
 - (a) none of the Leases or the Assignors' rights thereunder, including the right to receive the Rents, have been or will be amended (except in the ordinary course of business), assigned, encumbered, discounted (save and except in connection with any settlement with a defaulting tenant in the ordinary course of business) or anticipated in priority to this Assignment, without the prior written consent of the Assignee;
 - (b) they have not and will not do or omit to do any act having the effect of terminating, canceling or accepting surrender of any of the Leases or of waiving, releasing, reducing or abating any rights or remedies of the Assignors or obligations of any other party thereunder or in connection therewith;
 - (c) none of the rights, remedies and obligations are or will be affected by any reduction, abatement, defense, set-off or counterclaim;
 - (d) none of the Rents under any of the Leases has been or will be paid in advance, except rent for the ensuing month and rent for the last month of the term of the lease;
 - (e) none of the Rents under any of the Leases has been paid prior to the due date for payment thereof;
 - (f) there has been no default under any of the Leases;
 - (g) there is no outstanding dispute under any of the Leases between the Assignors and any other party thereto;
 - (h) each of the Leases is valid, enforceable and in full force and effect;
 - (i) the Assignors shall observe and perform all of their obligations under the Leases.
4. Nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of the Rents or any of them or for the performance of any obligations or provisions under or in respect of the Leases or any of them to be observed and performed by the Assignors; and the Assignee shall not, by virtue of this Assignment or their receipt of the Rents or any of them, become or be deemed to be a mortgagee in possession; and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them, or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them; and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less proper collection charges and such moneys may be applied on account of any indebtedness of the Assignors to the Assignee.

5. In the event the Assignee shall have exercised its rights under paragraph 2 and shall have received any of the Rents and if the Assignors shall cure the default under the Charge which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee shall provide the Assignors with details of all Rents received by them prior to such resumption.
6. The Assignors covenant and agree to execute such further assurances as may be reasonably required by the Assignee from time to time to perfect this Assignment and without limiting the generality of the foregoing, upon the request of the Assignee made at any time, they shall assign, transfer and set over unto the Assignee the Leases or such of them so requested by a valid assignment thereof and shall give any other parties thereto a notice of such assignment and shall obtain from them acknowledgements of such notice, and the Assignors hereby irrevocably appoint the Assignee their attorney to effect and execute such assignment.
7. A full and complete Discharge of the Charge shall operate as a full and complete release and re-assignment of all of the Assignee's rights and interest hereunder, and after the Charge has been fully discharged, this instrument shall be void and of no further effect. In the event further documentation is required for such release and re-assignment, the Assignee shall execute the same promptly, upon request by the Assignors.
8. This Assignment is given in addition to and not in substitution for any other security held by the Assignee for all or any part of the monies secured under the Charge. It is understood and agreed that the Assignee may pursue its remedies under the Charge or hereunder or under any other security, concurrently or successively, at its option. Any judgment or recovery hereunder or under any other security held by the Assignee for the monies secured under the Charge shall not affect the right of the Assignee to realize upon this or any other security.
9. This Assignment is hereby postponed to the Assignment of Rents registered against the Premises as of the date of registration of this Assignment and any extension or renewal thereof and any specific assignment of Rents made thereunder from time to time.
10. This Assignment shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF this Assignment has been executed on behalf of the Assignor by its authorized officers.

**PERPETUALLY INNOVATIVE
DEVELOPMENTS INC.**

Name:
Title:

I have the authority to bind the Corporation

2614442 ONTARIO INC.

Name:
Title:

I have the authority to bind the Corporation

SCHEDULE "B-3"

SECURITY AGREEMENT

THIS AGREEMENT made this _____ day of _____, 2026,

BETWEEN:

PERPETUALLY INNOVATIVE DEVELOPMENTS INC.

-and-

2614442 ONTARIO INC.
(collectively the "Assignors")

- and -

THE CORPORATION OF THE CITY OF LONDON
(hereinafter called the "Assignee")

1. SECURITY INTEREST

1.1 **IN CONSIDERATION** of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignee, the Assignors hereby grant, bargain, assign and transfer to the Assignee a fixed and specific mortgage and charge, as and by way of a continuing security interest (the "Security Interest") in the following property now or hereafter owned or acquired by or on behalf of the Assignors:

Equipment - All tools, machinery, equipment, furniture, plants, fixtures, and other tangible personal property, fixed goods, chattels or assets of the kind, nature or description of the property particularly described in Schedule "B" hereto (the "Collateral").

1.2 The Security Interest is given for the payment of all obligations, indebtedness and liabilities, direct and indirect, of the Assignors to the Assignee, pursuant to the charge/mortgage (the "Charge") given by the Assignors to the Assignee, registered on

[insert date and Registry Office: _____]
as Instrument No. [insert number:], including extensions or renewals thereof (the "Obligations").

2. LOCATION OF PROPERTY

2.1 The Assignors confirm and warrant that the Collateral shall be kept at 1408 Hyde Park Road, London, Ontario more particularly described in Schedule "A1" hereto, and that the Assignor shall not remove any of the Collateral from said location, without the prior written consent of the Assignee.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 The Assignors hereby represent, warrant and covenant to or with the Assignee, as the case may be, that:

- (a) the Assignors shall reimburse the Assignee for all costs and expenses, (including legal fees on a solicitor and his own client basis), incurred by them in the filing of this Agreement and the taking, recovering or possessing the Collateral, and in any other proceedings taken for the purpose of protecting or enforcing the remedies provided herein, or otherwise in relation to the Collateral or by reason of non-payment of the Obligations, and all such costs and expenses shall be payable on demand;
- (b) at the time of execution and delivery of this Security Agreement, the Assignors are and stand solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title to the Collateral, free of any charge, lien, charge, security interest or encumbrance.
- (c) the Assignors shall not remove any of the Collateral from the lands and premises described in paragraph 2, without the Assignee's prior written consent, unless such Collateral is worn out or obsolete and provided that prior to such removal such Collateral is replaced with other Collateral of comparable quality, which shall be free of any mortgage, lien, charge, security interest or encumbrance, from time to time, of the said lands and premises;
- (d) the Assignors shall care for, protect and preserve the Collateral and shall not permit its value to be impaired, and shall not sell, transfer, assign, mortgage, charge, pledge, hypothecate or deliver or otherwise dispose of any such property or any interest therein from time to time, of the lands and premises described in Schedule A1, without the prior written consent of the Assignee;
- (e) the Assignors shall keep the Collateral insured under the policies provided for in the Charge;
- (f) the Assignee shall be entitled, from time to time and at any time, to inspect the Collateral wherever located and to make enquiries and tests concerning the Collateral, and the Assignors shall defray all expenses in connection therewith; and
- (g) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Assignors in accordance with its terms.

