

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

2508342 ONTARIO INC.

Respondent

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

**APPLICATION RECORD**

**CHAITONS LLP**

5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, Ontario, M2N 7E9

**Christopher J. Staples** (LSUC #31302R)

Tel. (416) 218-1147

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**Lawyers for the Applicant**

TO: **2508342 ONTARIO INC.**  
503 Caledonia Road  
Toronto, ON M6E 4V1

**Respondent**

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Court File No.: CV-18-607905-00CL

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SUPERIOR COURT OF JUSTICE  
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APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, and  
Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

## NOTICE OF APPLICATION

### TO THE RESPONDENT

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

**THIS APPLICATION** will come on for a hearing on **Thursday, the 15th day of November, 2018 at 10:00 a.m.**, at 330 University Avenue, Toronto, Ontario.

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

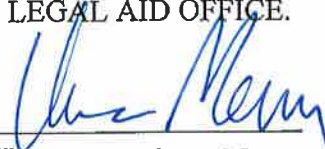
**IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION**, you or your lawyer must, in addition to serving your Notice of Appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not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

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

Date: October 30, 2018

Issued by:  
Local Registrar



Uvez Memori

Registrar, Superior Court of Justice  
Address of Court Office:  
330 University Avenue  
Toronto, Ontario  
M5G 1R7

TO: 2508342 Ontario Inc.  
503 Caledonia Road  
Toronto, ON  
M6E 4V1

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### APPLICATION

1. The Applicant (the “**Bank**”) makes application for:
  - (a) an order substantially in the form attached as Schedule “A” to this notice of application, including:
    - (i) if necessary, abridging the time for service of the Notice of Application and Application Record herein, validating the service of such application material and dispensing with service of such application material on the respondent and on interested parties not served;
    - (ii) appointing msi Spergel inc. as receiver, without security, of the property, assets and undertaking of the respondent; and
  - (b) such further and other relief as this Court may deem just.

### THE GROUNDS FOR THE APPLICATION are as follows:

1. The Bank is a lender to and senior secured creditor of the respondent, 2508342 Ontario Inc. (“**250**”).
2. The management and ownership structure of 250 has changed significantly and the operating owner of 250 has requested the appointment of a receiver.
3. The Bank has made demand on the respondent and provided notice of its intention to enforce its security pursuant to s-s. 244(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”).

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4. It is just inconvenient for the Court to appoint a receiver.
5. The business of 250 is, in part, operated as a gas station on real property owned by 250 and the appointment of a receiver is necessary, in part, to ensure safety and compliance with applicable laws and regulations.
6. Such further grounds as are set out in the affidavit in support of this application.
7. The Bank relies on s. 243 of the *BIA* and s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.
8. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. Affidavit of Marc Chia sworn October 30, 2018;
2. Such further and other evidence as the Applicant may submit and this Honourable Court accepts.

Date: October , 2018

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**CHAITONS LLP**

Barristers and Solicitors

5000 Yonge Street

10<sup>th</sup> Floor

Toronto, Ontario, M2N 7E9

**Christopher J. Staples** (LSUC #31302R)

Tel. (416) 218-1147

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[chris@chaitons.com](mailto:chris@chaitons.com)

Lawyers for the Applicant



## SCHEDULE "A"

Court File No. 2241-17

ONTARIO  
SUPERIOR COURT OF JUSTICE

THE HONOURABLE

)

THURSDAY, THE 15<sup>th</sup>

JUSTICE

)

DAY OF NOVEMBER, 2018

)

BANK OF MONTREAL

Applicant

- and -

2508342 ONTARIO INC.

Respondent

**ORDER**  
**(appointing Receiver)**

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing msi Spergel inc. as receiver (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of 2508342 Ontario Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

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ON READING the affidavit of Marc Chia sworn October ●, 2018 and the Exhibits thereto and on hearing the submissions of counsel for Bank of Montreal, no one appearing for the respondent although duly served,

### **SERVICE**

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

### **APPOINTMENT**

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

### **RECEIVER'S POWERS**

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

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- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

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- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause or, in the opinion of the Receiver, court approval is otherwise necessary or desirable regardless of the value of the transaction;

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

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

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- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or

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affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

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

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

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

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

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

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

#### **NO INTERFERENCE WITH THE RECEIVER**

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

#### **CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including



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without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

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

#### **EMPLOYEES**

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

**PIPEDA**

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

**LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

**LIMITATION ON THE RECEIVER'S LIABILITY**

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

**RECEIVER'S ACCOUNTS**

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

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

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

**FUNDING OF THE RECEIVERSHIP**

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may

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consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

#### **SERVICE AND NOTICE**

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of

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documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol.

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

#### GENERAL

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

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

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

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

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proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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# SCHEDULE "A"

## RECEIVER CERTIFICATE

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

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

1. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the "Receiver") of the assets, undertakings and properties 2508342 ONTARIO INC. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 15<sup>th</sup> day of October, 2018 (the "Order") made in an action having Court file number \_\_\_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

- 2 -

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

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

DATED the 30 day of October, 2018.

msi Spergel inc., solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

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

Name:

Title:



BANK OF MONTREAL

2508342 ONTARIO INC.

Applicant

and

Respondent

Court File No. CV-18-607905-0001

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at TORONTO

**NOTICE OF APPLICATION**

**CHAITONS LLP**  
Barristers and Solicitors  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**Christopher J. Staples** (LSUC #31302R)  
Tel: 416-218-1147  
Fax: 416-218-1847

Lawyers for the Applicant

Court File No.

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

2508342 ONTARIO INC.

Respondent

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

**AFFIDAVIT OF MARC CHIA**

I, **MARC CHIA**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an Account Manager with the Special Accounts Management Unit (“**SAMU**”) of Bank of Montreal (the “**Bank**”). I have current carriage of the Bank’s accounts and loans with the respondent corporation, 2508342 Ontario Inc. (“**250**”). As such, I have knowledge of the matters to which I depose in this affidavit. To the extent that I have relied on information from others, I have stated the source of such information and believe that information to be true.

2. I swear this affidavit in support of an application by the Bank for an order appointing msi Spergel inc. (“**Spergel**”) as receiver, without security, of the present and future property, assets and undertaking of 250.

**Background and Loan Facilities**

3. 250 owns real property located at 57 Matthew Street in Marmora, Ontario (the “**Property**”). The Property consists of an Ultramar branded gas station and a Square Boy Pizza franchise, both owned and operated by 250. A true copy of the corporate profile report for 250 is attached hereto as **Exhibit “A”**. A true copy of the parcel register for the Property is attached hereto as **Exhibit “B”**.

4. As the corporate profile report shows, Roopinder Bahl is a vice-president of the company and Jannette Saberon is a director. Mr. Bahl and Ms. Saberon were married but I understand have separated. Varun Sharma is the secretary of 250. Mr. Bahl and Mr. Sharma were the original shareholders of 250. All three are guarantors of the indebtedness of 250 to the Bank.

5. By commitment letter accepted June 6, 2016, a true copy of which is attached hereto as **Exhibit “C”**, the Bank agreed to advance to 250 the following credit facilities:

- (a) A fixed rate term loan (“**FRTL**”) in the amount of \$2,015,000 to finance, in part, the purchase of the Property and gas station/restaurant business, requiring monthly payments of principal and interest in the amount of \$14,256.91 and maturing on May 31, 2018. A true copy of the FRTL agreement dated June 6, 2016 is attached hereto as **Exhibit “D”**;

- (b) An overdraft demand loan (“**ODL**”) in the maximum amount of \$90,000 to assist with 250’s ongoing working capital requirements. The ODL bears interest at the rate of the Bank’s prime rate plus 1.75% *per annum*. A true copy of the ODL agreement dated June 6, 2016 is attached hereto as **Exhibit “E”**; and
- (c) A commercial letter of credit in the amount of \$50,000 issued to CST Canada Co. (“**CST**”), a supplier of gasoline, to support 250’s ongoing purchase of fuel. A true copy of the issued letter of credit is attached hereto as **Exhibit “F”**. By its terms, the letter of credit automatically renews on an annual basis subject to the Bank ability to give notice of an election not to renew. The current expiry date of the letter is June 9, 2019.

### **Security**

6. The indebtedness of 250 to the Bank is secured by, among other security, a general security agreement dated June 6, 2016 (the “**GSA**”) registered in accordance with the provisions of the *Personal Property Security Act* (“**PPSA**”). A true copy of the GSA is attached hereto as **Exhibit “G”**. A true copy of a *PPSA* search report showing the registration of the GSA is attached hereto as **Exhibit “H”**. The *PPSA* report shows the Bank as the only party with registered security.

7. Among other remedies, enforcement of the Bank’s rights under the GSA includes the right to appoint a receiver and to apply to the Court for the appointment of a receiver (paragraph 10). Default includes breach of any obligation to the Bank or insolvency of the corporation (paragraph 9).

8. The indebtedness of 250 to the Bank is further secured by a mortgage of the Property from 250 to the Bank registered on June 9, 2016 as Instrument No. HT190082 in the principal amount of \$2,155,000 bearing interest at the Bank's prime rate plus 5% and due on demand (the "**Mortgage**"). A true copy of the Mortgage, with incorporated standard charge terms, is attached hereto as **Exhibit "I"**.

9. Among other remedies, enforcement of the Bank's rights under the Mortgage includes the right to appoint a receiver and to apply to the Court for the appointment of a receiver (Section K to the standard charge terms).

10. The parcel register for the Property indicates that the Bank is the only party with a mortgage. The only prior registrations that might otherwise take priority over the Mortgage are registrations of notices of lease in favour of CST. Postponements of CST's interests in favour of the Bank were registered in consideration of the Bank granting the Mortgage and the issuance to CST of the letter of credit. Copies of these postponements are attached hereto as **Exhibits J"**, **K"** and **"L"**. CST, following a name change to Couche-Tard Inc., subsequently assigned its registered lease interest to Parkland Fuel Corporation.

#### **Breakdown in Ownership/Management Structure and Demand**

11. The Bank advanced the full amount of the FRTL and made credit available under the ODL. In addition, the letter of credit was issued to CST and remains outstanding.

12. In June of 2017, the Bank was advised by Ms. Saberon that shortly after the 2016 purchase of the business, she and Mr. Bahl experienced a marital breakdown and separated. The marital breakdown apparently impacted the business relationship between Mr. Bahl and Mr. Sharma, leading the latter to exit the active operation of the business. The Bank was also advised by Ms. Saberon that as part of a separation agreement between her and Mr. Bahl, Mr. Bahl transferred his 65% share interest in 250 to Ms. Saberon and also exited the business.

13. As a result, Ms. Saberon took over operation of the gas station and pizza restaurant but apparently did not wish to continue the business long-term. She put the Property/business up for sale in early 2018. I understand that the Property/business remains for sale but that, to date, Ms. Saberon has not received an offer that she deems acceptable.

14. Ms. Saberon has further advised that a new Esso gas station located approximately one kilometer from the Property has either opened or is about to open. Given that Marmora is a small town and the Ultramar station is dependent on drive-by business, it is expected that the opening of a new station nearby will negatively impact 250's financial results.

15. As the FRTL was to mature on May 31, 2018, the Bank was requested to extend that credit while Ms. Saberon attempted to sell the Property/business. Because it was not expected that 250 would be an ongoing owner of the business, the balance remaining on the FRTL at maturity, being \$1,827,296.22, was converted from a term loan to a demand loan bearing interest at the rate of the Bank's prime rate plus 1.75% (the "**Demand Loan**"). A true copy of the promissory note evidencing the Demand Loan is attached hereto as **Exhibit "M"**.

16. On October 18, 2018, I spoke by telephone with Deborah Hornbostel of Spergel who advised me that she had been consulted by Ms. Saberon and that Ms. Saberon was looking to put the business into receivership. Ms. Hornbostel then provided to me an authorization signed by Ms. Saberon on behalf of 250 permitting the Bank to discuss 250's financial situation with Spergel. By this authorization, 250 also stated that in the event the Bank's enforces its security, 250 consents to Sergel's appointment. A true copy of this authorization is attached hereto as **Exhibit "N"**.

17. Given these events, a decision was made to transfer the 250 accounts to SAMU and to make demand on the 250 credit facilities.

18. By letter dated October 18, 2018, a true copy of which is attached hereto as **Exhibit "O"**, the Bank, by its lawyers, made demand on 250 for the amounts then outstanding as follows:

<u>Loan Type</u>	<u>Principal</u>	<u>Interest</u>
ODL	\$84,883.68	\$231.47
Demand Loan	\$1,803,525.30	\$4,585.25
Letter of Credit	\$50,000.00	-
TOTAL	\$1,938,408.98	\$4,816.72

19. With the demand on 250, the Bank's lawyers also delivered a notice of intention to enforce security pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

20. Despite demand, no amounts have been paid.

**Requirement for a Receiver**

21. The management and ownership structure of 250 has changed significantly since the Bank extended credit to 250. Ms. Saberon has attempted unsuccessfully to sell the Property and business. She has also advised that she wants the business placed in receivership. Demand has been made without payment. As a result, the Bank seeks the appointment of a receiver to protect its security and to assess the best course of action for the business going forward, either through continued operations during a sale process or discontinuance and sale of the Property and the companies' assets.

22. As the Property is operated as a gas station, there are safety and environmental issues that must be addressed. A receiver will be able to assess the viability of the business and, if operations are to continue, will ensure that such is done safely and in accordance with applicable laws and regulations. If operations are to discontinue, a receiver will ensure that such is likewise done in accordance with applicable laws and regulations.

23. A receiver will also be able to deal with the gas supplier and the restaurant franchisor, in particular any potential transfer of rights should there ultimately be a sale of the business.

24. In addition, a receiver can investigate and report to the court regarding any potential environmental or other concerns with the Property. A receiver will also be in a position to



determine whether a going concern sale of the business, including the Property and the assets secured by the GSA, is viable and in the interests of interested parties.

**SWORN** before me at the City  
of Toronto, in the, Province of  
Ontario, this 30 day  
of October, 2018

  
\_\_\_\_\_  
*A Commissioner, Etc.*

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019

)  
)  
)  
)  
)  
)  


\_\_\_\_\_  
Marc Chia

This is Exhibit "A" to the Affidavit of Marc Chia  
sworn on October 30, 2018

A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019

Request ID: 022252977  
 Transaction ID: 69645829  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2018/10/18  
 Time Report Produced: 09:50:14  
 Page: 1

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2508342	2508342 ONTARIO INC.	2016/03/10
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
503 CALEDONIA ROAD	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
TORONTO ONTARIO CANADA M6E 4V1	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
Mailing Address		NOT APPLICABLE
JANNETTE SABERON 503 CALEDONIA ROAD	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
TORONTO ONTARIO CANADA M6E 4V1	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum      Maximum	Date Commenced in Ontario
	00001      00010	NOT APPLICABLE
Activity Classification		Date Ceased in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 022252977  
Transaction ID: 69645829  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/10/18  
Time Report Produced: 09:50:14  
Page: 2

## CORPORATION PROFILE REPORT

Ontario Corp Number

2508342

Corporation Name

2508342 ONTARIO INC.

Corporate Name History

2508342 ONTARIO INC.

Effective Date

2016/03/10

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:  
Name (Individual / Corporation)

ROOPINDER

BAHL

Address

503 CALEDONIA ROAD

TORONTO  
ONTARIO  
CANADA M6E 4V1

Date Began

2017/07/07

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Y

Request ID: 022252977  
Transaction ID: 69645829  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/10/18  
Time Report Produced: 09:50:14  
Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number

2508342

Corporation Name

2508342 ONTARIO INC.

Administrator:  
Name (Individual / Corporation)

JANNETTE

SABERON

Address

503 CALEDONIA ROAD

TORONTO  
ONTARIO  
CANADA M6E 4V1

Date Began

2017/07/07

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:  
Name (Individual / Corporation)

JANNETTE

SABERON

Address

503 CALEDONIA ROAD

TORONTO  
ONTARIO  
CANADA M6E 4V1

Date Began

2017/07/07

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Request ID: 022252977  
Transaction ID: 69645829  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/10/18  
Time Report Produced: 09:50:14  
Page: 4

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

2508342

**Corporation Name**

2508342 ONTARIO INC.

**Administrator:  
Name (Individual / Corporation)**

JANNETTE

SABERON

**Address**

503 CALEDONIA ROAD

TORONTO  
ONTARIO  
CANADA M6E 4V1**Date Began**

2017/07/07

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

TREASURER

**Resident Canadian**

Y

**Administrator:  
Name (Individual / Corporation)**

VARUN

SHARMA

**Address**

178 ORTON PARK ROAD

SCARBOROUGH  
ONTARIO  
CANADA M1G 3H3**Date Began**

2016/03/10

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type****Resident Canadian**

N

Request ID: 022252977  
Transaction ID: 69645829  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/10/18  
Time Report Produced: 09:50:14  
Page: 5

## CORPORATION PROFILE REPORT

Ontario Corp Number

2508342

Corporation Name

2508342 ONTARIO INC.

Administrator:  
Name (Individual / Corporation)

VARUN  
SHARMA

Address

178 ORTON PARK ROAD  
  
SCARBOROUGH  
ONTARIO  
CANADA M1G 3H3

Date Began

2016/03/10

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

N

Request ID: 022252977  
Transaction ID: 69645829  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

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Page: 6

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2508342

2508342 ONTARIO INC.

### Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2017	1C	2017/12/31 (ELECTRONIC FILING)

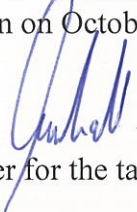
THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.



This is Exhibit "B" to the Affidavit of Marc Chia  
sworn on October 30, 2018



A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019



31650

40170-0079 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION: PT LT LOUCKS ESTATE BLK W PL 307 PT 1 21R8201 & PT 3 21R1295, S/T & T/W QR642264; S/T QR234933, QR234936; MARMORA & LAKE ; COUNTY OF HASTINGS

PROPERTY REMARKS:

ESTATE/QUALIFIER:

PER SIMPLE  
LT CONVERSION QUALIFIED

OWNERS' NAMES  
2508342 ONTARIO INC.

RECENTLY:  
FIRST CONVERSION FROM BOOK

CAPACITY SHARE

FIN CREATION DATE:  
2008/09/22

57 Matthew Sr  
Marmora

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2008/09/19 **					
**SUBJECT,	ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO					
**	SUBSECTION 44 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ESCHEATS OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF	CONVERSION TO LAND TITLES: 2008/09/22 **					
21R774	1973/08/16	PLAN REFERENCE				C
QR197269	1974/08/16	NO OPTION PURCHASE				C
21R1295	1974/08/22	PLAN REFERENCE				C
QR234933	1977/03/11	TRANSFER EASEMENT			HER MAJESTY, THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF THE ENVIRONMENT	C
QR234936	1977/03/11	TRANSFER EASEMENT			HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF THE ENVIRONMENT	C
21R8201	1985/05/10	PLAN REFERENCE				C
QR642264	2004/04/30	TRANSFER				C
QR642265	2004/04/30	CHARGE			1587375 ONTARIO LTD.	C
					548500 ONTARIO INC.	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

40170-0079 (LT)

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
QR642266	2004/04/30	CHARGE		*** COMPLETELY DELETED ***	COMMUNITY FUTURES DEVELOPMENT CORP. OF NORTH & CENTRAL HASTINGS AND SOUTH ALGONQUIN	C
QR662239	2005/10/27 REMARKS: QR642266	NOTICE OF LEASE		1587375 ONTARIO LTD.	ULTRAMAR LTD.	C
HT65406	2009/04/27 REMARKS: MINISTER'S TRANSFER ORDER	ORDER	EASEMENT AS IN QR244933 AND QR240981	THE ONTARIO CLEAN WATER AGENCY	THE CORPORATION OF THE TOWNSHIP OF MARMORA AND LAKE	C
HT67502	2009/06/01	CHARGE		*** COMPLETELY DELETED *** 1587375 ONTARIO LTD.	COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NORTH & CENTRAL HASTINGS AND SOUTH ALGONQUIN	
HT67539	2009/06/01 REMARKS: QR642266	DISCH OF CHARGE		*** COMPLETELY DELETED *** 548500 ONTARIO INC.		
HT72013	2009/08/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** COMMUNITY FUTURES DEVELOPMENT CORP. OF NORTH & CENTRAL HASTINGS AND SOUTH ALGONQUIN		
HT72541	2009/08/19 REMARKS: PLANNING ACT STATEMENTS	TRANSFER		*** COMPLETELY DELETED *** 1587375 ONTARIO LTD.	2209847 ONTARIO LIMITED	
HT72542	2009/08/19	CHARGE		*** COMPLETELY DELETED *** 2209847 ONTARIO LIMITED	ROYAL BANK OF CANADA	
HT73146	2009/08/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** COMMUNITY FUTURES DEVELOPMENT CORPORATION OF NORTH & CENTRAL HASTINGS AND SOUTH ALGONQUIN		
HT84600	2010/04/15	NOTICE OF LEASE		2209847 ONTARIO LIMITED	ULTRAMAR LTD.	C
HT110558	2011/08/25	TRANSFER		*** COMPLETELY DELETED *** 2209847 ONTARIO LIMITED	2289646 ONTARIO INC.	
HT110559	2011/08/25	CHARGE		*** COMPLETELY DELETED *** 2289646 ONTARIO INC.	BANK OF MONTREAL	

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Ontario

ServiceOntario

LAND  
REGISTRY  
OFFICE #21

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 3 OF 4

PREPARED FOR caterina  
ON 2018/10/26 AT 11:49:57

40170-0079 (IT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERY/ CHKO
HT127358	2012/07/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
	REMARKS: HT72542.					
HT128543	2012/08/23	CHARGE		*** COMPLETELY DELETED *** 2289646 ONTARIO INC.	EBRAHIM, LEYAKAT	
HT134553	2012/12/27	DISCH OF CHARGE		*** COMPLETELY DELETED *** EBRAHIM, LEYAKAT		
	REMARKS: HT128543.					
HT138748	2013/04/29	NO ASSG LESSEE INT		ULTRAMAR LTD.	CST CANADA CO.	C
	REMARKS: HT84600.					
HT156423	2014/06/09	TRANSFER		*** COMPLETELY DELETED *** 2289646 ONTARIO INC.	2414088 ONTARIO INC.	
	REMARKS: PLANNING ACT STATEMENTS.					
HT156424	2014/06/09	CHARGE		*** COMPLETELY DELETED *** 2414088 ONTARIO INC.	BANK OF MONTREAL	
HT156425	2014/06/09	NO ASSGN RENT SPEC		2414088 ONTARIO INC.	BANK OF MONTREAL	C
	REMARKS: HT84600.					
HT156844	2014/06/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
	REMARKS: HT110559.					
HT184833	2016/02/16	NOTICE OF LEASE		2414088 ONTARIO INC.	CST CANADA CO.	C
HT184834	2016/02/16	CHARGE		*** COMPLETELY DELETED *** 2414088 ONTARIO INC.	CST CANADA CO.	
HT190075	2016/06/09	TRANSFER	\$3,100,000	2414088 ONTARIO INC.	2508342 ONTARIO INC.	C
	REMARKS: PLANNING ACT STATEMENTS.					
HT190082	2016/06/09	CHARGE	\$2,155,000	2508342 ONTARIO INC.	BANK OF MONTREAL	C
HT190083	2016/06/09	NO ASSGN RENT GEN		2508342 ONTARIO INC.	BANK OF MONTREAL	C
	REMARKS: HT190082					
HT190084	2016/06/09	POSTPONEMENT		CST CANADA CO.	BANK OF MONTREAL	C

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Ontario

ServiceOntario

LAND REGISTRY OFFICE #21

PAGE 4 OF 4

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ON 2018/10/26 AT 11:49:57

40170-0079 (IT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HT190085	2016/06/09	POSTPONEMENT		CST CANADA CO.	BANK OF MONTREAL	C
HT190086	2016/06/09	POSTPONEMENT		CST CANADA CO.	BANK OF MONTREAL	C
HT190092	2016/06/09	DISCH OF CHARGE		*** COMPLETELY DELETED *** CST CANADA CO.		
HT190321	2016/06/15	CHARGE		*** COMPLETELY DELETED *** 2414088 ONTARIO INC.	1299400 ONTARIO LTD.	
HT196698	2016/09/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
HT211199	2017/07/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1299400 ONTARIO LTD.		
HT217799	2017/10/25	APL CH NAME INST		CST CANADA CO.	COUCHE-TARD INC.	C
HT217993	2017/10/27	NO ASSG LESSEE INT		COUCHE-TARD INC.	PARKLAND FUEL CORPORATION	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is Exhibit "C" to the Affidavit of Marc Chia  
sworn on October 30, 2018



A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019



206 Ritson Rd. N.  
Oshawa, Ontario  
L1G 0B2

April 4, 2016

Roopinder Bahl  
503 Caledonia Rd.  
Toronto, Ontario  
M6E 4V1

Attention: Mr. Roopinder Bahl

### COMMITMENT LETTER

Dear Mr. Bahl,

Bank of Montreal ("BMO") is pleased to advise that it has authorized the following credit facilities for Roopinder Bahl In Trust for a Company to be Incorporated (each, a "Facility" and collectively, the "Facilities") on the terms and conditions outlined in this Commitment Letter. The Schedules listed below and attached form part of this Commitment Letter.

Notwithstanding any other provision of this Commitment Letter or in any applicable agreements, any Advance under any Facility hereunder will be made at BMO's sole discretion. Any unutilized portion of any Facility hereunder may be cancelled by BMO at any time without prior notice.

<b>Borrower(s):</b>	Roopinder Bahl In Trust for a Company to be Incorporated (the "Borrower")
<b>Guarantor(s):</b>	Mr. Roopinder Bahl, Jannette Saberon and Varun Sharma (the "Guarantors")
<b>Total Facility Limit:</b>	The total approved amount of all Facilities shall not exceed \$2,155,000 at any time.

**Facility # 1****Facility Authorization:** \$2,015,000**Type of Loan:** Fixed Rate Term Loan or Demand Loan Non-Revolving**Purpose:** To finance 65% of the Purchase Price for an existing Ultramar Branded Gas Station located at 57 Matthew St., Marmora, Ontario.**Interest Rate:** Fixed Rate Term Loan:

To be determined at time of Advances. Prevailing rates as at April 4, 2016 are as follows:

Term:	Rate:	Blended Payments:
1year	3.65%	\$14,560
2years	3.90%	\$14,805
3years	4.05%	\$14,960
4years	4.25%	\$15,160
5years	4.45%	\$15,365

These rates are subject to change without notice. The Borrower may lock in a rate up to 45 days before the Advance is made. If requested, the Borrower shall pay a refundable rate reservation fee of 1% of the principal amount of the Advance, which fee will be refunded to the Borrower on the day the Advance is made. In the event that the Advance is cancelled by the Borrower, such fee will not be refunded to the Borrower.

Note: interest on Advances shall be calculated on the basis of the actual number of days elapsed over a year of 365 or 366 days as the case may be.

**Demand Loan Non-Revolving:**

Prime Rate plus 2.15%. Interest calculated monthly in arrears and payable monthly. The Prime Rate in effect as of April 4, 2016 is 2.70 %.

Note: interest on Advances subject to Prime shall be calculated on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be.



<b>Repayments:</b>	DLNR: Principal payments in the amount of \$17,223.00 per month, plus interest payable in arrears  FRTL: By way of blended monthly payments of principal and interest, based on the term and amortization selected. As an example, we note the following payment: \$15,365 is based on a 5 year term, 15 year amortization, and interest rate of 4.45%.
<b>Currency:</b>	Canadian
<b>Prepayments:</b>	DLNR: Anytime without FRTL: No prepayment permitted
<b>Maximum Term:</b>	DLNR: Not Applicable, payable on Demand FRTL: 60 months
<b>Maximum Amortization:</b>	180 months
<b>Drawdown Conditions</b>	Refer to <i>Condition Precedents</i> section outlined below

**Facility # 2**

<b>Facility Authorization:</b>	\$90,000
<b>Type of Loan:</b>	Overdraft Demand Loan ("ODL")
<b>Purpose:</b>	To assist with on-going working capital requirements of the Borrower.

<b>Overdraft Loan</b>	<b>\$90,000</b>	<b>Currency:</b> CDN <b>Interest Rate:</b> Prime Rate plus 2.25%. Interest calculated monthly in arrears and payable monthly. By way of reference only, the Prime Rate in effect as of April 4, 2016 is 2.70%. <b>Facility Fee:</b> \$68 per month <b>Repayment:</b> Repayment from business receipt
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**Facility # 3**

<b>Type of Loan:</b>	Commercial Letter of Credit ("CLC")
<b>Loan Amount:</b>	\$50,000
<b>Purpose:</b>	To be issued to CST Canada Co. to support the Borrower's on-going purchase of fuel at the Property.
<b>Terms:</b>	To follow the terms and conditions as determined by Ultramar.
<b>Pricing:</b>	To be determined.
<b>Conditions Precedent to Advances:</b>	<p>BMO will have no obligation to make any Advance to the Borrower unless and until each of the conditions set out below and in Schedule C has been completed to BMO's satisfaction.</p> <ol style="list-style-type: none"> <li>1. Receipt of satisfactory legal opinions relating to all matters considered relevant by BMO including, without limitation, the due authorization, execution, delivery and enforceability of the loan and Security documentation by and against the Borrower and each Guarantor.</li> <li>2. Receipt of a direct debit authorization by the Borrower with respect to the instalment payments to be made by the Borrower.</li> <li>3. Satisfactory review by BMO (or, at BMO's option and the Borrower's expense, an insurance consultant) of insurance policies issued to the Borrower and each Guarantor and compliance with any changes required to satisfy BMO's insurance requirements.</li> <li>4. A.A.C.I. Appraisal Report to confirm property valuation of \$3,100,000 to be provided to the Bank prior to advancement of funds. Appraisal to be accompanied by a Transmittal Letter addressed to the Bank.</li> </ol>
<b>Covenants:</b>	As long as any Advance remains outstanding under or in connection with this Commitment Letter, or so long as any commitment under this Commitment Letter remains in effect, the Borrower and any Guarantor will perform and comply with the covenants set out in Schedule D.
<b>Financial Covenants:</b>	<p>In addition, the Borrower and each Guarantor, as applicable, will perform and comply with the following financial covenants, based on financial statements of the Borrower or applicable Guarantor:</p> <ul style="list-style-type: none"> <li>- Minimum Debt Servicing Coverage ratio of 1.25:1 to be maintained.</li> </ul> <p><b>Debt Servicing Coverage</b> is defined as Funds Available to service debt divided by the aggregate of all principal payments and interest expenses due in one year. Funds Available include net income after income taxes plus</p>

interest, depreciation and amortization, less funds/advances to related parties and shareholders, dividends and unfunded capital expenditures. Payments include all principal payment and interest on loans, capital leases and other scheduled instalments. Based on the year 1 projections of the business the Debt Servicing Ratio is estimated to be 1.98:1.

**Security:**

Each of the following documents, instruments, agreements and other assurances (collectively, the "Security") shall be delivered to BMO prior to any Advance of funds, in form and substance acceptable to BMO and its solicitors, acting reasonably:

***Held by the Bank:***

1. Phase II Environmental Assessment, completed by Geo-logic. and dated July 2009.
2. Purchase and Sales Agreement

***To be Obtained by Solicitor***

To confirm validity and enforceability over all security.

1. Registered General Security Agreement ("GSA") providing BMO with a 1<sup>st</sup> fixed and floating charge over all assets of the Borrower and specifically over 57 Matthew St., Marmora, Ontario. To be registered under the Personal Property Security Act in the Province of Ontario.
2. 1<sup>st</sup> Collateral Mortgage Charge in the amount of \$2,155,000 over property located at 57 Matthew St., Marmora, Ontario. To include the following: 1) No additional financing over the subject property without written prior consent by the bank. 2) Acceleration Clause, with respect to maintenance of Debt Servicing requirement. 3) Due on Sale including any change in ownership. 4) Provision for Reporting Requirement. 5) Standard Receiver/Manager Clause. 6) Title insurance from a Bank approved firm maybe be utilized in lieu of survey. 7) Collateral mortgage to secure all BMO Advances.
3. Solicitor Letter of Opinion: to opine Purchase and Sale Agreement and confirms Purchase and Sale Agreement meets bulk sales act. To confirms that the Collateral Mortgage secures all advances and BMO. Bank of Montreal has a valid and enforceable 1<sup>st</sup> charge over the subject property located at 57 Matthew St., Marmora, On., 1<sup>st</sup> position GSA and Personal Guarantees. Assignment of Rents to be registered under PPSA & Land Title. BMO Approved Title Insurance may be used at Bank's sole discretion.
4. Solicitor Letter of Opinion: Fully executed copy of Ultramar Lease, Cross Lease Agreement & Square Boy Pizza to be obtained. Solicitor to confirm/opine assignment of the following agreement/leases: 1) Ultramar Agreement & Cross Lease. 2) Square Boy Pizza Agreement.

Solicitor to review & opine Ultramar Lease & Cross Lease Agreement, Purchase and Sales Agreement and to confirm equity injection of \$1,085,000 is cash investment towards the purchase price, with no secondary financing allowed. Ultramar Lease Agreement to include standard 5 year lease with 1-5 years renewal.

5. Solicitor to review Square Boy Pizza Franchise Agreement and confirm new franchise agreement is approved and in place for Square Boy Pizza and the Borrower. Solicitor to confirm current owner will fulfil Article 6.01 (a) re-sale.
6. Personal Guarantee in the amount of \$2,155,000 signed joint and several by Roopinder Bahl, Jannette Saberon and Varun Sharma.
7. Independent Legal Advice to be obtained for Jannette Saberon for personal pledge.
8. Assignment of Insurance, with BMO to be named as 1<sup>st</sup> loss payee on fire insurance over all assets of the business maintained at the Property, 57 Matthew St., Marmora, On. A certificate copy of the policy to be provided and is to include all standard mortgage clauses, as applicable.
9. Acceptance of the Bank's Commercial Loan Insurance Plan, to be offered to Roopinder Bahl, Jannette Saberon and Varun Sharma, with minimum combined coverage in the amount of \$1,000,000. In the event that the Bank's coverage is not availed, Assignment of Life Insurance from an alternative provider will be required for an aggregate total amount of \$2,000,000.
10. Satisfactory Assignment of Environmental Risk Insurance in the amount of \$2,000,000 with BMO as loss payee, to be satisfactory to the Bank and it's Solicitors.
11. Reliance Letter from Geo-Logic Inc., addressed to BMO for Phase II Environmental Assessment completed over 57 Matthew St., Marmora, On dated July 2009.
12. Debt Servicing Agreement to be signed by Roopinder Bahl, Jannette Saberon and Varun Sharma.
13. Environmental Review and Compliance Certificate to be signed by the Borrower.
14. Fixed Subrogation agreement in the amount of \$1,085,000 to be signed by the Borrower and Personal Guarantors.
15. Letter of Undertaking for Reporting Requirements and Financial Covenant to be signed by the Borrower and Personal Guarantors.
16. Overdraft Lending Agreement, evidencing the terms and condition of

Facility #2 to be signed by the Borrower.

17. Demand Promissory Note / Fixed Rate Term Loan Agreement, evidencing the terms and conditions of Facility #1 to be signed by the Borrower.
18. Letter of Acknowledgement to be signed by the Borrower and Vendor, agreeing that the Vendor will stay on for minimum one month to ensure smooth transition of ownership for the business.