4. USE OF SPECIFICALLY CHARGED PROPERTY

- 4.1 Until the occurrence of an event of default, as hereinafter provided, the Assignors may use the Collateral specifically charged in any lawful manner not inconsistent with this Agreement.

5. EVENTS OF DEFAULT

- 5.1 Obligations not payable on demand shall immediately become payable upon the occurrence of one (1) or more of the following events of default:
 - (a) the Assignors fail to pay when due any of the Obligations, or to perform or rectify a breach of any of the representations, warranties or covenants of this Agreement or of the Charge;
 - (b) the Assignors cease or threaten to cease to carry on business, becomes insolvent or the subject of bankruptcy or insolvency proceedings;
 - (c) an encumbrancer takes possession of any of the Collateral or any process of execution is levied or enforced upon or against any of the Collateral;
 - (d) indebtedness or liability of the Assignors, other than to the Assignee, becomes due and payable, or capable of being declared due and payable, before the

stated maturity thereof, or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or any guarantee given by the Assignors is not honoured when due and called upon;

and the Assignee shall have all rights and remedies under the applicable laws, as well as any other rights and remedies provided by this Agreement.

6. ADDITIONAL POWERS UPON DEFAULT

6.1 In addition to the rights and powers provided in paragraphs 5 and 8 and under the *Personal Property Security Act*, the Assignee and the Receiver, as defined in paragraph 8, shall have the following rights and powers, if the security hereby constituted becomes enforceable:

to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition; and the Assignors shall from time to time forthwith on the Assignee's request, execute, do and make all such agreements, statements, further assignments, acts, matters and things which may, from time to time, in the opinion of the Assignee, be necessary or expedient for the purpose of carrying into effect any of the provisions hereof and of perfecting the title of the Assignee in the collateral; and the Assignee and any of its managers or acting managers are by the Assignors hereby irrevocably constituted and appointed the true and lawful attorney of the Assignors, with full power of substitution for the Assignee, at its option, whenever and wherever it may deem necessary or expedient to do, make and execute all such statements, assignments, documents, acts, matters or things, with the right to use the name of the Assignors.

7. WAIVER BY THE ASSIGNEE

7.1 Any breach by the Assignors of any of the provisions contained in this Agreement or any default by the Assignors in the observance or performance of any covenant or condition required to be observed or performed by the Assignors hereunder may only be waived by the Assignee in writing, provided that no such waiver by the Assignee shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

8. APPOINTMENT OF RECEIVER AND MANAGER

8.1 The Assignee may appoint in writing any person, whether an employee or employees of the Assignee or not, to be a receiver or a receiver and manager (the "Receiver") of the Collateral or any part of parts thereof.

8.2 A receiver so appointed shall have power:

- (i) to take possession of, collect and get in the Collateral or any part thereof, and for that purpose to take any proceedings in the name of the Assignors or otherwise; and
- (j) to sell or concur in selling any of the Collateral.

8.3 Any Receiver so appointed shall be deemed to be the agent of the Assignors. The Assignors shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Assignee shall not, in any way, be responsible for any misconduct or negligence on the part of the Receiver.

8.4 All moneys received by the Receiver after providing for payment of all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver shall be applied in or towards satisfaction of the Security Interest.

8.5 The rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights the Assignee may have from time to time.

9. NOTICE

9.1 The Assignors shall be entitled to not less than fifteen (15) days notice in writing of the date, time and place of any intended disposition of the Collateral, such notice to be sent by registered mail to the last known registered office address of the Assignors.

10. APPROPRIATION

10.1 The Assignee shall have the right, at any time, to appropriate any payment made to any portion of the Obligations and to revoke or alter any such appropriation.

11. TERM

11.1 This Agreement shall be a continuing agreement, in every respect, for the payment of the Obligations and it shall remain in full force until all of the Obligations shall be paid in full. In the event any provisions of this Agreement shall be deemed invalid or void by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

12. NON-SUBSTITUTION

12.1 The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Assignee.

13. ACKNOWLEDGEMENT

13.1 The Assignors acknowledge receipt of a copy of this Agreement.

IN WITNESS WHEREOF this Assignment has been executed on behalf of the Assignors by its authorized officers.

2614442 ONTARIO INC.

Name:

Title:

I have the authority to bind the Corporation

PERPETUALLY INNOVATIVE DEVELOPMENTS INC.

Name:

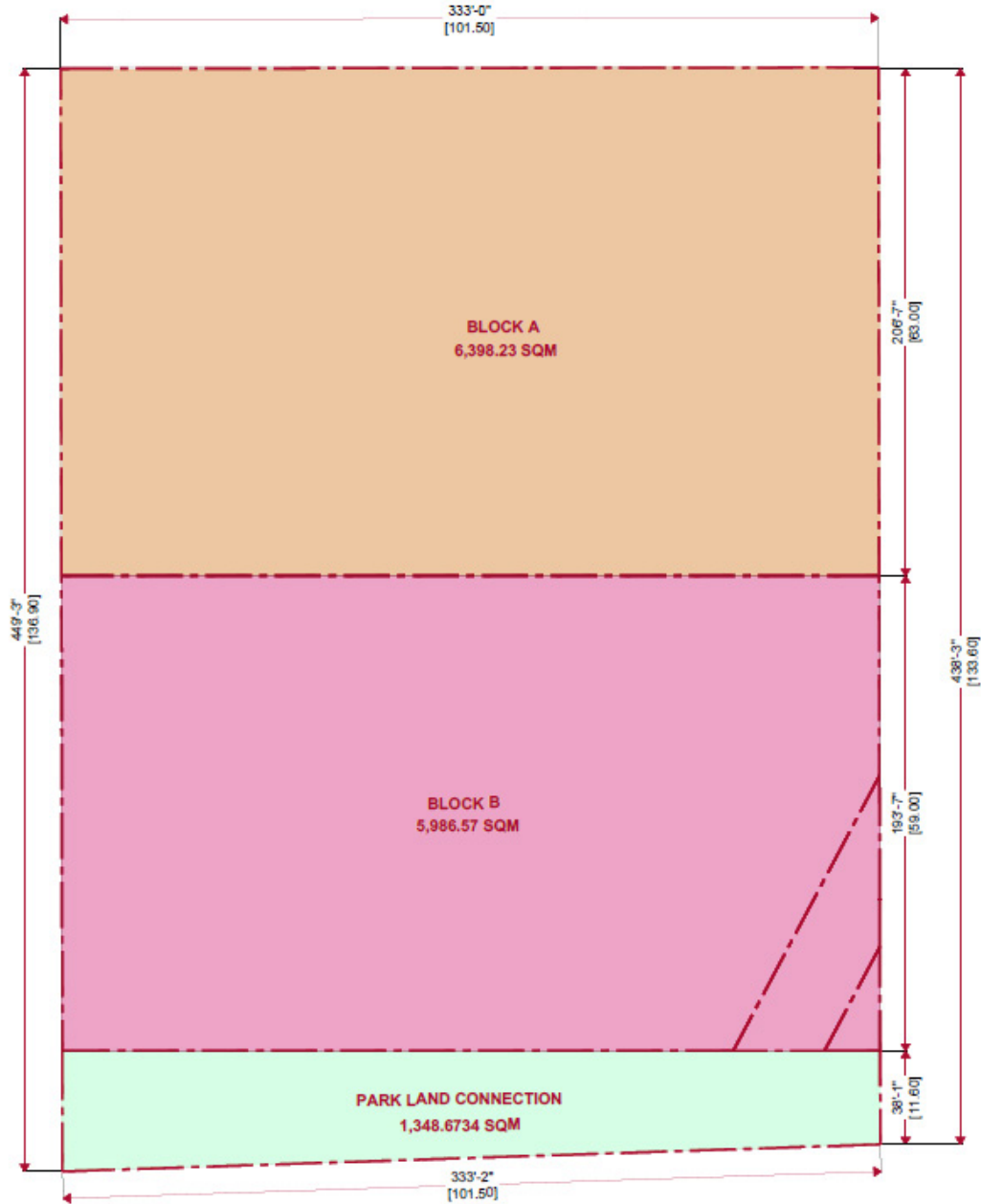
Title:

I have the authority to bind the Corporation

SCHEDULE "A1"

LOCATION OF THE COLLATERAL

Description: Part of Lots 72 and 73, Plan 33M219, as shown as Block "A" in the sketch attached hereto as Schedule "A" and to be more particularly described in a reference plan to be deposited, being part of PIN 08053-1409



SCHEDULE "B"

PROPERTY COMPRISING THE COLLATERAL

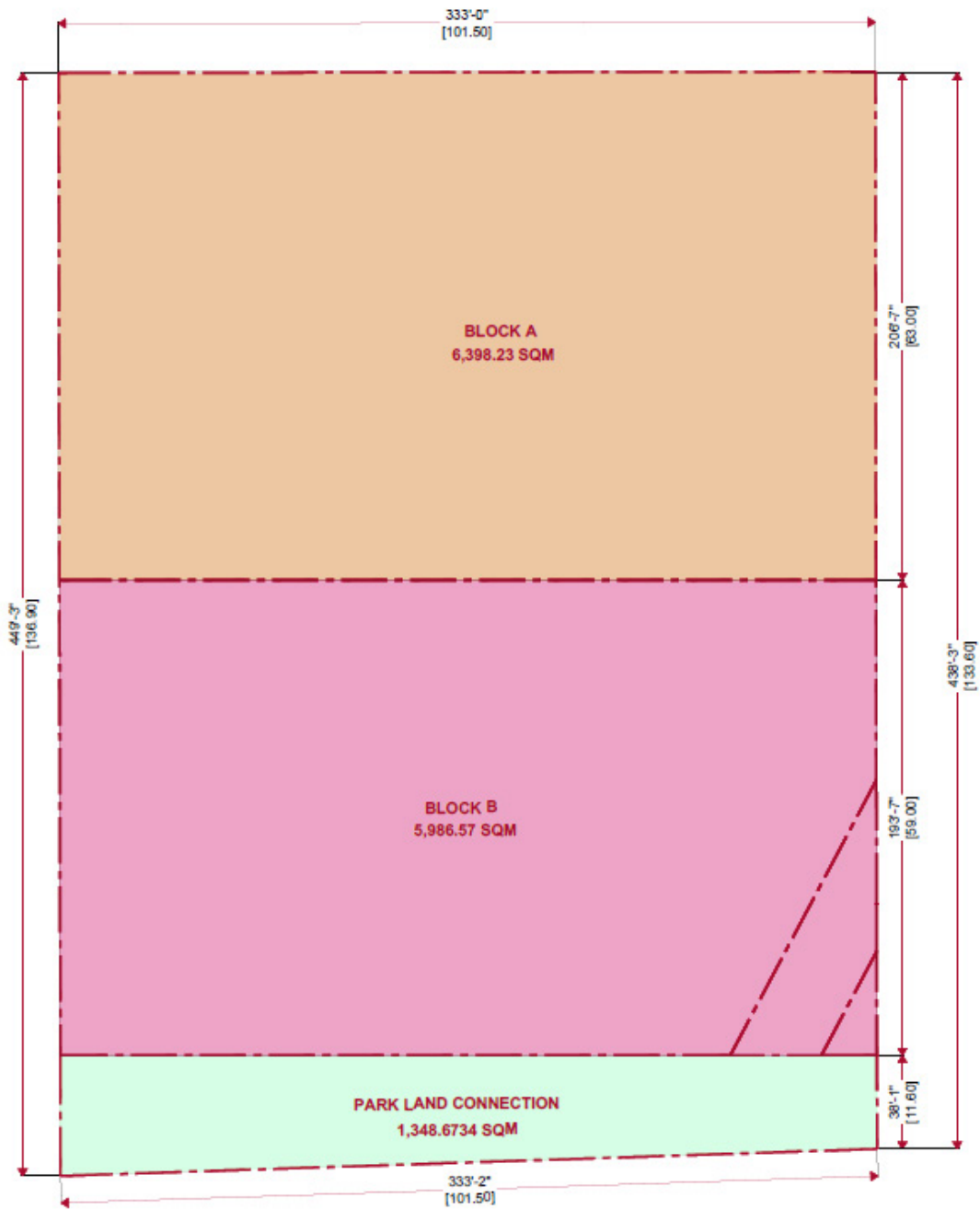
All refrigerators, stoves, washers, dryers and all other items of personal property owned by the Assignor and located on or used in connection with the operation of the lands and premises described in Schedule "A1".