***To Be Completed by the Bank***

1. A.A.C.I. Appraisal Final Report, to confirm property valuation of \$3,100,000 to be provided to the Bank prior to advancement of funds. Appraisal to be accompanied by a Transmittal Letter addressed to the Bank.
2. Application for Standby Letter of Credit, evidencing the terms and conditions of Facility #3 to be signed by the Borrower.
3. Current Account Authority and Articles of Incorporation to be in good order.
4. Any other information that may be reasonably requested by the Bank.
5. Commitment Letter to be signed by the Borrower and Personal Guarantors.

**Reporting Requirements:**

Name	Frequency	# of Days
Minimum Accountant Prepared Review Engagement Financial Statements	Annually	120 days after year end
Personal Income Tax Returns, along with Notice of Assessment for all Guarantors	Upon Bank's Request.	
Personal Financial Statements of Mr. Roopinder Bahl, Mrs Jannette Saberon and Mr. Varun Sharma	Upon Bank's Request	
Confirmation of fire insurance for the business	Annually	120 days after fiscal year end

Confirmation of Environmental Risk Insurance Renewal	Annually	120 days after fiscal year end
Confirmation of Property Taxes paid and up-to-date	Annually	120 days after fiscal year end
The Borrower is to provide the bank with any other information that may be reasonably requested from time to time	Upon request	

A \$50 per month fee will be applied for non compliance with reporting requirements. The application of this fee does not waive the default condition.

Prompt notification of management letters, default notices, litigation, and any other material events

Satisfactory evidence that all taxes (including, without limitation, GST, HST, sales tax, withholdings, etc.) have been paid to date

**Representations and Warranties:**

The Borrower and each Guarantor, as applicable, makes the representations and warranties set out in Schedule E. All representations and warranties of the Borrower and any Guarantor, in addition to any representation or warranty provided in any document executed in connection with a Facility or any Security, shall be true and correct on the date of this Commitment Letter and on the date of any Advance under a Facility.

**Events of Default:**

Each of the events set out in Schedule F shall constitute an Event of Default in respect of this Commitment Letter and each of the Facilities. The inclusion of these Events of Default shall not in any way affect the right of BMO to make demand for payment at any time under any Facility that is stated to be a demand facility.

Upon the occurrence of any Event of Default, (i) BMO may accelerate the payment of principal and interest under, and cancel any undrawn portion of, any Facility, (ii) the ability of the Borrower to obtain further Advances under any Facility under this Commitment Letter shall immediately terminate, (iii) BMO may, by written notice to the Borrower, declare the

Advances outstanding under any Facility to be immediately due and payable, and (iv) BMO may review the pricing of any Facility. The rights of BMO on the occurrence of an Event of Default shall not limit any of its other rights under or in connection with this Commitment Letter or any of the Facilities to terminate or demand payment of, or cancel or restrict the availability of any unutilized portion of, any demand or other discretionary Facility made available under this Commitment Letter.

**Other Fees:**

Commitment Fee – Total fee \$7,500. An arrangement fee of \$3,000 was paid to date. Draft on hand dated March 14, 2016, held. A balance of \$4,500 is payable by the Borrower to BMO upon acceptance of this Commitment Letter. This fee is deemed to be earned by BMO upon acceptance of this Commitment Letter, to compensate for time, effort and expense incurred by BMO in authorizing these Facilities.

Review fees will be payable as advised by BMO annually; at the date of this letter such fees are estimated to be \$ 500.

**Governing Law:**

Province or Territory of Ontario and the federal laws of Canada applicable therein.

**Schedules:**

The following Schedules are attached to and form part of this Commitment Letter:

Schedule A – Definitions

Schedule B – General Terms & Conditions

Schedule C – Conditions Precedent to Advances

Schedule D – Covenants

Schedule E – Representations and Warranties

Schedule F – Events of Default

**BMO's Legal Counsel:**

Steven Segar - Macdonald Sager Manis LLP

150 York St. Suite 800, Toronto, Ontario

Tel: 416-364-6163 Fax: 416-364-1453 Email: [ssager@msmlaw.net](mailto:ssager@msmlaw.net)

In accepting this commitment you acknowledge that if, in the opinion of BMO, a material adverse change in risk occurs including, without limitation, any material adverse change in the financial condition, business, property or prospects of the Borrower or any Guarantor, the rights and remedies of BMO, or the ability of the Borrower or any Guarantor to perform its obligations to BMO, any obligation to advance some or all of the above Facilities may be withdrawn or cancelled.

Please indicate your acceptance of the terms and conditions hereof by signing and returning one copy of this Commitment Letter (and making payment of the above noted Commitment Fee, if applicable) to BMO no later than 5:00 p.m. (Eastern time) on April 18, 2016. If your acceptance of this Commitment Letter is not received by BMO by that date, BMO shall have no obligation to proceed with any of the Facilities.

Yours truly,

BANK OF MONTREAL

By: 

Name: Kennisha Dyer

Title: Commercial Account Manager

By: 

Name: John Butler

Title: Vice President, Commercial Banking Durham



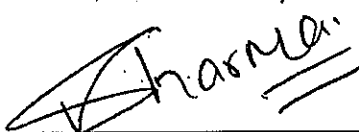
Accepted and agreed to this 6<sup>th</sup> day of June, 2016.

### BORROWERS

Roopinder Bahl In Trust for a Company to be Incorporated

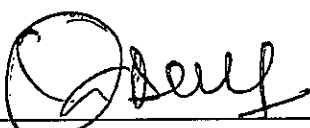
By: 

Name: Roopinder Bahl  
Title: Owner

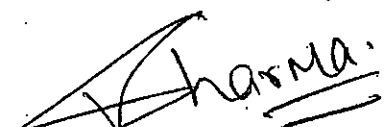
By: 

Name: Varun Sharma  
Title: Owner

### GUARANTOR(S)

By:   
Name: Roopinder Bahl

By:   
Name: Mrs. Jannette Saberon

By:   
Name: Varun Sharma

## SCHEDULE A

### DEFINITIONS

Advance:	Each use of the Facilities is an "Advance" and all such usages outstanding at any time are "Advances".
Advances:	Borrowing by the Borrower and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Advances
Bankers' Acceptances	An instrument denominated in Canadian dollars, drawn by the Borrower and accepted by BMO in accordance with this Commitment Letter, and includes a "depository note" within the meaning of the Depository Bills and Notes Act (Canada) and a bill of exchange within the meaning of the Bills of Exchange Act (Canada). A stamping fee will be charged by BMO on each Advance evidenced by a Bankers' Acceptance.
Business Day:	Any day that is not a Saturday, Sunday or other day on which BMO is authorized or required by applicable law in Ontario to remain closed.
Capitalization:	Senior Funded Debt plus shareholder's equity.
Card Services Interest Rate:	Per Corporate MasterCard Agreement
Current Ratio:	Current assets (excluding future income tax, amounts due from shareholders/directors/officers/connected or related companies and intangibles, all as determined by BMO) divided by current liabilities
Debt:	Debt excludes Deferred Taxes and advances which BMO has accepted as subordinated.
Debt Service Coverage Ratio:	For any fiscal year of the Borrower means the ratio of the Net Operating Income (as calculated by BMO) for such fiscal year to the amount (as calculated by BMO) of all monthly installments of principal and interest payable by the Borrower in respect of the Facilities during such fiscal year
Deferred Taxes:	An account on a company's balance sheet that is a result of temporary differences between the company's accounting and tax carrying values, the anticipated and enacted income tax rate, and estimated taxes payable for the current year. This liability may or may not be realized during any given year, which makes the deferred status appropriate.
EBITDA:	Earnings (as defined in the Borrower's financial statements prepared in accordance with GAAP) before interest expense, income taxes, depreciation amortization and extraordinary/unusual non-recurring items (such latter items to be agreed upon by BMO for the respective period).
Fixed Charge Coverage Ratio:	The ratio of (a) EBITDA – cash taxes – unfunded capital expenditures – cash distributions to shareholders, divided by (b) debt service (defined as interest paid and principal payments on total debt over the last 12 month period).
Generally Accepted Accounting Principles (GAAP):	Except as otherwise expressly provided herein, all terms of accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time. All calculations of the components of financial information for the purposes of determining compliance with the financial ratios and financial covenants contained herein shall be made on a basis consistent with GAAP in existence as at the date of the Commitment Letter and used in preparation of the consolidated financial statements of the Borrower [and Guarantor(s)]. Upon adoption by the Borrower [and Guarantor(s)] of International Financial Reporting Standards (IFRS), or in event of a change in GAAP, the Borrower and [and Guarantor(s)] BMO shall negotiate in good faith to revise (if appropriate) such ratios and covenants to give effect to the intention of the parties under this Commitment Letter, and any new ratio or covenant shall be subject to the approval of BMO. In the event that

	such a negotiation is unsuccessful, all calculations thereafter made for the purpose of determining compliance with the financial ratios and financial covenants contained herein shall be made on a basis consistent with GAAP in existence as at the date of the Commitment Letter.
Government of Canada Bond Rate	Benchmark bond yields published by the Bank of Canada based on mid-market closing yields of selected Government of Canada bond issues that mature approximately in the indicated terms.
LIBOR Rate	With respect to any 30, 60, 90, 180 or 360-day period, the annual rate of interest at which BMO, in accordance with its normal practice, would be prepared to offer deposits of U.S. dollars to leading banks in the London Interbank Market for delivery on the first day of the applicable period, with a maturity comparable to the applicable period, at approximately 11:00 a.m., (London, England time) two Business Days prior to the commencement of such period, where for the purpose of this definition "Business Days" do not include days which are not regular business days in London or in New York.
Mortgaged Property	Means the real/immovable property described in the Mortgage, all appurtenances thereto and all estates and interests therein, and includes all buildings, plant, machinery, crops, erections and improvements, fixed or otherwise, present or future, built, grown, placed or put thereon including all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, hay racks, barn fixtures, milking machine equipment, water tanks, pumps and windmills, water bowls and pipes, feed boxes, litter carriers and tracks, mobile homes affixed to the real property, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings, all apparatus and equipment appurtenant thereto, and all other fixtures and accessions of any kind or nature.
Mortgage Rate:	Per annum interest rate determined and accrued daily and compounded semi-annually, not in advance, on the outstanding balance of the loan.
Net Operating Income:	For any fiscal year of the Borrower means the gross annual revenue actually received by the Borrower during such fiscal year from tenants pursuant to Leases, less the Borrower's operating expenses and management fees actually paid, and structural reserves, market vacancy allowance and bad debt allowance taken or allowed for, in each case related to the Mortgaged Property during such fiscal year, each in an amount satisfactory to BMO based on reasonable industry standards but with no deduction for depreciation, amortization or interest expense.
Prime Rate:	On any day, the annual rate of interest established by BMO and in effect on such day as the reference rate used to determine the rate of interest charged on Canadian dollar loans to commercial customers in Canada, and designated by BMO as its "Prime Rate".
Senior Funded Debt:	Senior indebtedness for borrowed money, inclusive of all financial contingent obligations (such as financial guarantees, capitalized interest, or obligations pursuant to capital leases) plus the negative hedging agreement risk of all outstanding hedging agreements.
Tangible Net Worth:	The book value of the shareholder's equity in the corporation plus loans made by the shareholders to the corporation that are assigned (hypothecated), postponed and subordinated in favour of BMO, less any goodwill, amounts due from officers and non-arm's-length entities, long term investments, leasehold improvements, future income tax, patents, or other such assets as are properly classified as "intangible", all as determined by BMO.
Total Funded Debt:	Senior Funded Debt plus subordinated debt, vendor take-backs, and preferred shares if

not pledged to BMO.

**US Base Rate**

On any day, the floating annual rate of interest established by BMO and in effect on such day as the reference rate used to determine the rate of interest charged on U.S. dollar loans to commercial customers in Canada, and designated by BMO as its "US Base Rate".

**Working Capital Ratio**

The ratio of current assets to current liabilities calculated in accordance with GAAP.

## SCHEDULE B

### GENERAL TERMS AND CONDITIONS

Assignment:	This Commitment Letter shall be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns. The Borrower shall not assign any of its rights or obligations hereunder without the prior written consent of BMO. BMO may assign all or part of its rights or obligations under this Commitment Letter or in respect of any Facility or any Security to any person.
Confidentiality:	The Borrower and each Guarantor agrees that, without the prior written consent of BMO, it shall not provide this Commitment Letter to, nor discuss the terms and structure of this offering with, any party other than its employees, lawyers and financial advisors (but not commercial lenders). The Borrower and each Guarantor consents to the release of information provided to BMO in connection with this Commitment Letter and the Facilities to BMO Financial Group business groups, affiliates and subsidiaries for the purpose of assisting BMO in supporting the Borrower with its strategic plans.
Conflicts:	All terms and conditions of BMO's usual and customary security documents and supporting documents shall be deemed to be incorporated in and form part of this commitment. In the event of any conflict or inconsistency between this Commitment Letter and the terms of any security or supporting document given in connection with this Commitment Letter, any Facility or the Security, the terms of the security or supporting documents shall prevail.
Entire Agreement; Waivers; Severability; Amendments:	This Commitment Letter supersedes and replaces all prior discussions, letters and agreements (if any) describing the terms and conditions of the facilities contained in this Commitment Letter. This Commitment Letter does not, however, serve to operate as a novation. To the extent necessary, BMO reserves all of its rights in respect of any security that has previously been granted to secure the obligations with respect to the Facilities. The failure of BMO to require performance by the Borrower or any Guarantor of any provision of this Commitment Letter shall in no way affect the right thereafter to enforce such provision; nor shall the waiver by BMO of any breach of any covenant, condition or proviso of this Commitment Letter be taken or held to be a waiver of any further breach of the same covenant, condition or proviso. If any provision of this Commitment Letter is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and the remainder of this Commitment Letter shall continue in full force and effect. No change or modification of this Commitment Letter is binding upon the parties unless it is in writing and signed by all parties.
Evidence of Debt:	The Borrower acknowledges that the actual recording of the amount of any advance or repayment under the Facilities, and interest, fees and other amounts due in connection with the Facilities, in the accounts of the Borrower maintained by BMO, shall constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under this Commitment Letter; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with this Commitment Letter shall not be affected by the failure of BMO to make such recording.
Expenses:	All costs and expenses incurred by BMO in establishing, documenting and operating the Facilities (including, but not limited to, legal, appraisal and consulting fees and costs) and in connection with the enforcement of the loan documentation are for the account of the Borrower and the Borrower agrees to pay the same in full whether or not this transaction is completed as

contemplated herein.

Without limiting the generality of the foregoing, the Borrower shall deposit with BMO, at the time the Borrower accepts this Commitment Letter, the additional amount of \$0 which shall be used by BMO, whether or not any Advance under a Facility is made, to reimburse BMO for out-of-pocket expenses (including consultants' fees and legal fees) incurred by BMO with respect to this Commitment Letter or any Facility. BMO may, at any time and from time to time, apply such funds to reimburse BMO for expenses incurred by BMO. BMO shall provide the Borrower with a list of such expenses. Any deposited amounts not required to reimburse BMO for such expenses shall be returned to the Borrower without interest, provided no payment owing to BMO in respect of any Advance is overdue and provided no other Event of Default has occurred and is then continuing.

**Holdbacks:**

In the event the Borrower fails to satisfy any condition hereunder which is required to be met prior to receiving any Advance under a Facility, BMO may, at its option and in its sole discretion, provide such Advance to the Borrower subject to a holdback of funds to address such failure.

**Increased Costs, Taxes, Risks, etc.**

The Borrower will reimburse any costs BMO incurs in performing its obligations under the Facilities resulting from any change in law, including any reserve or special deposit requirement or any tax or capital requirement or any change in the compliance of BMO therewith, that has the effect of increasing the cost of funding to BMO or reducing the effective return on its capital. All loan repayments shall be made free and clear of any present and future taxes, withholdings or any other deductions. Upon the occurrence of any event which is deemed, in BMO's sole discretion, to increase risk to BMO in respect of any Facility, BMO may review the pricing of any Facility.

**Indemnification**

The Borrower and each Guarantor jointly and severally (solidarily) agree to indemnify BMO from and against any and all losses, claims, damages and liabilities arising from activities under or contemplated under this Commitment Letter, any Facility or the Security other than those arising solely as a result of BMO's gross negligence or wilful misconduct.

**Joint and Several:**

Where more than one person is liable as Borrower or Guarantor for any obligation under or in connection with this Commitment Letter, then the liability of each such person for such obligation is joint and several (solidary) with each other such person.

**Judgment Currency:**

If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Commitment Letter, it becomes necessary to convert into a particular currency (the "Judgment Currency") any amount due under this Commitment Letter in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "rate of exchange" means the rate at which BMO is able, on the relevant date, to purchase the Currency Due with the Judgment Currency in accordance with its normal practice at its principal office in Toronto, Ontario. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of receipt by BMO of the amount due, the Borrower will, on the date of receipt by BMO, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by BMO on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of receipt by BMO is the amount then due under this Commitment Letter in the Currency Due. If the amount of the Currency Due which BMO is so able to purchase is less than the amount of the Currency Due originally due to it, the Borrower and each Guarantor jointly and severally (solidarily) agree to indemnify BMO from and against any and all loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation

separate and independent from the other obligations contained in this Commitment Letter, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by BMO from time to time and shall continue in full force and effect notwithstanding any judgment or order in respect of an amount due under this Commitment Letter or under any judgment or order.

**Language:**

It is the express wish of the parties that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

**Review:**

BMO retains the right to review the Facilities at any time and at least annually.

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SCHEDULE C

CONDITIONS PRECEDENT TO ADVANCES

- Signed Commitment Letter
- Evidence of corporate (or other) status and authority
- Completion and registration (as applicable) of all Security (defined herein) and other supporting documents
- Completion of all facility documentation and account agreements and authorities, as applicable
- Compliance with all representations and warranties contained herein
- Compliance with all covenants (financial and non-financial) contained herein
- No Event of Default (defined herein) shall have occurred and be continuing
- Compliance with all laws (including environmental)
- Payment of all fees and expenses
- Receipt of all necessary material governmental, regulatory and other third party approvals (including environmental approvals and certificates)
- Satisfactory due diligence (including, without limitation, anti-money laundering, proceeds of crime and "know your customer" requirements and procedures, environmental and insurance due diligence)
- Nothing shall have occurred since the date of the latest financial statements provided to BMO (Dated: December 31, 2013) or after the date of this Commitment Letter which would have a material adverse effect upon the business, operations or properties of the Borrower or any Guarantor, the rights and remedies of BMO, or the ability of the Borrower or any Guarantor to perform its obligations to BMO
- Repayment of all existing indebtedness (excluding permitted indebtedness)
- Satisfactory review of material contracts
- Satisfactory review by BMO (or, at BMO's option and the Borrower's expense, an insurance consultant) of insurance policies issued to the Borrower(s) and/or the Guarantor(s) and compliance with any changes required to satisfy BMO's insurance requirements
- Disclosure of all material contingent obligations
- Confirmation that no shares of the Borrower held by the principal shareholders have been pledged as security for any financial or other indebtedness
- Corporate taxes of the Borrower [and personal taxes of the principal shareholder] are to be confirmed current and up-to-date
- Satisfactory evidence that all other taxes payable by the Borrower [and Guarantor] (including, without limitation, GST, HST, sales tax, and withholdings) have been paid to date
- All Canadian bank accounts of the Borrower are to be maintained with BMO]
- Satisfactory evidence that sufficient disability, professional liability and business interruption insurance is in place
- No material judgments or material legal action initiated against the Borrower and/or any Guarantor(s)
- Any other document or action which BMO may reasonably require



## SCHEDULE D

COVENANTS

- Payment of all indebtedness due in connection with this Commitment Letter or any Facility
- Maintenance of corporate existence and status
- Payment of all taxes (including, without limitation, corporate, GST, HST, sales tax and withholdings)
- Compliance with all laws, regulations and applicable permits or approvals (including health, safety and employment standards, labour codes and environmental laws)
- Compliance with all material agreements
- Maintenance of property and assets in good working condition
- Use of proceeds to be consistent with the approved purpose
- Notices of default, material litigation, and regulatory proceedings to be provided to BMO on a timely basis
- Access by BMO to books and records; BMO to have right to inspect property to which its security applies
- No assumption of additional indebtedness or guarantee obligations by Borrower without prior written consent of BMO
- No liens or encumbrances on any assets except with the prior written consent of BMO
- No change of control or ownership of the Borrower or any Guarantor without the prior written consent of BMO
- No disposition of property or assets (except in the ordinary course of business) without the prior written consent of BMO
- No material acquisitions, hostile takeovers, mergers or amalgamations without BMO's prior written approval

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SCHEDULE E

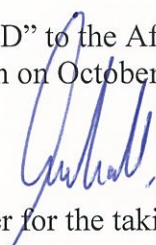
REPRESENTATIONS AND WARRANTIES

- It has the corporate status, power and authority to enter into this Commitment Letter and any agreement executed in connection with a Facility or any Security to which it is a party, and to perform its obligations hereunder and thereunder
- It is in compliance with all applicable laws (including environmental laws) and its existing agreements
- Except as otherwise disclosed to BMO in writing, no consent or approval of, registration or filing with, or any other action by, any governmental authority is required in connection with the execution, delivery and performance by it of this Commitment Letter and any agreement executed in connection with a Facility or any Security to which it is a party
- All factual information that has been provided to BMO for purposes of or in connection with this Commitment Letter or any transaction contemplated herein is true and complete in all material respects on the date as of which such information is dated or certified
- Since April 4, 2016, no event, development or circumstance has occurred that has had or could reasonably be expected to have a material adverse effect on the business, assets, operations or condition, financial or otherwise, of the Borrower or any Guarantor
- There is no material litigation pending against it or, to its knowledge, threatened against or affecting it
- It has timely filed or caused to be filed all required tax returns and reports and has paid or caused to be paid all required taxes
- It has good and marketable title to its properties and assets
- It has complied with all obligations in connection with any pension plan which it has sponsored, administered or contributed to, or is required to contribute to including, without limitation, registration in accordance with applicable laws, timely payment of all required contributions or premiums, and performance of all fiduciary and administration obligations
- It has ownership of and/or sufficient rights in any material intellectual property
- It maintains insurance policies and coverage that provides sufficient insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons in the same or a similar business
- It is not in default nor has any event or circumstance occurred which, but for the passage of time or the giving of notice, or both, would constitute a default under any loan, credit or security agreement, or under any material instrument or agreement, to which it is a party

SCHEDULE F  
EVENTS OF DEFAULT

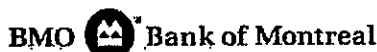
- Failure to pay any interest, principal, fees or other amounts due in connection with this Commitment Letter or any of the Facilities
- Breach by the Borrower or any Guarantor of any covenant or agreement under or in connection with this Commitment Letter or any of the Facilities
- The occurrence of an event of default under any document executed in connection with a Facility or any of the Security
- Inaccurate or false representations or warranties made by the Borrower or any Guarantor under or in connection with this Commitment Letter
- The Commitment Letter or any document executed in connection therewith or in connection with a Facility or the Security is repudiated by the Borrower or any Guarantor or is no longer in force and effect
- The Borrower or any Guarantor (i) becomes insolvent, (ii) is unable generally to pay its debts as they become due, (iii) makes a proposal in bankruptcy or files a notice of intention to make such a proposal, (iv) makes an assignment in bankruptcy, (v) brings a court action to have itself declared insolvent or bankrupt, or another person brings an action for such a declaration, or (vi) defaults under any payment obligation to another creditor or breaches any agreement with another creditor in respect of a payment obligation
- A material adverse change occurs in the financial condition, business, property or prospects of the Borrower or any Guarantor, as determined by BMO
- Change of ownership or control occurs without BMO's prior consent
- A judgment is made against the Borrower or any Guarantor by any court of competent jurisdiction and such judgment is not either (i) actively and diligently appealed and execution thereof stayed, or (ii) paid or otherwise satisfied, in each case within 30 days of the rendering of such judgment

This is Exhibit "D" to the Affidavit of Marc Chia  
sworn on October 30, 2018



A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019



## Fixed Rate Term Loan Agreement

351-6999-066

This **LOAN AGREEMENT** is made as of the 6 day of June, 2016, between BANK OF MONTREAL (the "Bank")

AND 2508342 ONTARIO INC. (the "Borrower")

For good and valuable consideration, the receipt and adequacy of which are acknowledged, the Bank establishes in favour of the Borrower a Fixed Rate Term Loan allowing the Borrower to borrow from the Bank the principal amount of \$2,015,000.00, upon the following terms and conditions:

1. In this Agreement:

- (a) "Agreement" means this loan agreement, as it may be amended, supplemented, restated, replaced or otherwise modified from time to time;
- (b) "Business Day" means any day that is not a Saturday, Sunday or other day on which the Bank is authorized or required by applicable law in the jurisdiction listed in Section 15 of this Agreement to remain closed;
- (c) "Change in Control" means the occurrence of one or more sales, transfers or other dispositions of the beneficial ownership of the Borrower existing on the date of this Agreement in the aggregate of:
  - (i) shares, other securities or other equity interests issued by the Borrower which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Borrower; or
  - (ii) shares, other securities or equity interests issued by any Controlling Entity which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by such Controlling Entity;
- (d) "Controlling Entity" means any corporation or other entity which on the date of this Agreement beneficially owned, directly or indirectly, shares, other securities or other equity interests issued by the Borrower which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Borrower;
- (e) "Fixed Rate" has the meaning set out in clause 3 of this Agreement;
- (f) "Loan" means the total principal amount advanced and outstanding at any time under this Agreement, together with accrued and unpaid interest thereon, if any;
- (g) "Maturity Date" means the ~~last~~ day of MAY, 2018; and
- (h) "Prime Rate" means, on any day, the annual rate of interest established by the Bank and in effect on such day as the reference rate it will use to determine the rate of interest charged on Canadian dollar loans to customers in Canada, and designated by the Bank as its "Prime Rate".

Delete 2. If (i) the Borrower is an individual, (ii) the loan is not secured by a real property mortgage and (iii) the loan amount is for \$100,000 or less, Borrower to initial change.

2. Prepayment of the Loan in whole or in part is not permitted prior to the Maturity Date.

3. The Loan shall bear interest, from and including the date of this Agreement, at the rate of 3.34 % per annum, determined and accrued daily and compounded monthly, not in advance, on the outstanding balance of the Loan (the "Fixed Rate").

4.

Check either (a) or (b), as appropriate.

☐ (a) **Principal Payment Plus Interest:**

(i) The Loan principal shall be repaid by installments as follows:

\$ \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_ and thereafter \$ \_\_\_\_\_ on the \_\_\_\_\_ of each and every \_\_\_\_\_ period until the Maturity

Date, on which date the balance of the Loan then outstanding and all accrued and unpaid interest shall become due and payable.

(ii) Interest shall be paid at the Fixed Rate on the last day of each and every month from the date of this Agreement on the balance of the Loan from time to time remaining unpaid up to and after the Maturity Date.

☒ (b) **Blended Payments:** The Loan shall be repaid by installments comprising principal and interest at the Fixed Rate as follows:  
 \$14,256.91 on the last day of June, 2016 and thereafter \$14,256.91 on the last day of each and every month until the Maturity Date, on which date the balance of the Loan then outstanding and all accrued and unpaid interest shall become due and payable.

(c) Any installments to be paid on a non-Business Day may, at the Bank's discretion, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon.

(d) Notwithstanding the foregoing and unless otherwise prohibited by law, if the Loan is not paid in full with interest on the Maturity Date, the Loan shall bear interest at a rate per annum equal to the sum of 3% plus the Bank's Prime Rate, determined and accrued daily and compounded monthly, not in advance, on the outstanding balance, from the Maturity Date and both before and after demand and both before and after judgment until actual payment in full.

5. Fees:

(a) The Borrower agrees to pay on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, a booking fee of \_\_\_\_\_ % of the principal amount of the Loan.

(b) The Borrower agrees to pay on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, an application fee in the amount of \$\_\_\_\_\_.

(c) At the request of the Borrower, the Fixed Rate may be fixed up to 45 days before the first advance. If requested, the Borrower shall pay on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, a refundable rate reservation fee of 1% of the principal amount of the Loan, which fee will be refunded to the Borrower on the day the Loan is advanced. In the event that the Loan is cancelled by the Borrower, such fee will not be refunded to the Borrower.

6. The Bank shall be under no obligation to make any advance until the Bank shall be satisfied that it has received:

- (a) a duly executed copy of this Agreement;
- (b) security for the amount of the Loan, duly registered and in form and substance satisfactory to the Bank and duly executed by the Borrower;
- (c) payment in full of all fees and other amounts due and payable on or prior thereto; and
- (d) any additional documents which the Bank may reasonably require.

7. The Borrower represents and warrants that:

- (a) it has been duly incorporated, organized and is properly constituted, exists in good standing and is entitled to conduct its business in all jurisdictions in which it carries on business or has assets or, if the Borrower is an individual, the Borrower has the requisite legal capacity to enter into and perform its obligations under this Agreement;
- (b) the entering into of this Agreement and the incurring of liability and indebtedness by the

Borrower hereunder do not and will not contravene or breach,

- (i) any law, regulation or judicial order applicable to the Borrower or (if applicable) the charter, by-laws or other organizational documents of the Borrower; or
  - (ii) any provision contained in any other loan or credit agreement, debenture, trust deed or other borrowing instrument or contract to which the Borrower is party;
- (c) this Agreement, when duly executed and delivered by the Borrower to the Bank, will constitute a valid and binding obligation of the Borrower, enforceable in accordance with its terms;
- (d) the Borrower's assets are legally and beneficially owned by the Borrower and, except as previously disclosed to the Bank in writing, all of the Borrower's assets pledged to secure the Loan are free and clear of all hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights in favour of third parties, whether perfected or otherwise, which are not in favour of the Bank; and
- (e) all necessary authorizations, approvals, consents or other orders from any authority, governmental or otherwise, have been obtained with respect to the obtaining of the Loan and the execution and delivery of this Agreement.

8. The Borrower covenants that it:

- (a) will deliver to the Bank:
  - (i) as soon as available and in any event within 90 days of the end of each fiscal year, copies of its financial statements (audited, where available) and, if applicable, the report of its auditor thereon; and
  - (ii) at any time and from time to time such other information as the Bank may reasonably request;
- (b) unconditionally promises to pay to the Bank on the Maturity Date the then unpaid principal amount of the Loan, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder;
- (c) will insure against all risks relevant to its business operations for amounts commensurate thereto, and assign the policies to the Bank and assign, hypothecate or otherwise ensure all amounts payable thereunder are payable to the Bank, all as required by and satisfactory to the Bank;
- (d) will furnish the Bank with additional security from time to time as the Bank may request;
- (e) will limit capital expenditures to a maximum of \$        in any fiscal year;
- (f) authorizes the Bank to record, file or register, at the Borrower's expense, any registrations or filings, including without limitation any financing statements, that are necessary or desirable to protect, perfect and maintain the protection and perfection of any hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights in favour of the Bank, and to obtain evidence satisfactory to the Bank of the rank and priority of such hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights;
- (g) will notify the Bank in writing immediately (i) upon receipt or notice of any law suits, claims, demands, governmental investigation or requirements to pay addressed to the Borrower or in which the Borrower is named as a party; and (ii) if any guarantor of all or any part of the Loan dies or terminates its guarantee;
- (h) will use the proceeds of the Loan solely for the purpose of:
 

To Finance 65.0% of the Purchase Price for an existing Ultramar Branded Gas Station located at 57 Matthew Street, Marmore, ON K0K 2M0;
- (i) will, to the extent not in conflict or inconsistent with the provisions of this Agreement, comply with all of the provisions, covenants and agreements contained in any term sheet,

commitment letter or similar document, as such document may be amended, supplemented, restated, replaced or otherwise modified from time to time, given by the Borrower to the Bank which relates to the Loan hereunder, and such provisions, covenants and agreements are incorporated herein as if restated in their entirety; and

- (j) will not, without the prior written consent of the Bank:
  - (i) materially change the nature of its business from that now carried on;
  - (ii) create, incur, assume or permit to exist any hypothec, mortgage, claim, security interest, lien, charge or other encumbrance or right, whether perfected or otherwise, in favour of a third party ranking ahead of or equally with any security given to or agreed to be given to the Bank;
  - (iii) create, incur, assume or permit to exist any additional debt other than in the ordinary course of business;
  - (iv) sell, lease, license, transfer, assign or otherwise dispose of any assets except in the ordinary course of business; or
  - (v) change the ownership of the business.

9. If one or more of the following events shall occur:

(a) If:

- (i) the Borrower fails to pay any amount owing to the Bank pursuant to this Agreement or any other document given to the Bank, including without limitation the Loan, on the date same becomes due;
- (ii) the Borrower leases, licenses, transfers, assigns or otherwise disposes of any or all of the assets which the Bank holds as security for the Loan, other than in the ordinary course of business;
- (iii) the Borrower shall be in default in respect of any obligation to pay money whether or not it is in respect of the Loan;
- (iv) the Borrower shall fail to observe and comply with any term, condition or provision of this Agreement or in any other document given to the Bank, other than a default in the payment of money, and such default cannot be cured;
- (v) the Borrower shall fail to observe and comply with any term, condition or provision of this Agreement or in any other document given to the Bank, other than a default in the payment of money, and such default can be cured and the Borrower shall fail to do so within 30 days after the earlier of the Borrower acquiring knowledge of such default or receiving written notice thereof from the Bank;
- (vi) any of the Borrower's representations and warranties in this Agreement or in any other document given to the Bank shall prove to have been incorrect when made or deemed to be made;
- (vii) the holder (including the Bank) of any claim, hypothec, mortgage, security interest, lien, charge or other encumbrance or right on any of the Borrower's assets and undertaking does anything to enforce or realize on such claim, hypothec, mortgage, security interest, lien, charge or other encumbrance or right;
- (viii) the Bank determines that there has been a materially adverse change in the business, assets, operations, prospects or condition, financial or otherwise, of the Borrower;
- (ix) a guarantor of all or any part of the Loan dies or if a guarantee for the Loan terminates or ceases to be in full force and effect and a legally valid, binding and enforceable obligation of a guarantor;
- (x) the Borrower is not an individual and a Change in Control occurs without the prior written consent of the Bank;
- (xi) the Borrower is not an individual and the Borrower merges, consolidates or amalgamates with any other person or business; or



- (b) If an application for a bankruptcy order, notice of intention to make a proposal or proposal is filed, application made or other proceeding instituted against or in respect of the Borrower, or assignment of all the property of the Borrower is made under the terms of the *Bankruptcy and Insolvency Act*, the *Companies' Creditors Arrangement Act*, the *Winding-Up and Restructuring Act*, any applicable corporations legislation or any other bankruptcy, insolvency or analogous laws, or if a receiver, receiver manager, custodian, trustee, liquidator, sequestrator or other similar official is appointed to take possession over any substantial portion of the assets of the Borrower, or if the Borrower permits any of its assets to be seized (including by way of execution, attachment, garnishment, levy or distraint) or if the Borrower makes an assignment for the benefit of its creditors or is adjudicated insolvent or bankrupt or applies to any tribunal for any receiver, receiver manager, custodian, trustee, liquidator, sequestrator or other similar official of or for the Borrower or the Borrower's assets, or any other proceeding is commenced in relation to any of the foregoing in respect of the Borrower,

then the Borrower shall be in default hereunder and the Bank may, at its option upon written notice to the Borrower, declare that the entire balance of the Loan, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall immediately become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

10. (a) Any request, notice, or demand made or given in connection with this Agreement may be made or given by mail by prepaid post or by delivery to the party for which it is intended and addressed as follows:

BORROWER:  
503 Caledonia Road  
Toronto, ON M6E 4V1

BANK OF MONTREAL:  
200 Ritson Road  
Oshawa, ON L1G 0B2

provided however that any party may change its address for purposes of receipt of such communication by giving 10 calendar days prior written notice of such change to the other party in the manner prescribed herein.