SCHEDULE "C"
PERMITTED ENCUMBRANCES

1. Such easements and restrictive covenants as do not prevent the Project from being constructed or used as Affordable Rental Housing.
2. Municipal agreements relating to the Development Activities in connection with the Project.

SCHEDULE "D"
DESCRIPTION OF PROPERTY

Description: Part of Lots 72 and 73, Plan 33M219, as shown as Block "A" in the sketch attached hereto as Schedule "A" and to be more particularly described in a reference plan to be deposited, being part of PIN 08053-1409



SCHEDULE "E"
INITIAL OCCUPANCY REPORT

The Initial Occupancy Report (IOR) will be signed by the Proponents and City. The following information will be required for the IOR form:

- Section A – Project Information
- Section B – Tenant Information
- Section C – Units and Rent Information
- Section D – Project Certification

NOTE: The IOR is required to be submitted by the Proponents to City, for approval, before receiving final payment. The "permitted rents" must be consistent with the formula for determining the initial rents, set out in Section 4 of this agreement.

INITIAL OCCUPANCY REPORT

A. Project Information

Reporting Period	
Initial Occupancy	
Contribution Agreement Expiry Date	
Project Name	
Project Address	
Proponents	
Contact	
Mailing Address	

B. Household Income of New Tenants During Reporting Period

Unit Number	Unit Type	Tenant Name(s) and Dependent(s)	Total Gross Household Income	Tenant Move-In Date

C. Units and Rent Information

Unit Type	# of Affordable Units	(A) Actual Monthly Rent \$	(B) CMHC AMR \$ (20XX)	C = (A)/(B)*100 Depth of Affordability
1 BR				
2 BR				
3 BR				

D. Project Certification, Consent and Solemn Declaration

I hereby declare and certify the following statements to be true and correct:

1. To the best of my knowledge, all information provided in Section B of this report is true and correct and matches financial statements and rent rolls.
2. All new tenants have been appropriately screened for program eligibility and unit occupancy standards in accordance with the Contribution Agreement and Residential Tenancies Act prior to signing of leases.

3. No additional fees, charges, or lease costs are required of tenants outside of the requirements of the Contribution Agreement.
4. Any increases in rental rates have been done so, no more than one time annually in accordance with the practices and limitations as set out in the Contribution Agreement.
5. I am aware of the controls and remedies outlined within the Contribution Agreement related to compliance with the agreement and affordable housing program.

Consent:

I understand that, in accordance with the Contribution Agreement, the City or its agents may review the rent roll, financial statements, and verification of initial tenant eligibility which has been retained and will be made available for review purposes.

Solemn Declaration:

I declare that all the information on these forms is true to the best of my knowledge and that no information has been withheld or omitted. I make this declaration knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

Proponents Name/Position
Company/Organization

Date

ANNUAL OCCUPANCY REPORT

The AOR will be generated on an annual basis for the term of the Loan Agreement. The AOR will be signed by the Proponents and the City.

The following information will be required for the AOR form:

- Section A – Project Information
- Section B – Units and Rent Information
- Section C – Depth of Affordability
- Section D – Project Certification

ANNUAL OCCUPANCY REPORT

A. Project Information

Reporting Period	
Initial Occupancy	
Loan Agreement Expiry Date	
Project Name	
Project Address	
Proponents	
Contact	
Mailing Address	

B. Household Income of New Tenants During Reporting Period

Unit Number	Unit Type	Tenant Name(s) and Dependent(s)	Total Gross Household Income	Tenant Move-In Date

C. Units and Rent Information

Unit Type	# of Affordable Units	(A) Actual Monthly Rent \$	(B) CMHC AMR \$ (20XX)	C = (A)/(B)*100 Depth of Affordability
1 BR				
2 BR				
3 BR				

D. Project Certification, Consent and Solemn Declaration

I hereby declare and certify the following statements to be true and correct:

- a. To the best of my knowledge, all information provided in Section B of this report is true and correct and matches financial statements and rent rolls.
- b. All new tenants have been appropriately screened for program eligibility and unit occupancy standards in accordance with the Contribution Agreement and Residential Tenancies Act prior to signing of leases.
- c. No additional fees, charges, or lease costs are required of tenants outside of the requirements of the Contribution Agreement.
- d. Any increases in rental rates have been done so, no more than one time annually in accordance with the practices and limitations as set out in the Contribution Agreement.

- e. I am aware of the controls and remedies outlined within the Contribution Agreement related to compliance with the agreement and affordable housing program.

Consent:

I understand that, in accordance with the Contribution Agreement, the City or its agents may review the rent roll, financial statements, and verification of initial tenant eligibility which has been retained and will be made available for review purposes.

Solemn Declaration:

I declare that all the information on these forms is true to the best of my knowledge and that no information has been withheld or omitted. I make this declaration knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

Proponents Name/Position Company
/Organization

Date

Signature

SCHEDULE "G"
DEVELOPMENT SCHEDULE

Site Plan Approval	December 2026
Building Permit	September 2027
Construction Start	October 2027
Foundation Completed	December 2027
Structural Framing Completed	April 2028
Substantial Completion	June 2028
Lien Publication	September 2028
First Occupancy	September 2028

Capital Audit Report – Must be submitted within 90 days of Substantial Completion.

Schedule "H"

AGREEMENT OF PURCHASE AND SALE AND REDEVELOPMENT

VENDOR: THE CORPORATION OF THE CITY OF LONDON

PURCHASER: PERPETUALLY INNOVATIVE DEVELOPMENTS INC. and
2614442 ONTARIO INC.

REAL PROPERTY:

Address 1364, 1376, 1390 and 1408 Hyde Park Road, London, Ontario.

Location Hyde Park Road, south of South Carriage Road, London

Legal Description Part of Lots 72 and 73, Plan 33M219, as shown as Block "A" in the sketch attached hereto as Schedule "A" and to be more particularly described in a reference plan to be deposited, being part of PIN 08053-1409 (collectively the "Property").