- (b) Any such request, notice, or demand shall be conclusively deemed to have been received by the party to which it is addressed on the third Business Day following the day of such mailing, if mailed, or on the day of delivery, if delivered.
11. All out-of-pocket expenses incurred by the Bank, including reasonable legal costs and all applicable taxes, in the preparation, administration or enforcement of this Agreement or any security or other documentation required hereunder or in connection herewith shall be for the account of the Borrower.
12. The Borrower acknowledges that the actual recording of the amount of any advance or repayment under the Loan and interest, fees and other amounts due in connection with the Loan in the accounts of the Borrower maintained by the Bank, shall constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under this Agreement; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with this Agreement shall not be affected by the failure of the Bank to make such recording.
13. The Bank may from time to time and at any time waive in whole or in part:
- (a) the rights accruing to it by reason of any of the provisions of any clause of this

Agreement; or

(b) any default under any clause in this Agreement which is to its benefit;

but any such waiver by the Bank of any such right or of any such default on any occasion shall be deemed not to be a waiver of the provisions of any such clause thereafter or of any other clause or of any subsequent default, as the case may be.

14. If the Borrower comprises more than one person, all covenants and liabilities entered into, by or imposed upon the Borrower shall be joint and several (solidary in the Province of Quebec). Each Borrower, if more than one, is responsible both individually and together with the other Borrower(s) for all obligations of the Borrower to the Bank pursuant to this Agreement.
15. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in that province.
16. This Agreement shall be binding upon and enure to the benefit of the parties hereto, their successors, heirs, liquidators, administrators and assigns, except that the Borrower may not assign any of its rights or obligations hereunder without the Bank's prior written consent.
17. Any clause or part thereof which may be null or unenforceable shall not invalidate, affect or impair the remaining provisions of this Agreement.
18. Any schedules attached to this Agreement are incorporated herein in their entirety and form an integral part of this Agreement.
19. It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English.  
*Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

This clause applies  
only in the  
Province of  
Quebec

IN WITNESS WHEREOF this Agreement has been executed by the Borrower and the Bank as of the date set forth above.

BANK OF MONTREAL

per By: 

Name: Kenneth Drake

Title: Account Manager

2508342 ONTARIO INC.

(Name of Entity)

By: 

Name: Roopinder Bahl

Title: President

**SCHEDULE A**  
**ADDITIONAL TERMS AND CONDITIONS**

Check 1. If Debt  
Service covenant is  
required, Borrower  
to initial.

- ☐ 1. The Borrower covenants that it will at all times maintain a debt service coverage ratio of not less than \_\_\_\_\_, and it will upon request by the Bank from time to time deliver to the Bank all such financial statements and records as are required by the Bank to determine the debt service coverage ratio; for the purpose of this Agreement, the term "debt service coverage ratio" at any date means the ratio of:
- (i) the amount of the net revenue of the Borrower for the period from the commencement of the then current fiscal year to such date, plus the amounts of depreciation and amortization expense of the Borrower for such period, all as determined by the Bank from financial statements and records provided by the Borrower, to
  - (ii) the aggregate amount of all payments required to be made by the Borrower during such period on account of (i) principal and interest on any indebtedness of the Borrower for borrowed money (from the Bank or otherwise) and (ii) rents or other amounts payable on leases treated by the Borrower as capital leases for accounting purposes.

Check 2. If the  
Borrower is a  
municipality,  
Borrower to initial.

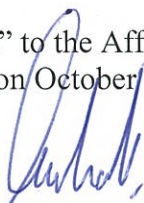
- ☐ 2. In the event that the Borrower is a municipality, the provisions of Section 8 of the Agreement shall be deleted in its entirety and replaced with the following:

"8. The Borrower covenants that it:

- (a) will deliver to the Bank:
  - (i) as soon as available and in any event within 90 days of the end of each fiscal year, copies of its financial statements (audited, where available) and, if applicable, the report of its auditor thereon; and
  - (ii) at any time and from time to time such other information as the Bank may reasonably request;
- (b) unconditionally promises to pay to the Bank on the Maturity Date the then unpaid principal amount of the Loan, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder
- (c) will insure against all risks relevant to its operations for amounts commensurate thereto and satisfactory to the Bank;
- (d) will furnish the Bank with additional security from time to time as the Bank may deem fit at the request of the Bank;
- (e) authorizes the Bank to record, file or register, at the Borrower's expense, any registrations or filings, including without limitation any financing statements, that are necessary or desirable to protect, perfect and maintain the protection and perfection of any hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights in favour of the Bank, and to obtain evidence satisfactory to the Bank of the rank and priority of such hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights;
- (f) will use the proceeds of the Loan for the purpose of: \_\_\_\_\_  
\_\_\_\_\_; and
- (g) will, to the extent not in conflict or inconsistent with the provisions of this Agreement,

comply with all of the provisions, covenants and agreements contained in any term sheet, commitment letter or similar document, as such document may be amended, supplemented, restated, replaced or otherwise modified from time to time, given by the Borrower to the Bank which relates to the Loan hereunder, and such provisions, covenants and agreements are incorporated herein as if restated in their entirety."

This is Exhibit "E" to the Affidavit of Marc Chia  
sworn on October 3<sup>o</sup>, 2018



A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019



## Operating Loan Agreement with Availment in Canadian Dollars

To: Bank of Montreal

Date: June 6, 2016

The undersigned hereby requests Bank of Montreal (the "Bank") to provide a credit facility to the undersigned, subject to the following terms and conditions:

### 1. DEFINED TERMS

In this Agreement:

- 1.01 "Account" shall mean the Canadian Dollar Account No. 351-1997-221 at the Bank.
- 1.02 "Facility Fee" shall mean a fixed monthly fee of \$ 68.00.
- 1.03 "Loan" shall mean the credit facility (if any) provided pursuant to this Agreement and the amount of the Loan shall mean at any time the aggregate of all amounts debited to the Account (including without limitation cheques, transfers, withdrawals, interest, costs, charges and fees) less the aggregate of all amounts credited to the Account for which the Bank has given value.
- 1.04 "Loan Limit" shall mean Ninety Thousand Dollars (\$ 90,000.00 ) or such lesser amount as may be determined by the Bank from time to time including, without limitation, pursuant to a calculation under the Lending Margin Calculation, if any, set out in the Addendum hereto.
- 1.05 "Loan Rate" shall mean a rate equal to the Bank's Prime Rate plus one and three quarters per cent ( 1.75%) per annum.
- 1.06 "Prime Rate" shall mean the floating annual rate of interest established from time to time by the Bank as the reference rate it will use to determine the rate of interest payable to the Bank by borrowers from the Bank in Canadian dollars in Canada and designated by the Bank as its Prime Rate. The Prime Rate on the date hereof is Two point seven per cent (2.70 %) per annum.
- 1.07 "Overdraft Rate" shall mean the annual rate of interest established from time to time by the Bank as the interest rate it will use to calculate the interest payable on overdrawn accounts and designated by the Bank as the "Overdraft Rate". The Overdraft Rate on the date hereof is Twenty one per cent (21%) per annum.

### 2. ACCOUNT

- 2.01 Cheques drawn and debits of other kinds made on the Account (including, without limitation, transfers and withdrawals) shall be drawn in Canadian dollars.
- 2.02 The undersigned shall not at any time permit the Loan to exceed the Loan Limit and shall use the Account for business purposes only.
- 2.03 The Bank is authorized to debit the Account for all fees and interest required hereunder and for all costs, charges and expenses referred to in paragraph 6.01 and in any other agreement(s) the undersigned has entered into with the Bank.

### 3. FEES AND INTEREST

- 3.01 The undersigned shall pay the Facility Fee to the Bank, on the last day of each month in addition to all other fees applicable to the Account. Notwithstanding paragraph 1.02, the amount of the Facility Fee may be revised by the Bank from time to time and the revised fee will be effective once the Bank advises the undersigned by notice as herein provided. The Facility Fee shall be payable for the credit facility provided hereunder and for other standard reporting services provided by the Bank in connection with the Account.
- 3.02 The undersigned shall, both before and after demand or judgment, pay interest at the Loan Rate on the daily closing balance of the Loan up to the Loan Limit, such interest to be calculated and payable monthly on the last day of each month.

- 3.03 The undersigned shall, both before and after demand or judgment, pay interest at the Overdraft Rate on the amount of any daily closing balance of the Loan in excess of the Loan Limit, such interest to be calculated and payable monthly on the last day of each month.
- 3.04 Nothing herein shall oblige the Bank to permit the Loan to exceed the Loan Limit. In the event the Loan exceeds the Loan Limit, (i) the Bank may at any time terminate the Loan hereunder and immediately demand payment of the Loan by notice as herein provided and (ii) for each occurrence the undersigned will be charged a fee of 1% per annum calculated on the amount of excess over the Loan Limit or \$100, whichever is greater, and a \$5 overdraft handling charge per item that creates or increases the excess.

#### 4. DEMAND AND TERMINATION

- 4.01 The undersigned shall pay the Loan to the Bank ON DEMAND, regardless of any covenants, conditions, obligations or events of default set out herein including, without limitation, any provisions set out in the Addendum hereto. The Bank may at any time terminate the Loan provided hereunder and demand payment of the Loan by notice as herein provided.
- 4.02 THE BANK MAY REFUSE TO HONOUR ANY CHEQUE OR PERMIT ANY TRANSFER OR WITHDRAWAL FROM THE ACCOUNT UPON (A) ANY DEFAULT BY THE UNDERSIGNED IN THE PERFORMANCE OF ANY OBLIGATION OF THE UNDERSIGNED TO THE BANK WHETHER CONTAINED HEREIN OR IN ANY OTHER AGREEMENT BETWEEN THE UNDERSIGNED AND THE BANK, (B) THE DEATH OF ANY GUARANTOR OF ANY INDEBTEDNESS OF THE UNDERSIGNED OR RECEIPT BY THE BANK OF NOTICE OF TERMINATION OF ANY GUARANTEE OF ANY INDEBTEDNESS OF THE UNDERSIGNED, (C) THE LOAN EXCEEDING THE LOAN LIMIT, OR (D) ANY DEMAND BEING MADE FOR PAYMENT OF THE LOAN, WHETHER OR NOT ANY TIME PERIOD HAS LAPSED AFTER THE TIME OF THE DEMAND.

#### 5. DOCUMENTATION

- 5.01 The undersigned shall deliver to the Bank from time to time, promptly on request, in form and substance satisfactory to the Bank:
- (a) any security required by the Bank; and
  - (b) all other documents and information required by the Bank.
- 5.02 Any security document delivered hereunder shall be held as additional security for the indebtedness of the undersigned for the Loan, and not in substitution or in satisfaction thereof.

#### 6. COSTS

- 6.01 The undersigned shall pay all reasonable costs, charges and expenses incurred by the Bank in the preparation or enforcement of this Agreement or any security required in connection with the Loan.

#### 7. NOTICES

- 7.01 The Bank shall not be required to notify the undersigned of changes to the Prime Rate or the Overdraft Rate or in the Bank's calculations of the Lending Margin Calculation, if any.
- 7.02 Any request for any document or information, notice of termination, demand for payment or other notice to be sent in connection with this Agreement or either of the Accounts may be delivered, or mailed by prepaid ordinary mail or transmitted by facsimile if to the undersigned (or any one of them, if more than one) at the last known address or facsimile number for the undersigned (or any one of them, if more than one) in the Bank's records or if to the Bank at the Branch where the Account is maintained. The undersigned or the Bank, as applicable, shall be deemed to have received such request or notice on the date of delivery, if delivered, on the first business day following the date of transmission if transmitted by facsimile, and four (4) days after mailing, if mailed.

#### 8. AMENDED AND RESTATED AGREEMENT

- ☐ 8.01 This Agreement hereby amends and restates the \_\_\_\_\_  
(Insert name of agreement)

Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_, as heretofore amended and supplemented from time to time (the "Existing Agreement"), between the undersigned and the Bank with effect as and from the date hereof (the "Effective Date"), the whole without any novation whatsoever.

- ☐ 8.02 The parties hereby expressly agree that as and from the Effective Date all of the undersigned's obligations, indebtedness and liabilities to the Bank under or pursuant to the Existing Agreement including, without limitation, the outstanding principal amount of the loan thereunder, all interest accrued thereon, all interest on overdue interest and all other amounts owing by the undersigned to the Bank under or pursuant to the Existing Agreement shall be governed by the terms hereof.
- ☐ 8.03 The undersigned hereby ratifies, confirms, acknowledges and agrees that it is and continues to be bound by all of the obligations, indebtedness and liabilities of and grants of security made by it under each of the security documents under, pursuant to or in connection with the Existing Agreement, including without limitation any agreement or instrument creating or granting a hypothec, security under the *Bank Act* (Canada), mortgage, pledge, fixed or floating charge, assignment by way of security or any other security interest securing payment or performance of an obligation under or pursuant to the Existing Agreement (herein, collectively, the "Security Documents") and each certificate or other document delivered pursuant to or in connection with the Existing Agreement or the Security Document (the Security Documents and such certificates or other documents are herein, collectively, the "Loan Documents"), and the undersigned acknowledges that the Bank is relying expressly upon the Loan Documents and such ratifications, confirmations, acknowledgements and agreements by the undersigned herein in entering into this Agreement and providing any accommodations hereunder, notwithstanding the amendment and restatement set forth herein.
- ☐ 8.04 As and from the Effective Date, all references to the Existing Agreement in any of the Loan Documents shall be construed as being a reference to the Existing Agreement as amended and restated by this Agreement.
- ☐ 8.05 This Article 8 is made under express reserve of all the terms and conditions of this Agreement and the Loan Documents and all rights in favour of the Bank hereunder and thereunder and without novation of any kind or derogation from the rank and priority of the Security Documents. Without derogating from or restricting in any way the Security Documents, all obligations under or pursuant to the Existing Agreement and hereunder shall continue to be secured by the Security Documents. All of the provisions of this Article 8 are without novation.

## 9. GENERAL

- 9.01 The provisions of the Addendum, if any, shall be incorporated into this Agreement and form part hereof.
- 9.02 The Bank's statements of the Account at any time shall constitute prima facie evidence of the Loan.
- 9.03 The undersigned will immediately notify the Bank if any guarantor of the indebtedness of the undersigned to the Bank dies.
- 9.04 This Agreement shall be binding upon the undersigned and the respective executors, administrators, successors and assigns of the undersigned, but the undersigned shall not assign any of the rights or obligations of the undersigned hereunder without the prior written consent of the Bank.
- 9.05 The failure of either the undersigned or the Bank to require performance by the other of any provision hereof shall in no way affect the right thereafter to enforce such provision; nor shall the waiver by either party of any breach of any covenant, condition or proviso of this Agreement or any other agreement between the Bank and the undersigned be taken or held to be a waiver of any further breach of the same covenant, condition or proviso.
- 9.06 Subject to Article 8 above (if applicable) this Agreement shall be in addition to and not in substitution for any other agreement between the undersigned and the Bank.
- 9.07 The undersigned agrees that the balance shown in any statement of the Account provided to the undersigned shall be deemed to be a correct and accurate statement of the Loan as at the date of the statement.
- 9.08 All payments relating to the Loan made by the undersigned pursuant to this Agreement shall be paid in Canadian dollars.

Any obligation of the undersigned under this Agreement to make payments in U.S. dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into Canadian dollars except to the extent that such tender or recovery shall result in the effective receipt by the Bank of the full equivalent amount of U.S. dollars so payable hereunder. Accordingly, the obligation of the



undersigned shall be enforceable as an alternative or additional cause of action for the purpose of recovery in Canadian dollars of the amount (if any) by which such payment of a U.S. dollar obligation hereunder in a currency other than U.S. dollars shall fall short of the full amount of U.S. dollars so payable hereunder and shall not be affected by any judgment being obtained for any other sums due hereunder.

- 9.09 If any other provision of this Agreement would oblige the undersigned to pay or entitle the Bank to receive any amount that is prohibited by law, then, notwithstanding such provision, such amount shall be deemed to have been adjusted with retroactive effect to the maximum permitted amount by law. Notwithstanding the foregoing, if the Bank receives an amount in excess of the maximum permitted, then the undersigned shall be entitled, on providing written notice to the Bank, to obtain reimbursement of such excess. Pending reimbursement, such excess shall be deemed to be payable by the Bank. The Bank and the undersigned disavow any intent to receive or pay any amount in excess of that is permitted by law.
- 9.10 Time shall be of the essence of this Agreement.
- 9.11 If more than one party signs this Agreement, the obligations of the undersigned are joint and several.
- 9.12 It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

By executing this Agreement below the undersigned hereby agrees to the foregoing terms and conditions.

DATED as of the date set forth above.

2508342 ONTARIO INC.

By: 

Name: Roopinder Bahl

Title: President

® Registered trade-marks of Bank of Montreal

**ADDENDUM TO  
OPERATING LOAN AGREEMENT**

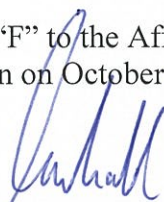
**Lending Margin Calculation and/or Additional Provisions**

The Bank may in its discretion reduce the Loan Limit by the amount of any other indebtedness or liability of the undersigned (or any one of them, if more than one) to the Bank including, without limitation, the amount of any bankers acceptances or letters of credit.

Without limiting the foregoing, the following Lending Margin Calculation is applicable to the attached Loan Agreement. The calculation and the amount of the Lending Margin Calculation is in the sole and complete discretion of the Bank, and in cases of dispute, the Lending Margin Calculation calculated by the Bank shall prevail.

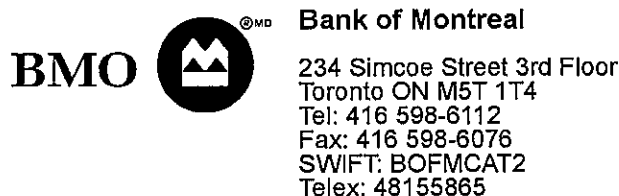
The Lending Margin Calculation (if applicable) shall be an amount equal to: \_\_\_\_\_

This is Exhibit "F" to the Affidavit of Marc Chia  
sworn on October 30, 2018



A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019



**Irrevocable  
 Standby Letter of Credit No.: BMT0503158OS**

Date of Issue: June 10, 2016  
 Date of Expiry: June 9, 2017  
 Place of Expiry: Toronto, ON

Beneficiary:  
 CST Canada Co.  
 1155 Rene-Levesque West, Suite 3200  
 Montreal, Quebec H3B 0C9

Applicant:  
 2508342 Ontario Inc.  
 57 Matthew St.  
 Marmora, Ontario K0K 2M0

Amount: Fifty Thousand and 00/100 Canadian Dollars (CAD50,000.00)

We hereby issue in your favour our Irrevocable Standby Letter of Credit (the 'Letter of Credit') in the amount of Fifty Thousand and 00/100 Canadian Dollars (CAD50,000.00) for the account of our customer 2508342 Ontario Inc. (the 'customer').

This Letter of Credit is available for drawing in part or in full, from June 10, 2016 until its expiry.

This Letter of Credit expires on June 9, 2016 at the counters of Bank of Montreal, Global Trade Operations, 234 Simcoe Street, Toronto, Ontario, M5T 1T4, and is irrevocable prior to such date.

It is a condition of this Letter of Credit that it shall be deemed to be automatically extended without amendment for one (1) year from the present or and future expiration date hereof, unless at least sixty (60) days prior to any such date, we shall notify you in writing by registered mail or courier that we elect not to consider this Letter of Credit renewed for any such additional period.

It is understood that we are obligated under this Letter of Credit to the payment of monies only and not the performance of service or otherwise.

Partial drawings are permitted.

We will honour drawings under this Letter of Credit upon presentation of a letter from CST Canada Co. confirming that CST Canada Co. has a balance payable to CST Canada Co. without making any further enquiry.

We engage to honour presentation submitted within the terms and conditions indicated above.

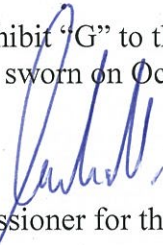


Bank of Montreal

Signing Officer

Authorized Signing Officer

This is Exhibit "G" to the Affidavit of Marc Chia  
sworn on October 3<sup>rd</sup>, 2018



A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019

### SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act* (Ontario) insofar as it affects personal property located in Ontario.

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:

57 Matthew Street, Markham, ON K0K 2M0  
503 Caledonia Road, Toronto, ON M6E 4V1

List all premises  
and asset  
locations, by  
schedule, if  
necessary

2. The Debtor hereby:

Attach a  
schedule, if  
equipment is to  
be listed

- (a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto ;
- (b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ;
- (c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above ;
- (d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom ; and

- (e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for the greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor to the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.



7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

- (a) the Debtor shall default under any of the Obligations;
- (b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;
- (c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;
- (d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;
- (e) the Debtor shall cease to carry on business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

- (a) as a whole or in various lots;
- (b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and
- (c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment or any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor acknowledges receipt of a copy of this agreement.

20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on

Insert date  
of execution

6 day of June, 2016. (year)

2508342 ONTARIO INC.

By:

Name: Roopinder Bahl

Title: President

#### CORPORATE AUTHORIZING RESOLUTION

Required  
only for a  
corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

#### NOW THEREFORE BE IT RESOLVED THAT:

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alternations, amendments or additions to which the President or a Vice-President of the Company may agree;
2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;
3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;
4. the President and the Vice-President of the Company be and they are each along hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such others acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

## CERTIFICATE

To be completed  
by Secretary or  
other authorized  
officer; insert  
name of  
officer  
Insert  
appropriate  
date

I am the President of 2508342 ONTARIO INC. and I hereby certify that:

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 6 day of June, 2016; (year)
2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and
3. the resolution was passed at a meeting duly called and held on the date aforesaid and at which a quorum of the directors was present throughout the meeting, all the directors having received proper notice of the meeting or waiving such notice in accordance with the by-laws of the Company

Use  
applicable  
clause

(or where applicable – the Company is subject to the *Business Corporations Act* of Ontario and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act*.)

To be  
signed by  
Secretary or  
other  
authorized  
officer; affix  
corporate  
seal

By:

Name: Roopinder Bahl

Title: President

seal

® Registered trade-marks of Bank of Montreal

**ACKNOWLEDGEMENT  
RE: PPSA REGISTRATION**

**TO: BANK OF MONTREAL**

**AND TO: MACDONALD SAGER MANIS LLP, its solicitors herein**

**RE: BANK OF MONTREAL LOAN TO 2508342 ONTARIO INC.  
57 MATTHEW STREET, MARMORA .  
GUARANTEED BY ROOPINDER BAHL, JANNETTE SABERON  
AND VARUN SHARMA  
OUR FILE NO. 161681**

The undersigned acknowledge receipt of confirmation of the attached registration with respect to the above-noted transaction.

This document can be executed in counterparts and the parts together shall constitute the entire document.

**DATED:** June 6, 2016

2508342 ONTARIO INC.

Per: 

Name: Roopinder Bahl

Title: President

I have the authority to bind the Corporation.

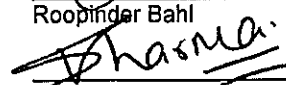
**SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF**

Witness

Witness

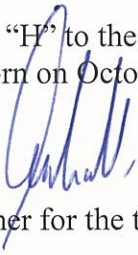
Witness

  
Roopinder Bahl

  
Varun Sharma

  
Jannette Saberon

This is Exhibit "H" to the Affidavit of Marc Chia  
sworn on October 30, 2018



A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 291  
RUN DATE : 2018/10/18  
ID : 20181018095138.37

REPORT : PSSR060  
PAGE : 1  
( 6240 )

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

TYPE OF SEARCH : BUSINESS DEBTOR

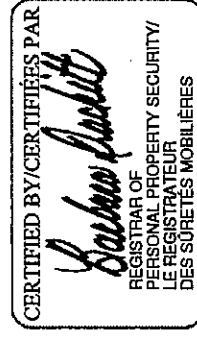
SEARCH CONDUCTED ON : 2508342 ONTARIO INC.

FILE CURRENCY : 17OCT 2018

ENQUIRY NUMBER 20181018095138.37 CONTAINS 3 PAGE(S), 1 FAMILY(IES).

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

CHAITONS LLP (SD) - SILVIA DURANTE  
5000 YONGE STREET, 10TH FLOOR  
TORONTO ON M2N 7E9



CONTINUED...



RUN NUMBER : 291  
 RUN DATE : 2018/10/18  
 ID : 20181018095138.37

	BUSINESS DEBTOR
TYPE OF SEARCH	

SEARCH COMPLETED ON : 2508342 ONTARIO INC.  
FILE CURRENCY : 17OCT 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00  
717320169  
KILL NUMBER

CATION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	001		20160603 1537 1862 8091	P	PPSA 5

02	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
03			BUSINESS NAME	2508342 ONTARIO INC.	
04			ADDRESS	503 CALEDONIA ROAD	TORONTO

ONTARIO CORPORATION NO. ON M6C 4V1

05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
06			BUSINESS NAME	2508342	ONTARIO INC.
07			ADDRESS	57 MATTHEW STREET	ONTARIO CORPORATION NO: 260 ON FOR MARMORA

08	SECURED PARTY / [REDACTED] THEN CLAIMANT [REDACTED]	BANK OF MONTREAL	
09	[REDACTED]	200 RITSON ROAD NORTH	OSHAWA

[illegible]

MONTH	YEAR	WAGE	MODEL	VARIABLE
11				

13	GENERAL
14	COLLATERAL
15	DESCRIPTION

16	REGISTERING	MACDONALD SAGER MANIS LLP (SJS/MT 161681)
17	AGENT	800-150 YORK STREET

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

CONTINUED...

CERTIFIED BY/CERTIFIÉES PAR  
*Barbara Durbitt*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTREUR  
DES SÛRETÉS MOBILIÈRES

93  
(crj1ft 11/2017)



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 3  
( 6242)

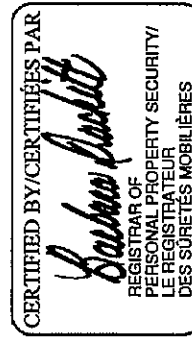
RUN NUMBER : 291  
RUN DATE : 2018/10/18  
ID : 20181018095138.37

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2508342 ONTARIO INC.  
FILE CURRENCY : 17OCT 2018

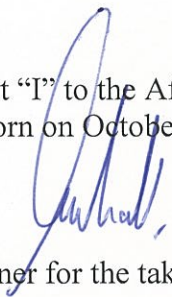
INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
717320169	20160603 1537 1862 8091		

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



This is Exhibit "I" to the Affidavit of Marc Chia  
sworn on October 3<sup>o</sup>, 2018

  
A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019

LRO # 21 Charge/Mortgage

Registered as HT190082 on 2016 06 09 at 16:12

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

yyyy mm dd Page 1 of 3

**Properties**

PIN 40170 - 0079 LT Interest/Estate Fee Simple  
 Description PT LT LOUCKS ESTATE BLK W PL 307 PT 1 21R8201 & PT 3 21R1295, S/T & T/W  
 QR642264; S/T QR234933, QR234936; MARMORA & LAKE ; COUNTY OF HASTINGS  
 Address 57 MATTHEW ST  
 MARMORA

**Chargor(s)**

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 2508342 ONTARIO INC.  
 Address for Service 503 Caledonia Road  
 Toronto, ON M6E 4V1

I, ROOPINDER BAHL, PRESIDENT, have the authority to bind the corporation.

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

**Chargee(s)**

Capacity

Share

Name BANK OF MONTREAL  
 Address for Service 200 Ritson Road North  
 Oshawa, ON L1G 0B2

**Provisions**

Principal \$2,155,000.00 Currency CDN  
 Calculation Period  
 Balance Due Date On Demand  
 Interest Rate Prime + 5.0%  
 Payments  
 Interest Adjustment Date  
 Payment Date On Demand  
 First Payment Date  
 Last Payment Date  
 Standard Charge Terms 201031  
 Insurance Amount full insurable value  
 Guarantor

**Additional Provisions**

See Schedules

**Signed By**

Louise Marie Kaczala 800-150 York St. acting for Chargor Signed 2016 06 08  
 Toronto (s)  
 M5H 3S5

Tel 416-364-1553

Fax 416-364-1453

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

**Submitted By**

MACDONALD SAGER MANIS LLP 800-150 York St.  
 Toronto  
 M5H 3S5

2016 06 09

Tel 416-364-1553

Fax 416-364-1453

LRO # 21 Charge/Mortgage

Registered as HT190082 on 2016 06 09 at 16:12

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


yyyy mm dd Page 2 of 3

**Fees/Taxes/Payment**

Statutory Registration Fee	\$62.85
Total Paid	\$62.85

**File Number**

Chargee Client File Number : 161681 SJS/LOU

BMO  Bank of Montreal

First Canadian Place, Toronto  
Portfolio Management Group  
Concourse Level  
100 King St. W.  
Toronto, ON, M5Z 1A1

**Acceleration Clause/Due of Sale Clause:**

In the event the Mortgagor sells, conveys, transfers or enters into an agreement for sale or of transfer of the title of the mortgaged property or charge to a purchaser or transferee not approved in writing by the Bank, which approval will not be unreasonably withheld, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Mortgagee, become due and payable.

**Restriction of Secondary Financing Clause:**

Notwithstanding any other provision hereof, the Chargor shall not obtain or register any second mortgage financing against the Lands described herein and in default thereof the Chargee may at its option immediately declare the balance of all principal and interest to become immediately due and payable and all remedies of the Chargee shall immediately become fully enforceable.

**Provision of Financial Information Clause:**

The Chargor shall provide to the Chargee financial information on an annual basis or as reasonably requested by the Chargee.

**Debt Servicing Clause:**

The Chargor agrees to maintain a debt servicing coverage ratio of no less than 1.25:1.

**Receiver /Manager Clause:**

In the event the real property produces rental income and such rental income is paid to the Chargor or paid to any other party pursuant to the direction of the Chargor, the Chargor hereby as further security, assigns and pledges all such rental income to the Chargee, such pledge to become operative upon any default being made by the Chargor under any term of the within Charge and to remain in full force and effect as long as such default continues. The Chargor further authorizes the Chargee after default to enter upon the mortgaged premises and to collect in the name of the Chargor or in its own name as assignee, the rents accrued but unpaid and in arrears as of the date of default, as well as all rents accruing and becoming payable thereafter, until such default is remedied. The Chargor agrees to execute written notice to each tenant directing the tenant to pay rent to the Chargee and the Chargor further agrees to pay 10% of the gross amount of all rentals due or accruing, to the Chargee as a collection fee for such period of time when the Chargee is collecting rents or is entitled to collect rents. The Chargor further authorizes the Chargee during default, at its option and at the expense and risk of the Chargor, to enter into the full management of the property with the right to manage the property in the same manner as an owner of the property, and the Chargor hereby releases all claims against the Chargee arising out of such management, except the liability of the Chargee to account for all funds received. It is not the intention of the parties that if the Chargee manages the property as aforesaid, the Chargee shall be a "mortgagee in possession", except if the Chargee so elects in writing. In addition to the collection fee for the collection of rentals as aforesaid, the Chargee shall also be entitled to all other out-of-pocket costs and compensation for its own time of any employees expended for the management of the property in the event the Chargee enters into the management of the property.

**BANK OF MONTREAL  
ONTARIO  
STANDARD CHARGE TERMS  
ALL INDEBTEDNESS MORTGAGE  
(COMMERCIAL/FARM)**

Filing Number: 201031

The following set of standard charge terms (together with the schedule attached hereto, the "Standard Charge Terms") shall be deemed to be included in each mortgage or charge in which it is referred to by its filing number as provided in section 9 of the *Land Registration Reform Act*, R.S.O. 1990, except to the extent that the provisions of the Standard Charge Terms are excluded or varied by such mortgage or charge.

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**B. DEFINITIONS**

In this set of Standard Charge Terms and in each Mortgage, the following terms shall have the following meanings:

1. "Applicable Rate" means:
  - (a) the applicable interest rate specified by the applicable note or agreement delivered by the Mortgagor to the Mortgagee or between the Mortgagor and the Mortgagee; or
  - (b) if the interest rate referred to in subsection (a) is not so specified, the applicable interest rate specified by the Mortgage.
2. "Controlling Entity" means any corporation or other entity which on the date of the Mortgage beneficially owned, directly or indirectly, shares, other securities or other equity interests issued by the Mortgagor or a Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor or such Guarantor.
3. "Default" means a default referred to in section I.
4. "Guarantor" means a person who guaranteed payment of all or any Indebtedness.
5. "Indebtedness" means all present and future indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee whether direct or indirect, absolute or contingent, or revolving or non-revolving, whether incurred by the Mortgagor alone or together with any other debtor or debtors and whether incurred pursuant to the provisions of the Mortgage or otherwise including all principal, interest, guarantee liabilities, letter of credit indemnity liabilities, bankers' acceptance indemnity liabilities, fees and expenses now or hereafter owing by the Mortgagor to the Mortgagee.
6. "Insolvency Proceeding" means a proceeding commenced under the *Companies' Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act* or any other similar statute.
7. "Lease" means a lease, offer to lease or other similar agreement of or with respect to the Mortgaged Land in favour of, or held by the Mortgagor as tenant and referred to in the Mortgage, as such lease, offer to lease or other similar agreement is amended or replaced from time to time.
8. "Mortgage" means the applicable registered mortgage or charge (as amended from time to time) in which this set of Standard Charge Terms is incorporated by reference to its filing number (including all Schedules thereto), includes any such mortgage or charge registered electronically or otherwise and includes such mortgage or charge whether or not any provision of the Standard Charge Terms is excluded or varied.
9. "Mortgaged Land" means the real property described in the Mortgage, all appurtenances thereto and all estates and interests therein, and includes all buildings, plant, machinery, crops, erections and improvements, fixed or otherwise, present or future, built, grown, placed or put thereon including all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, hay racks, barn fixtures, milking machine equipment, water tanks, pumps and windmills, water bowls and pipes, feed boxes, litter carriers and tracks, mobile homes affixed to the real property, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings, all apparatus and equipment appurtenant thereto, and all other fixtures and accessions of any kind or nature.
10. "Mortgagee" means the mortgagee or chargee referred to in the Mortgage and its successors and assigns.



Page 4.