1. **OFFER TO PURCHASE:** The Purchaser agrees to purchase the Property from the Vendor in accordance with the terms and conditions as set out in this Agreement.
2. **SALE PRICE:** The purchase price shall be TWO DOLLARS CDN (\$2.00) payable, subject to adjustments, in cash or by certified cheque on completion of this Agreement.:
3. **ADJUSTMENTS:** Any unearned fire insurance premiums, rents, mortgage interest, realty taxes including local improvements rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to the Purchaser.
4. **SCHEDULE(S):** The following Schedule(s) form(s) part of this Agreement:
 - Schedule "1" – Sketch of the Property
 - Schedule "2" – Additional Terms and Conditions
 - Schedule "3" – Purchaser's Conceptual Site Plan
 - Schedule "4" – Permanent City Easement
5. **IRREVOCABILITY:** This Offer shall be irrevocable by the Purchaser until May 30, 2026, after which date, if not accepted by the Vendor, this Offer shall be null and void.
6. **TITLE SEARCH:** The Purchaser shall be allowed until 30 days prior to completion date (Requisition Date) to examine the title to the Property and at its own expense and to satisfy itself that there are no outstanding work orders or deficiency notices affecting the Property, that its present use may be lawfully continued.
7. **COMPLETION DATE:** This Agreement shall be completed by no later than 30 days after the waiver or fulfillment of the Additional Terms and Conditions as stipulated within Schedule "B" in this Agreement. Upon completion, vacant possession of the Property shall be given to the Purchaser unless otherwise provided for in this Agreement.
8. **NOTICES:** Any notice relating to or provided for in this Agreement shall be in writing.
9. **HST:** If this transaction is subject to Harmonized Sales Tax (HST) then such HST shall be in addition to and not included in the sale price, and HST shall be collected and remitted in accordance with applicable legislation. If this transaction is not subject to HST, the Vendor agrees to provide, on or before completion, to the Purchaser's solicitor, a

certificate in a form satisfactory to the Purchaser's solicitor certifying that the transaction is not subject to HST.

10. **FUTURE USE:** Vendor and the Purchaser agree that there is no representation or warranty of any kind that the future intended use of the Property by the Purchaser is or will be lawful except as may be specifically provided for in this Agreement.
11. **TITLE:** Provided that the title to the Property is good and free from all encumbrances, except as otherwise provided in this Agreement. If within the specified times referred to in paragraph 6 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued is made in writing to the Vendor and which Vendor is unable or unwilling to remove, remedy or satisfy and which the Purchaser will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and any deposit paid shall be returned without interest or deduction and Vendor shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title or in connection with any registration made after such day, the Purchaser shall be conclusively deemed to have accepted Vendor's title to the Property.
12. **DOCUMENTS AND DISCHARGE:** The Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title to the Property except such as are in the possession or control of Vendor. If requested by the Purchaser, Vendor will deliver any sketch or survey of the Property within Vendor's control to the Purchaser as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by the Purchaser on completion, is not available in registerable form on completion, the Purchaser agrees to accept Vendor's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registerable form and to register same on title within a reasonable period of time after completion, provided that on or before completion Vendor shall provide to the Purchaser a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, together with a direction executed by Vendor directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
13. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registerable form at the expense of the Vendor. If requested by the Purchaser, Vendor covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50 (22) of the *Planning Act*, R.S.O. 1990
14. **RESIDENCY:** The Purchaser shall be credited towards the Purchase Price with the amount, if any, necessary for the Purchaser to pay to the Minister of National Revenue to satisfy the Purchaser's liability in respect of tax payable by Vendor under the non-resident provisions of the Income Tax Act by reason of this sale. The Purchaser shall not claim such credit if Vendor delivers on completion the prescribed certificate or a statutory declaration that Vendor is not a non-resident of Canada.
15. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Vendor and the Purchaser or their respective lawyers who are hereby specifically authorized in that regard.
16. **TENDER:** Any tender of documents or money hereunder may be made upon Vendor or the Purchaser or their respective solicitors on the day set for completion. Money may be tendered by bank draft or certified cheque by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.

17. **FAMILY LAW ACT:** Vendor warrants that spousal consent is not necessary to this transaction under the provisions of the *Family Law Act*, R.S.O. 1990 unless Vendor's spouse has executed the consent provided.
18. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if the subdivision control provisions of the Planning Act are complied with.
19. **CLOSING ARRANGEMENTS:** Where each of the Vendor and Purchaser retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. , Chapter L4, and any amendments thereto, the Vendor and Purchaser acknowledge and agree that the delivery of documents and the release thereof to the Vendor and Purchaser may, at the lawyer's discretion: (a) not occur contemporaneously with the registration of the Transfer/Deed (and other registerable documentation) and (b) be subject to conditions whereby the lawyer receiving documents and/or money will be required to hold them in trust and not release them except in accordance with the terms of a written agreement between the lawyers.
20. **AGREEMENT IN WRITING:** This Agreement, including any Schedule attached, shall constitute the entire Agreement between the Purchaser and Vendor. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.
21. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.
22. **RISK:** The Property shall remain at the risk of the Vendor until closing.

GIVEN UNDER MY/OUR HAND AND SEAL, (OR, IN WITNESS WHEREOF THE PARTIES HERETO HAVE HEREUNTO CAUSED TO BE AFFIXED THEIR CORPORATE SEAL ATTESTED BY THE HANDS OF ITS PROPER SIGNING OFFICERS, as the case may be) this 31st day of March, 2026.

THE CORPORATION OF THE CITY OF LONDON

Josh Morgan, Mayor

Michael Schulthess, City Clerk

PERPETUALLY INNOVATIVE DEVELOPMENTS INC.

I/We Have the Authority to Bind the Corporation

2614442 ONTARIO INC.

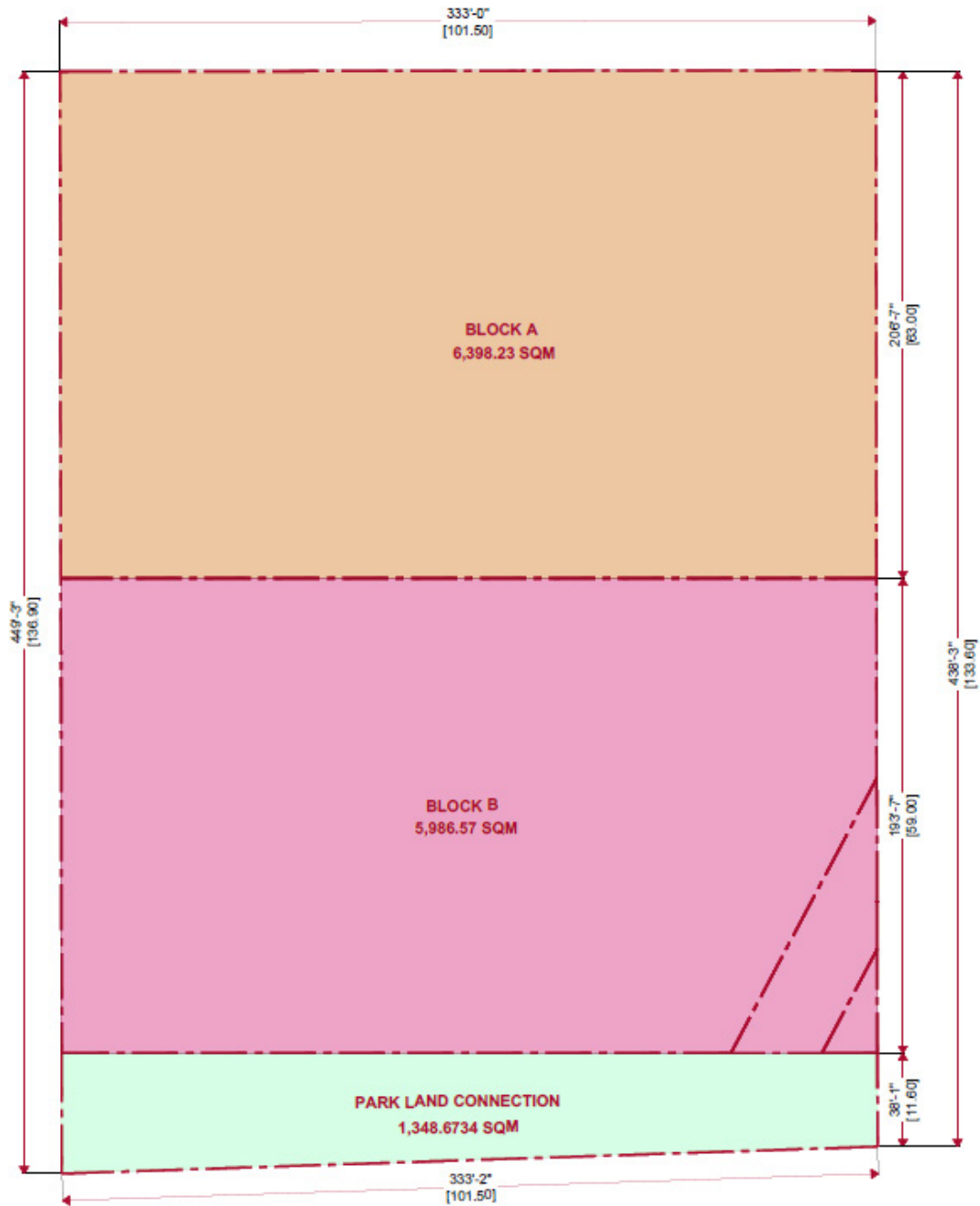
I/We Have the Authority to Bind the Corporation

VENDOR'S LAWYER: Sachit Tataavarti, Solicitor, 519-661-2500 Ext. 5018 Fax: 519-661-5530

SCHEDULE "1"

Sketch Of The Property

Shown as Block A below.



SCHEDULE "2"

Additional Terms and Conditions

1. **SOIL, GEOTECHNICAL AND ENVIRONMENTAL TESTS:** As part of the Purchaser's due diligence, a period of Ninety (90) days from the date of acceptance of this Agreement shall be provided to satisfy itself in its sole and absolute discretion as to the soil and environmental condition of the Property. The Purchaser may enter on the Property and have soil and environmental tests conducted using qualified agents or servants. The Purchaser agrees that all such tests shall be conducted using reasonable care and that the Property shall be restored to a condition as close as reasonably possible to its condition prior to entry at the Purchaser's expense failing which the Vendor may restore at the Purchaser's expense.

If the results of the Record of Site Condition or any soil or environmental tests are not satisfactory to the Purchaser, it shall within the time limited deliver written notice to that effect to the Vendor and the Agreement shall be terminated and the deposit immediately returned to the Purchaser without interest or deduction; failing delivery of written notice, the condition shall be deemed to have not been waived or satisfied. This condition is inserted for the benefit of the Purchaser and may be waived by it at any time during the time limited period.

2. **INSPECTION OF PROPERTY:** The agreement is conditional upon the inspection of the Property by the Purchaser's inspector(s) (the "Inspection") at the Purchaser's own expense, and the obtaining of a report(s) (the "Report") satisfactory to the Purchaser in the Purchaser's sole and absolute discretion within Ninety (90) days from date of acceptance of this Agreement. The Vendor agrees to co-operate in providing access to the Property for the purpose of this Inspection.

If the results of the Inspection and Report are not satisfactory to the Purchaser in its sole and absolute discretion, it shall within the time limited deliver written notice to that effect to the Vendor and the Agreement shall be terminated and the deposit immediately returned to the Purchaser without interest or deduction; failing delivery of written notice, the condition shall be deemed to have been waived. This condition is inserted for the benefit of the Purchaser and may be waived by it at any time during the time limited period.

3. **ZONING/OFFICIAL PLAN APPROVAL:** If required, the Purchaser shall have a period of Two Hundred (200) days from the date of acceptance of this Agreement to obtain, at the Purchaser's own expense, appropriate amendments to the Zoning By-Law, Official Plan Amendment and/or a Minor Variance (the "Planning Approvals").

And provided however that if an appeal against one or more of the Planning Approvals is made to the Ontario Land Tribunal (OLT) within the time limited period above, then the time period for the fulfillment of this condition shall be automatically extended until 5:00pm on the 30th day following the release of the OLT's final decision and Order regarding all such appeals within its jurisdiction. In the event that the OLT modifies or amends the Planning Approvals in any manner which is unacceptable to the Purchaser, in its sole discretion, the Purchaser shall within 10 days of the release of the OLT decision or order advise the Vendor to that effect and this Agreement shall be terminated and no further force and effect and the deposit returned to the Purchaser without interest or deduction.

If the Purchaser is unable to obtain the aforesaid Planning Approvals and no appeal of a refusal by the approval authority is pursued, it shall within the aforesaid 200 day time period deliver written notice to the effect to the Vendor

and the Agreement shall be terminated and the deposit immediately returned to the Purchaser without interest or deduction; failing delivery of written notice, the condition shall be deemed to have been waived. For clarity, the Purchaser shall be obliged to advise the Vendor in writing as to whether it is able or not able to obtain the Planning Approvals.