11. **"Mortgagee's Prime Rate"** means the fluctuating annual rate of interest determined by Bank of Montreal from time to time as the reference rate it will use to determine rates of interest payable by borrowers from Bank of Montreal of Canadian dollar loans made in Canada and designated by Bank of Montreal as its prime rate.
12. **"Mortgagor"** means the person or persons identified as the mortgagor or chargor in the Mortgage and his, her, its or their respective heirs, executors, administrators, personal representatives, successors and assigns.
13. **"Other Encumbrances"** means all statutory liens, construction liens, mechanics' liens, builders' liens, other liens, executions, mortgages, charges, and other encumbrances which charge or otherwise affect or could affect the Mortgaged Land but excludes the Mortgage.
14. **"Permitted Prior Mortgage"** means a mortgage or charge of the Mortgaged Land which ranks in priority to the Mortgage and which the Mortgagee has approved in writing.
15. **"Receiver"** means a receiver, receiver and manager or other similar person.
16. **"Schedule"** means a schedule to the Mortgage.
17. **"Taxes"** means all taxes, rates and assessments, municipal, provincial, federal or otherwise, with respect to the Mortgaged Land.

#### **C. OPERATION OF THE MORTGAGE**

1. *Charge of Mortgaged Land.* In consideration of other valuable consideration and a loan advance made or other credit extended by the Mortgagee to the Mortgagor (the receipt and sufficiency of which are acknowledged by the Mortgagor), the Mortgagor hereby mortgages and charges the Mortgaged Land to and in favour of the Mortgagee as security for payment to the Mortgagee of all Indebtedness and as security for the observance and performance by the Mortgagor of all other obligations of the Mortgagor pursuant to or in respect of the Mortgage or the Standard Charge Terms. Subject to the provisions of the Mortgage, the Mortgagor releases to the Mortgagee, all the Mortgagor's claims upon the Mortgaged Land.
2. *Repayment of Principal on Demand.* The Mortgagor shall pay all Indebtedness to the Mortgagee on demand by the Mortgagee for payment.
3. *Restriction on Voluntary Prepayments.* The Mortgagor shall not be entitled to prepay voluntarily any principal amount (including any principal amount owing with respect to a revolving line of credit or a demand loan) except to the extent agreed to by the Mortgagee in writing.
4. *Calculation and Payment of Interest.* The Mortgagor shall pay to the Mortgagee when due interest payable by the Mortgagor on each part of the Indebtedness (including interest on overdue interest) at the Applicable Rate which applies to such part of the Indebtedness. Interest shall accrue on each part of the Indebtedness from the date such part is incurred to the date such part is paid to the Mortgagee in full. Interest shall, both before and after Default, be calculated and payable monthly not in advance on the first day of each month unless otherwise agreed by the Mortgagor and the Mortgagee in writing. Whenever there is more than one Applicable Rate, the Applicable Rate referred to in sections D, E, G, J and K shall, unless otherwise agreed by the Mortgagee in writing, be the higher or highest of such Applicable Rates.
5. *Continuing Security.* The Mortgage shall be continuing security in favour of the Mortgagee for the payment of all Indebtedness, notwithstanding at any time and from time to time there is:
  - (a) any change in the nature, state or form of any account between the Mortgagor and the Mortgagee;
  - (b) any new advance by the Mortgagee to the Mortgagor, whether by way of loan, discount, the drawing of a cheque against an account of the Mortgagor or otherwise;

Page 5.

- (c) any discount or acceptance by the Mortgagee from or for the Mortgagor of any note, bill of exchange or other negotiable instrument or commercial paper;
- (d) any credit of any amount to any account of the Mortgagor by reason of deposit of moneys or otherwise; or
- (e) any renewal, replacement, substitution or alteration of any note, bill of exchange or other negotiable instrument or other commercial paper from time to time held by the Mortgagee or any reduction, satisfaction, payment, release or discharge thereof or of any other security therefor.

Nothing herein shall prejudice any of the Mortgagee's rights pursuant to or in respect of any note, bill of exchange, other agreement or other security now or hereafter held by the Mortgagee.

6. *Divided Parts of Mortgaged Land.* Every part of the Mortgaged Land into which the Mortgaged Land may hereafter be divided by a plan of subdivision or otherwise shall continue to be charged with payment of all Indebtedness but the Mortgagee may discharge any part or parts of the Mortgaged Land with or without sufficient consideration and without releasing the Mortgagor from the Mortgage and no person shall have any right to require the Indebtedness to be apportioned between or among such parts.

7. *Application of Amounts Paid.* Any and all amounts received by the Mortgagee with respect to Indebtedness before a Default shall, unless otherwise specified by the Mortgagee in writing, be applied firstly to reduce compound interest, secondly to reduce interest (other than compound interest), thirdly to reduce principal and fourthly to reduce any other Indebtedness. Any and all amounts received by the Mortgagee after a Default (including any and all amounts received from any security held by the Mortgagee) shall be applied by the Mortgagee in the manner determined by the Mortgagee in its sole discretion.

8. *Discharge of Mortgage.* If the Mortgagor shall duly pay to the Mortgagee all Indebtedness and the Mortgagee is not then obligated to extend any credit to the Mortgagor, the Mortgagor may request from the Mortgagee a discharge of the Mortgage and, upon delivery by the Mortgagee to the Mortgagor of a discharge of the Mortgage, the Mortgage shall terminate and cease to operate; provided that the Mortgage shall not terminate or cease to operate while any Indebtedness remains unpaid or while the Mortgagee is obligated to extend any credit to the Mortgagor only because, at any prior time or times, all Indebtedness had been paid in full. The Mortgagee shall not be obligated to deliver any partial discharge of the Mortgage.

9. *Consolidation of Mortgages.* To the extent permitted by law, the doctrine of consolidation shall apply with respect to *inter alia* the Mortgage.

#### **D. COVENANTS, REPRESENTATIONS AND WARRANTIES OF MORTGAGOR**

1. *Payment of Principal and Interest.* The Mortgagor shall pay to the Mortgagee when due all Indebtedness without deduction or set-off of any kind. The Mortgagor expressly agrees not to fail to pay any Indebtedness when due and not to reduce the amount of any due payment of any Indebtedness as a result, or in respect of any existing or future claim by the Mortgagor against the Mortgagee or against any other person whether such claim relates to any or all Indebtedness, the Mortgage, any other agreement between the Mortgagor and the Mortgagee, any other transaction or any other agreement or matter whatsoever.

2. *Observance and Performance of Other Obligations.* The Mortgagor shall duly and punctually observe and perform all the Mortgagor's existing and future obligations pursuant to the Mortgage and all the Mortgagor's existing and future obligations pursuant to any and all other existing and future agreements delivered by the Mortgagor to the Mortgagee or between the Mortgagor and the Mortgagee.

3. *Payment of Taxes.* The Mortgagor shall promptly pay all Taxes as they become due and, within one month after the date fixed for the payment of the last installment of Taxes in each year, shall deliver to the Mortgagee a receipted tax bill showing payment in full of all such Taxes payable during such year. If the Mortgagor fails to pay any Taxes as they become due, the Mortgagee may, at its option, pay the whole or any part of such Taxes. The amounts so paid by

Page 6.

the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

4. *Good Title and Free From Encumbrances.* The Mortgagor represents and warrants to the Mortgagee that the Mortgagor is the legal and beneficial owner of, and has good, absolute and indefeasible title and estate in fee simple to the Mortgaged Land (or the leasehold interest therein if section E applies), free of any Other Encumbrances except any Permitted Prior Mortgage, statutory liens that secure payment of amounts not in arrears, public utilities easements or minor easements or restrictive covenants that do not impair the value, marketability or use of the Mortgaged Land or other encumbrances consented to by the Mortgagee in writing, and free of any reservations, limitations, provisos or conditions whatsoever except those contained in the original grant thereof, if any, from the Crown; the Mortgagor has good right, full power and lawful and absolute authority to mortgage and charge the Mortgaged Land (or, if section E applies, its leasehold interest therein) to the Mortgagee in accordance with the provisions of the Mortgage.

5. *Insurance.* The Mortgagor shall maintain, in form, substance and amount and with insurers satisfactory to the Mortgagee, all insurance required by the Mortgagee from time to time with respect to the Mortgaged Land (including boiler, property, public liability, rental, environmental and business interruption insurance and insurance covering all crops grown on the Mortgaged Land insuring such crops against damage by hail and against perils covered by all-risk crop insurance). The Mortgagor shall deliver to the Mortgagee, from time to time at the Mortgagee's request, certificates of insurance and certified copies of such insurance policies showing all loss payable to the Mortgagee as first mortgagee (subject to the interests of the holder of any Permitted Prior Mortgage) and loss payee and containing a mortgage clause satisfactory to the Mortgagee. As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns to the Mortgagee all the Mortgagor's present and future interests in and to all such present and future insurance policies and all proceeds therefrom. The Mortgagor shall not repair any damage using proceeds of any insurance without the Mortgagee's prior written consent and the Mortgagee may, at its discretion, apply any and all insurance proceeds to reduce Indebtedness. If the Mortgagor fails to maintain insurance required by the Mortgagee, the Mortgagee may arrange insurance with respect to the Mortgaged Land, the Mortgagor shall pay to the Mortgagee, on demand by the Mortgagee, all amounts paid by the Mortgagee to effect such insurance and the Mortgagor shall pay interest thereon at the Applicable Rate; and all such amounts owing by the Mortgagor shall be part of the Indebtedness and secured by the Mortgage. The Mortgagor shall, forthwith on the occurrence of any loss or damage, furnish at the Mortgagor's own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies. Any insurance monies received may, at the option of the Mortgagee, to the extent permitted by law, be applied to rebuild or repair the premises on the Mortgaged Land or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the Mortgaged Land, or be applied to pay Indebtedness whether or not then due, despite any law, equity or statute to the contrary. The Mortgagor, to the extent permitted by law, hereby waives any statutory or other right it may have to require any insurance proceeds to be applied in any particular manner.

6. *Payment of Other Encumbrances.* The Mortgagor shall promptly pay when due all amounts now or hereafter owing pursuant to or with respect to any Other Encumbrances and shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any Other Encumbrances when due, the Mortgagee may, at its option, pay the whole or any part of any present or future Other Encumbrances. The amounts so paid shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage. In the event the Mortgagee pays any Other Encumbrance, it shall be entitled to all the equities, rights and securities of the person or persons so paid and to obtain an assignment of such Other Encumbrance so paid and of any right to payment and is hereby authorized to retain any discharge thereof without registration for so long as it may think fit to do so.

7. *Payment of Expenses.* The Mortgagor shall, on demand by the Mortgagee, pay all costs, charges, expenses (including legal fees as between a solicitor and his or her own client), commissions and fees which may be incurred by the Mortgagee in negotiating any credit or credits secured by the Mortgage, investigating the title to the Mortgaged Land, preparing and

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registering the Mortgage and other documents, administering any credit or credits extended by the Mortgagee to the Mortgagor, inspecting the Mortgaged Land, collecting any Indebtedness, taking any proceeding in connection with or to collect any Indebtedness, taking and maintaining possession of the Mortgaged Land, maintaining and repairing the Mortgaged Land, and taking any other enforcement proceedings. The Mortgagor shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any such amounts as they become due, the Mortgagee may, at its option, pay any such amounts and the amounts so paid by the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

8. *Compliance with Laws.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage, the Mortgagor has complied with, and the Mortgagor agrees that it shall comply with all laws, by-laws and regulations affecting the Mortgaged Land and all orders and decisions of any governmental authority, governmental agency or court having jurisdiction affecting the Mortgaged Land (including all such laws, by-laws, regulations, orders and decisions relating to the environment or to residential or other property, including those relating to the amount of rent charged by the Mortgagor with respect to any part of the Mortgaged Land). The Mortgagor shall, at the Mortgagor's expense, promptly and in good and workmanlike manner make all improvements, alterations, clean-ups and repairs and effect any change in use that may be required from time to time to so comply.

9. *Maintain in Good Repair and Avoid Waste.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage, all buildings, erections, equipment, machinery and improvements on the Mortgaged Land are in good condition and repair and that all noxious weeds have been eradicated from the Mortgaged Land. The Mortgagor shall maintain all buildings, erections, equipment, machinery and improvements on the Mortgaged Land in good condition and repair to the satisfaction of the Mortgagee, shall eradicate all noxious weeds from the Mortgaged Land and shall not permit waste to be committed or suffered on the Mortgaged Land or any part thereof. The Mortgagee or its agent shall be entitled, from time to time, to enter on the Mortgaged Land to inspect the Mortgaged Land and to undertake any tests (including intrusive environmental tests) required by the Mortgagee. If the Mortgagor neglects to keep the Mortgaged Land or any buildings, erections, equipment, machinery or improvements on the Mortgaged Land in good condition and repair, fails to eradicate noxious weeds from the Mortgaged Land or commits or permits any act of waste on the Mortgaged Land (as to which the Mortgagee shall be the sole judge), or fails to comply with section D.8., the Mortgagee or its agent may enter upon the Mortgaged Land and make such repairs and undertake such work and take such action as the Mortgagee deems necessary. All costs of such inspection, testing, repairs, work and action shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

10. *Environmental Representation and Indemnity.* The Mortgagor represents and warrants to the Mortgagee that there has not occurred, after the date the Mortgagor acquired an interest in the Mortgaged Land, any spill, leak, contamination or other material environmental problem affecting the Mortgaged Land or any part thereof (other than any such spill, leak, contamination or other environmental problem which has been remedied). The Mortgagor shall indemnify and save harmless the Mortgagee and any Receiver of the Mortgaged Land from any and all expenses and damages incurred or suffered by the Mortgagee or such Receiver as a result, or in respect of any spill, leak, contamination or other environmental problem affecting the Mortgaged Land or any part thereof. This indemnity shall survive the payment of all Indebtedness and the satisfaction, discharge or enforcement of the Mortgage or any other security.

11. *No Alterations or Change in Use.* The Mortgagor shall not, without the prior written consent of the Mortgagee, make, or permit to be made, any alterations or additions to the Mortgaged Land or any building thereon or change the Mortgagor's use of the Mortgaged Land or any building thereon and the Mortgagor shall not allow the Mortgaged Land to be unoccupied or unused.

12. *No Unapproved Charge or Encumbrance by Mortgagor.* The Mortgagor shall not, without the Mortgagee's prior written consent, mortgage, charge, lien or encumber the Mortgaged Land or any part thereof or any interest therein or permit any Other Encumbrance to remain thereon except for any Permitted Prior Mortgage, statutory liens that secure payment of amounts not in

arrears and public utilities easements or minor easements or restrictive covenants that do not impair the value, marketability or use of the Mortgaged Land.

13. *Change in Ownership or Spousal Status.* Upon any change or event affecting any of the following, namely:

- (a) the spousal status of the Mortgagor, if the Mortgagor is an individual;
- (b) the qualification of the Mortgaged Land as a matrimonial home; or
- (c) the ownership of the Mortgaged Land,

the Mortgagor shall forthwith advise the Mortgagee accordingly in writing and furnish the Mortgagee with full particulars thereof, the intention being that the Mortgagee shall be kept fully informed of the names and addresses of the owner or owners of the Mortgaged Land and of any spouse who is not an owner but who may have a legal right of possession of or interest in the Mortgaged Land. The Mortgagor shall furnish the Mortgagee with such evidence in connection with any of subsections (a), (b) and (c) of this provision as the Mortgagee may from time to time request.

14. *Expropriation.* If the Mortgaged Land or any part thereof is condemned or expropriated to an extent which, in the Mortgagee's sole discretion, materially affects the Mortgagee's security, all Indebtedness shall, at the option of the Mortgagee, be deemed to have become due and payable on the day before such condemnation or expropriation, and interest shall continue to accrue thereon, at the Applicable Rate, until the Mortgagee has been paid all Indebtedness. The Mortgagor shall pay to the Mortgagee from any condemnation or expropriation proceeds the full amount thereof, to be applied by the Mortgagee to reduce Indebtedness.

15. *Power of Attorney.* The Mortgagor hereby irrevocably appoints the Mortgagee or any Receiver appointed by the Mortgagee under or pursuant to the Mortgage or by any order of a court of competent jurisdiction, as the Mortgagor's attorney for all purposes to take any and all action deemed appropriate by the Mortgagee or such Receiver after the occurrence of a Default.

16. *Further Assurances.* The Mortgagor shall (and shall cause each person having or claiming to have an estate, right, title or interest in or to the Mortgaged Land to) at any time and from time to time, at the Mortgagee's request, do, execute and deliver or cause to be made, executed and delivered to the Mortgagee such further and other reasonable acts, deeds, conveyances, charges and assurances as may be required by the Mortgagee to fully and effectually carry out the intention and meaning of the Mortgage and the provisions included in the Mortgage and the reasonable cost of such further assurances shall be part of the Indebtedness and secured by the Mortgage.

17. *Business Purposes Only.* The Mortgagor shall use only for business purposes any amounts loaned by the Mortgagee to the Mortgagor and secured by the Mortgage.

18. *No Registration of Condominiums or Strata Title Developments.* The Mortgagor shall not, without the Mortgagee's prior written consent, register any condominium or strata title development with respect to all or part of the Mortgaged Land or any declaration or description with respect thereto and the Mortgagee shall not have any obligation to provide such consent.

19. *Delivery of Information.* The Mortgagor shall deliver to the Mortgagee, promptly at the Mortgagee's request, all financial statements and other information as the Mortgagee may request from time to time with respect to the Mortgagor, a Guarantor or the Mortgaged Land.

20. *No Litigation or Other Proceedings.* The Mortgagor represents and warrants that, as at the date of the Mortgage, there is no application, litigation, proceeding or investigation outstanding or, to the Mortgagor's knowledge, pending or threatened, against the Mortgagor or any Guarantor or with respect to the Mortgaged Land or any part thereof including any application, litigation, proceeding or investigation in respect of residential or other property by-laws or regulations. The Mortgagor shall notify the Mortgagee in writing of any such application, litigation, proceeding or investigation commenced after the date of the Mortgage, promptly after such commencement.