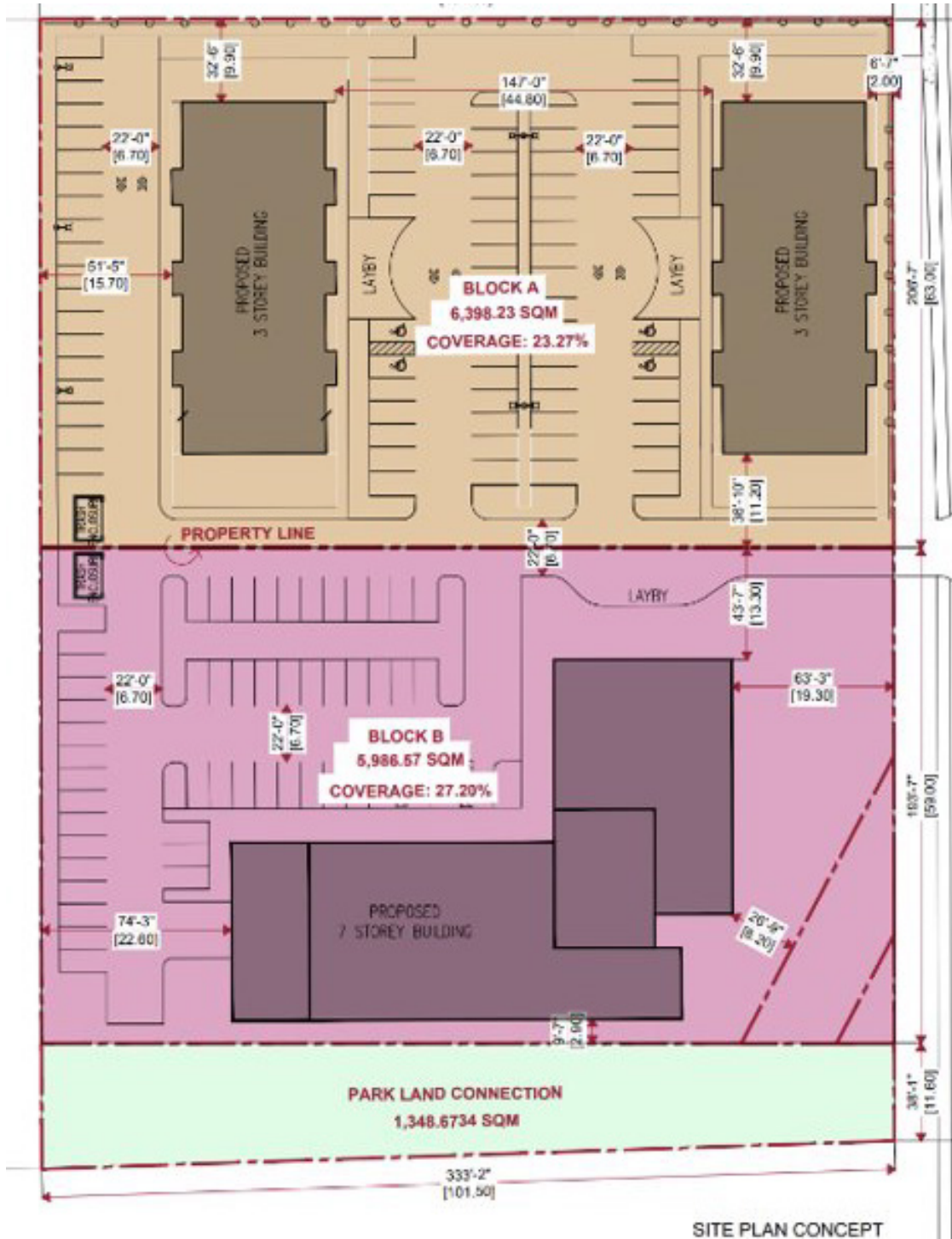
4. **ENVIRONMENTAL CLAUSE:** The Purchaser acknowledges that the Property is being purchased on an "as is" basis. The Purchaser acknowledges that the Vendor has not made, did not make and shall not be required to provide any representations or warranties of any kind with respect to whether the Property and processes and undertakings performed thereon have been and are in compliance with all applicable environmental laws, regulations and orders and whether the Property is suitable for any specific use including and without limitation to any construction or development. The Purchaser acknowledges and agrees that the Vendor shall not be liable for any damages of loss whatsoever arising out of or pursuant to any claims in respect to the foregoing. This condition shall not merge on but shall survive the completion of this transaction.
5. **EASEMENTS:** The Purchaser agrees to accept the title to the Property subject to an easement for municipal services over Part 2 on the draft reference plan included in Schedule "A", substantially in the form attached as Schedule "D" to this Agreement. The permanent easement shall be registered in sequence to the Transfer on completion and in priority to any registered encumbrances on title.
6. **DEVELOPMENT AGREEMENT:** The Purchaser acknowledges and agrees that it will be required to obtain a Development Agreement and Site Plan Approval, which will include, but not be limited to, conditions and requirements for site access, servicing, grading, drainage, landscaping, municipal easements, building height, setbacks, orientation, exterior building design, noise levels and obtaining if necessary any permits or approvals deemed necessary by the City of London. The Purchaser shall have a period of two hundred (200) days from the date of acceptance of this Agreement to obtain Site Plan Approval for the Property in accordance with Section 42 of the Planning Act. Should the Purchaser file an appeal of the decision of the approval authority, the period of time to obtain Site Plan Approval shall be extended until all appeals have been resolved. If the Purchaser is unable to obtain Site Plan Approval within the time prescribed above, this Agreement shall be terminated and the deposit immediately returned to the Purchaser without interest or deduction.
7. **CONTRIBUTION AGREEMENT:** The Purchaser shall enter into an amending agreement to the Contribution Agreement between the Purchaser and Vendor dated March 31, 2026 to include the legal description of the Property. The obligation of the Vendor to complete this transaction shall be subject to and conditional on the Vendor and Purchaser entering into the aforementioned amending agreement and the prior compliance by the Purchaser of the conditions precedent contained in the Contribution Agreement, which shall include but not be limited to:
 - a. The Purchaser's provision of proof of financing, a project budget (capital budget and operating budget) and construction schedule in a form satisfactory to the Vendor;
 - b. The Purchaser shall have delivered to the City evidence satisfactory to the City that the Purchaser's equity in the project has been paid, delivered or pledged; and
 - c. The Purchaser's provision of the required corporate by-laws, resolutions and other documents authorizing the relevant agreements and a solicitor's opinion in relation to same, to the satisfaction of the Vendor.

8. **OPTION TO PURCHASE:** The Purchaser shall enter into an Option Agreement with the City of London, in the form prescribed by the City within the Contribution Agreement and for a term of 25 years, granting the City an option to acquire title to the Property free and clear of any encumbrances at a negotiated fair market value, less any amounts owing pursuant to the Contribution Agreement. Notice of the City's Option to Purchase shall be registered in sequence with the Purchaser's primary financing, in priority to any other registered encumbrances.
9. **LOCAL IMPROVEMENTS:** The Purchaser shall pay local improvement charges and any other special levies assessed at any time against the land on and after completion of the purchase.
10. **HST:** Notwithstanding paragraph 9 on the first page of the Agreement to which this Schedule is attached, the following paragraph shall apply with respect to HST. The Purchaser covenants and agrees that it will on or prior to Closing provide the Vendor with a certificate of an officer of the Purchaser confirming its registration number relating to the federal government's goods and services tax under the Excise Tax Act (Canada). The Purchaser further agrees to self-assess and remit the required amount (if any) in accordance with the applicable statutory requirements in connection with HST. The Purchaser further agrees to indemnify and save harmless the Vendor from and against such HST together with any penalties and interest thereon which may arise as a result of any failure by the Purchaser to pay such HST as aforesaid. The Purchaser shall deliver on Closing an undertaking and indemnity with respect to the foregoing.
11. **PURCHASER CONCEPTUAL SITE PLAN DRAWINGS:** Subject to the appropriate approvals, the Purchaser shall develop the site generally in accordance with the Purchaser's conceptual site plan shown in Schedule "C".
12. **ASSIGNMENT OF AGREEMENT:** The Purchaser shall not assign this agreement without the written consent of the Vendor, which may be unreasonably withheld.
13. **REFERENCE PLAN:** The Vendor agrees to prepare and deposit the Reference Plan on title, on or before closing, at the Vendor's expense. In the event that the Reference Plan has not yet been deposited by the Completion Date specified in paragraph 7 of this Agreement, the Purchaser shall consent to extend the Completion Date for a period of up to six (6) months, without condition, to allow the Vendor sufficient time to deposit the Reference Plan prior to closing.
14. **SURVIVAL OF CONDITIONS:** The obligations of Purchaser contained in Schedule "B" shall survive and not merge on the completion of this transaction.

Schedule "3"

Purchasers' Conceptual Site Plan

BLOCK A



SCHEDULE "4"

THIS EASEMENT made this ___ day of _____, 2026.

B E T W E E N:

XXXXXXX

(Hereinafter called the "Transferor")
OF THE FIRST PART

- and -

THE CORPORATION OF THE CITY OF LONDON

(Hereinafter called the "Transferee")
OF THE SECOND PART

WHEREAS the Transferor is seized of the lands and premises herein described, and has agreed to transfer to the Transferee a multi-purpose easement for municipal services in, over and upon the said Lands;

AND WHEREAS Section 91(2) of the *Municipal Act*, S.O. 2001, c. 25, as amended provides that an easement of a public utility provided by a municipality does not have to be appurtenant or annexed to or for the benefit of any specific parcel of land to be valid;

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the sum of ONE DOLLAR (\$1.00), of lawful money of Canada now paid by the Transferee to the Transferor (the receipt and sufficiency of which is hereby acknowledged), the Transferor DOTH GRANT unto the Transferee, its successors and assigns, forever, the full, free and uninterrupted right, liberty, privilege and easement in gross to install, construct, reconstruct, repair, clean, maintain, inspect and use as part of the Municipal Services system of the City of London and as appurtenant thereto, and for all times hereafter, sewers, watermains, electrical cables, communications cables, conduits and other municipal services of such kind, size, type and number as the Transferee may from time to time determine necessary (the "Municipal Services"), in, through, over, on and under that part of the lands of the Transferor more particularly described as XXXXXXXX; London (the "Lands").

TOGETHER WITH the full right, liberty, privilege and easement unto the Transferee, its successors and assigns, and its and their servants, agents, work people, contractors and others designated by it and them, from time to time and at all times forever hereafter, to enter upon the said Lands, with or without tools, machinery, equipment and vehicles, for the purposes aforesaid and to enter as aforesaid upon the adjoining lands of the Transferor in order to obtain access to and from the said Lands.

AND TOGETHER WITH the full right, liberty, privilege and easement unto the Transferee, its successors and assigns, and its and their servants, agents, work people, contractors and others designated by it and them, from time to time and at all times forever hereafter, to enter upon the said Lands, with or without tools, machinery, equipment and vehicles, for the purpose of obtaining access to abutting lands owned by the Transferee or to abutting lands in which Municipal Services are installed.

IT SHALL BE LAWFUL for the Transferee and its successors and assigns to exercise and enjoy the rights, liberties and privileges hereby granted without being liable for any interference, loss of use or loss of profit which shall or may be thereby caused to the said lands or to the owners and occupiers thereof from time to time, and the Transferee shall have the right to cut down or remove any brush, trees, shrubs, fences, pavements, ramps, curbs and other objects or structures as may be necessary or convenient in the exercise of the rights and privileges hereby granted and likewise to excavate and remove the soil and surfacings for the purposes aforesaid.

THE TRANSFEREE COVENANTS with the Transferor that it will restore the said Lands to the approximate condition which existed immediately prior to each and every entry upon the said Lands, excluding the replacement of brush and trees and structures. Restoration of hard surfaces will be at the sole discretion of the Transferee unless the surface predated the acquisition of this easement or was subsequently constructed as part of a development approved by the Transferee.

THE TRANSFEROR COVENANTS that no buildings or other structures shall be erected on or over the Lands described herein without the written consent of the Engineer of the Transferee or his designate.

THE TRANSFEROR FURTHER COVENANTS that it has the right to convey the rights, liberties, privileges and easements hereby granted and will execute such further assurances as may be requisite to give full effect to this indenture.

IT IS HEREBY AGREED that the covenants and agreements on the part of the Transferor shall run with the Lands of the Transferor, and these shall enure to the benefit of and be binding upon the respective successors, heirs, executors, administrators and assigns of the parties hereto.

WHERE THE context requires, the masculine shall be construed as feminine or neuter and the singular shall be construed as plural.