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21. *Mortgagor a Canadian Resident.* The Mortgagor represents and warrants that, as at the date of the Mortgage, it is not a non-resident of Canada for purposes of the Income Tax Act and agrees that the Mortgagor shall not, without the Mortgagee's prior written consent, become a non-resident of Canada.

22. *Good Management of Mortgaged Land.* The Mortgagor shall at all times cause the Mortgaged Land to be managed in a commercially reasonable manner by the Mortgagor or by a property manager satisfactory to the Mortgagee, acting reasonably.

23. *Abutting Real Property.* The Mortgagor shall not, without the Mortgagee's prior written consent, acquire any real property which abuts the Mortgaged Land. If the Mortgagee gives such consent, the Mortgagor shall, at the Mortgagee's request, deliver to the Mortgagee a mortgage or charge of such abutting real property and of the Mortgaged Land in form and substance satisfactory to the Mortgagee.

24. *Deemed Covenants Excluded.* In accordance with subsection 7(3) of the *Land Registration Reform Act*, the covenants deemed to be included in a mortgage or charge by subsection 7(1) of such statute are expressly excluded from the Mortgage.

25. *Defeasance Provisions Excluded.* The provisions relating to defeasance in subsection 6(2) of the *Land Registration Reform Act* are expressly excluded from the Mortgage.

#### **E. MORTGAGE OF LEASEHOLD INTEREST**

If the Mortgagor is not the owner of the Mortgaged Land in fee simple but is the owner of a leasehold interest in the Mortgaged Land as tenant, or as an assignee or successor of a tenant, pursuant to a Lease, the following provisions shall apply:

1. *Representations and Warranties.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage:

- (a) the Lease is a good, valid and subsisting lease and has not been surrendered, forfeited or terminated or, except as specified in the Mortgage, amended, and the rents, covenants and provisions therein reserved and contained have been duly paid, performed and observed by the Mortgagor up to the date of the Mortgage; and
- (b) the Mortgagor has good right and full, lawful and absolute authority to charge, mortgage, demise and sublet the Mortgaged Land in accordance with the Mortgage and any consent thereto required of the applicable landlord has been obtained.

2. *Covenants Relating to Lease.* The Mortgagor agrees with the Mortgagee as follows:

- (a) The Mortgagor shall at all times fully perform and comply with all the obligations of the Mortgagor under or with respect to the Lease, or imposed on, assumed by or agreed to by the Mortgagor pursuant to any Other Encumbrances and, if the Mortgagor fails to do so, the Mortgagee may (but shall not be obliged to) take any action the Mortgagee deems necessary or desirable to prevent or to cure any default by the Mortgagor in the performance of or compliance with any such obligations. The Mortgagor shall promptly provide to the Mortgagee a copy of any notice the Mortgagor receives from the landlord, any prior mortgagee or encumbrancer, any claimant of any of the Other Encumbrances or any other person under or relating to the Lease of the Mortgaged Land. Upon receipt by the Mortgagee from the Mortgagor, the landlord, any prior mortgagee or encumbrancer, any claimant of any of the Other Encumbrances or any other person of any notice, including a notice of default, the Mortgagee may rely thereon and take any action with respect to such notice as may be required in the Mortgagee's sole discretion, including to cure a default even though the existence of such default or the nature thereof may be questioned or denied by or on behalf of the Mortgagor and the Mortgagee shall have the absolute and immediate right to enter in and upon the Mortgaged Land or any part thereof to such extent and as often as the Mortgagee, in its sole discretion deems necessary or desirable, in

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order to prevent or to cure any such default. The Mortgagee may pay and expend such amounts as the Mortgagee in its sole discretion deems necessary for any such purpose, and the amounts so paid shall be payable by the Mortgagor to the Mortgagee on demand by the Mortgagee with interest thereon at the Applicable Rate, and shall be a part of the Indebtedness and be secured by the Mortgage.

- (b) If the Mortgage is outstanding at the expiration of the term of the Lease and the Mortgagor refuses or neglects to exercise the Mortgagor's right, if any, to renew or extend the term of the Lease or refuses to pay any fees, costs, charges or expenses payable upon any such renewal or extension, the Mortgagee may effect such renewal or extension in the name of the Mortgagor or otherwise, and every such renewed or extended Lease shall remain and be mortgaged and charged pursuant to the Mortgage in accordance with the Mortgage.
- (c) From and after the execution and delivery of the Mortgage, the Mortgagor shall stand possessed of the Mortgaged Land for the remainder of the Lease in trust for the Mortgagee, and shall exercise any right to renew or extend the term of the Lease or to assign the Lease as the Mortgagee may direct, but subject to the Mortgagor's right of redemption under the Mortgage. The Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagor's attorney for and on behalf of the Mortgagor to exercise any such renewal or extension right and to assign the Lease and convey the leasehold interest in the Mortgaged Land and the reversion thereof as the Mortgagee shall at any time direct after the occurrence of a Default and, in particular, upon any sale made by the Mortgagee under any power of sale contained in the Mortgage or granted by statute to assign the Lease and convey the Mortgagor's leasehold interest in the Mortgaged Land and the reversion to a purchaser. The Mortgagee may at any time remove the Mortgagor or any other person from being a trustee of the Lease under the above declaration of trust and appoint a new trustee or trustees.
- (d) The Mortgagor shall not surrender, terminate, amend or modify the Lease or agree to do so without the prior written consent of the Mortgagee, which the Mortgagee may withhold in its absolute discretion. No release or forbearance of any of the Mortgagor's obligations under the Lease or under any Other Encumbrance shall release the Mortgagor from any of the Mortgagor's obligations under the Mortgage.
- (e) Unless the Mortgagee expressly consents in writing, the title in fee simple to the Mortgaged Land and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates by purchase or otherwise.

3. *Last Day of Term Excepted.* Despite any other provision of the Mortgage, the last day of the term of the Lease and of any renewal or extension thereof and of any agreement therefor now held or hereafter acquired by the Mortgagor shall be excepted out of the mortgage, charge and demise contained in the Mortgage.

4. *Charge by way of Sublease.* Despite section C.1. and any other provision of the Mortgage (except section E.3.), the Mortgagor mortgages and charges, by way of sublease, the Mortgagor's leasehold interest in the Mortgaged Land pursuant to the Lease, the mortgages and charges contained in the Mortgage shall be by way of sublease and the Mortgagee shall not have any obligation or liability to the landlord or any other person pursuant to or in respect of the Lease.

5. *Leasehold Interests.* Wherever any reference is made in the Mortgage to any right of the Mortgagee to sell, transfer, assign, lease, sublease, alienate or otherwise deal with the Mortgaged Land, such reference shall be deemed, subject to section E.3., to relate to the existing and future rights and interests of the Mortgagor in the Mortgaged Land pursuant to the Lease.

#### F. ASSIGNMENT OF LEASES AND RENTS

If the Mortgagor or any predecessor of the Mortgagor grants or has granted any lease, offer to lease, tenancy agreement or other similar agreement of all or any part of the Mortgaged Land as landlord, the following provisions shall apply:

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1. *Assignment.* As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee, all the Mortgagor's rights and interests as landlord in all existing and future leases, tenancy agreements, offers to lease and other similar agreements with respect to all or part of the Mortgaged Land, and all rents, incomes, profits and other amounts now or hereafter arising from or out of all or part of the Mortgaged Land or any building, improvement, fixture or part thereof forming part of the Mortgaged Land.

2. *Separate Assignments.* The assignment of each of the foregoing and of each of the rents, incomes, profits and other amounts by the Mortgagor to the Mortgagee pursuant to section F.1. shall be deemed to be a separate assignment so that the Mortgagee in its discretion may exercise its rights in respect of any or all of such leases, offers to lease, tenancy agreements or other similar agreements or the rents, incomes, profits or other amounts paid or payable thereunder.

3. *Collection by Mortgagor before Default.* Until there occurs a Default, the Mortgagor may collect, retain and apply all rents, incomes, profits and other amounts and deal with all leases, offers to lease, tenancy agreements and other similar agreements from time to time in accordance with sound business practice.

4. *No Liability of Mortgagee and Indemnity by Mortgagor.* Nothing herein shall obligate the Mortgagee to assume or perform (and nothing herein shall impose on the Mortgagee) any liability or obligation of the Mortgagor to any tenant or other person pursuant to or in respect of any lease, offer to lease, tenancy agreement, other similar agreement or otherwise and the Mortgagor hereby indemnifies and saves harmless the Mortgagee from any and all claims with respect thereto, provided that the Mortgagee may, at its sole option, assume or perform any such obligations as it considers necessary or desirable.

5. *Re-assignment.* The Mortgagee may, at any time without further request or agreement by the Mortgagor, reassign to the Mortgagor, or the Mortgagor's heirs, administrators, successors or assigns, any or all of the collateral referred to in section F.1.

6. *Application by Mortgagee.* The Mortgagee's obligations with respect to any amount collected by the Mortgagee shall be discharged by the application of such amount to reduce Indebtedness.

7. *Not Mortgagee in Possession.* Nothing contained herein shall have the effect of making the Mortgagee a mortgagee in possession of the Mortgaged Land.

#### G. CONDOMINIUM OR STRATA TITLE DEVELOPMENT PROVISIONS

If the Mortgaged Land is or includes one or more condominium units or strata title units, the following provisions shall apply:

1. *Compliance with Requirements.* The Mortgagor shall observe and perform each of the covenants and provisions required to be observed and performed pursuant to the Mortgage, all applicable statutes governing or affecting condominiums or strata title developments, and the declaration, description, by-laws and rules, as amended from time to time, of the applicable condominium corporation or strata corporation.

2. *Common Expense Payments.* The Mortgagor shall pay promptly when due any and all unpaid condominium or strata development fees, common expenses, common element expenses, assessments, levies, instalments, payments or any other amounts due to the applicable condominium corporation or strata corporation or any agent thereof by the Mortgagor and, at the Mortgagee's request, deliver to the Mortgagee evidence of the payment thereof.

3. *Right of Mortgagee to Pay.* If the Mortgagor does not pay when due any condominium or strata development fees, common expenses or other amounts referred to in section G.2., the Mortgagee may (but shall not be obliged to) pay such amounts, the Mortgagor shall forthwith pay such amounts to the Mortgagee with interest thereon at the Applicable Rate, and all such amounts owing by the Mortgagor to the Mortgagee shall be a part of the Indebtedness and secured by the Mortgage.



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4. *Voting by Mortgagee.* The Mortgagor hereby irrevocably authorizes the Mortgagee to exercise the rights of the Mortgagor as an owner of the Mortgaged Land to vote or to consent in all matters relating to the affairs of the condominium corporation or strata corporation or arising under applicable law or the declaration or by-laws of the condominium or strata corporation, provided that:

- (a) in any case where the Mortgagee is entitled to receive and does receive notice of a meeting of owners, the Mortgagee may notify the condominium or strata corporation and the Mortgagor of its intention to exercise the right of the owner to vote or to consent at such meeting at least two days before the date specified in the notice for the meeting, failing which the Mortgagor may exercise such right to vote or consent at such meeting;
- (b) the Mortgagee shall not, by virtue of the giving to the Mortgagee of the right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Mortgagor, and the Mortgagee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and
- (c) nothing herein contained, including the exercise by the Mortgagee of the right to vote or consent, shall constitute the Mortgagee a mortgagee in possession.

#### H. MORTGAGE AS SECURITY FOR A GUARANTEE

If the Mortgagor has delivered to the Mortgagee or now or hereafter delivers to the Mortgagee a guarantee or guarantees of payment to the Mortgagee of indebtedness or liability of another or others, the Indebtedness shall include all indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee pursuant to such guarantee or guarantees, whether direct or indirect, absolute or contingent, and the Mortgage shall secure payment of all such indebtedness and liability of the Mortgagor pursuant to such guarantee or guarantees in addition to all other Indebtedness. If any such guarantee is increased or otherwise amended, the Mortgage shall also secure payment of all indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee pursuant to such guarantee as increased or otherwise amended.

#### I. DEFAULT

The Mortgagor shall be in default of the Mortgage and a Default shall occur pursuant to the Mortgage if:

- 1. the Mortgagor fails to pay any Indebtedness when due;
- 2. the Mortgagor or a Guarantor fails to comply with any obligation of the Mortgagor or the Guarantor pursuant to or in respect of the Mortgage or any existing or future note, instrument or agreement delivered by the Mortgagor and the Guarantors (or any of them) to the Mortgagee or between the Mortgagor and the Guarantors (or any of them) and the Mortgagee;
- 3. the Mortgagor fails to comply with any obligation of the Mortgagor pursuant to or in respect of any Permitted Prior Mortgage or any Other Encumbrance;
- 4. any representation or warranty made by the Mortgagor or a Guarantor in the Mortgage, any agreement between the Mortgagor and the Guarantors (or any of them) and the Mortgagee, or any loan or credit application made in connection with any Indebtedness was untrue when made;
- 5. a Receiver is appointed of any asset of the Mortgagor or of a Guarantor;
- 6. any construction lien, mechanics' lien or builders' lien is registered against all or any part of the Mortgaged Land and is not discharged within seven days after a request by the Mortgagee that such lien be discharged;
- 7. all or any part of the Mortgaged Land is condemned or expropriated;
- 8. the Mortgagor or a Guarantor becomes bankrupt or insolvent;

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9. a petition in bankruptcy is filed against the Mortgagor or a Guarantor;
10. the Mortgagor or a Guarantor makes a proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy;
11. the Mortgagor or a Guarantor makes an application as a debtor in any Insolvency Proceeding or any other person makes an application against the Mortgagor or a Guarantor in any Insolvency Proceeding;
12. the Mortgagor sells, transfers or disposes of in any other manner the Mortgaged Land, any part thereof or any interest therein (unless the Mortgagee has approved in writing such sale, transfer or other disposition);
13. an execution, judgment or order of execution is filed or made against the Mortgaged Land or any part thereof and remains unsatisfied for a period of ten days;
14. the Mortgagor fails to pay when due any amount owing by the Mortgagor to the applicable condominium corporation or strata corporation or any agent thereof referred to in section G.2.; or
15. the Mortgagor or a Guarantor is not an individual and a change in control of the Mortgagor or such Guarantor occurs without the prior written consent of the Mortgagee; for the purposes hereof, a change in control of the Mortgagor or a Guarantor shall be deemed to occur if there occurs one or more sales, transfers or other dispositions of the beneficial ownership existing on the date of the Mortgage in the aggregate of:
  - (a) shares, other securities or other equity interests issued by the Mortgagor or such Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor or such Guarantor; or
  - (b) shares, other securities or equity interests issued by any Controlling Entity which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by such Controlling Entity.

#### **J. REMEDIES OF MORTGAGEE**

1. *Acceleration and Termination of Obligation to Extend Credit.* Without prejudice to any right of the Mortgagee to demand at any time payment by the Mortgagor of any and all Indebtedness, upon the occurrence of a Default all Indebtedness (or any part thereof determined by the Mortgagee) shall, at the Mortgagee's option, forthwith become due and payable, the Mortgage shall become enforceable and the Mortgagee shall not be obligated to extend any further credit to the Mortgagor.

2. *Right of Entry.* Upon the occurrence of a Default, the Mortgagee may, at any time or times without the concurrence of any person, enter upon, take and maintain possession of the Mortgaged Land, inspect, complete the construction of, repair or maintain any buildings or other improvements thereon, lease, collect the rents, profits and other amounts derived from the Mortgaged Land and manage the Mortgaged Land as the Mortgagee may deem fit without hindrance or interruption by the Mortgagor or any other person, and all reasonable costs, charges and expenses, including legal fees on a solicitor and his or her own client basis, and disbursements, commissions and allowances for the time and services of any employees of the Mortgagee or any agent of the Mortgagee or other persons appointed for any such purpose shall be forthwith payable by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage. Upon the occurrence of a Default, the Mortgagee may also enforce its security against all crops growing on the Mortgaged Land, the Mortgagee may, at any time or times without the concurrence of any person, enter upon the Mortgaged Land for the purpose of cutting, harvesting and removing such crops and for otherwise farming and working the Mortgaged Land, the Mortgagee may bring on the Mortgaged Land all machines, equipment and instruments necessary for such purposes, and the Mortgagee may use all yards, barns, granaries, grain bins or all other improvements and equipment located on the Mortgaged Land to carry out any of such activities.

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3. *Sale.* Upon the occurrence of a Default which continues for at least fifteen days, the Mortgagee may, on at least thirty-five days' notice, sell the Mortgaged Land or any part or parts thereof, in accordance with the following provisions:

- (a) notice shall be given to such persons and in such manner and form and within such time as provided by law; provided that, in the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, notice may be effectually given by leaving it with a person on the Mortgaged Land, if occupied, or by placing the same on some portion thereof, if unoccupied or, at the option of the Mortgagee, by mailing it by registered mail in a notice or letter addressed to the Mortgagor at the Mortgagor's last known address, or by publishing it once in a newspaper published in the area or region in which the Mortgaged Land is situated;
- (b) such notice shall be sufficient although not addressed to any person or persons by name or designation, and notwithstanding that any person to be affected thereby may be unknown, unascertained or under any disability;
- (c) sale of the Mortgaged Land may be by public auction or private sale or partly by one and partly by the other, for such price or prices as can reasonably be obtained therefor and on such terms as to credit or otherwise and with such conditions of sale and stipulations as to title or evidence of title or otherwise as the Mortgagee in its sole discretion shall deem appropriate;
- (d) in the event of any sale on credit or for part cash and part credit, the Mortgagee shall not be accountable for or charged with any moneys until actually received;
- (e) the Mortgagee may rescind or vary any contract of sale and may buy in and re-sell the Mortgaged Land or any part thereof without being answerable for any loss occasioned thereby;
- (f) the Mortgagee may sell all or any part of the buildings, fixtures, machinery, equipment, crops and standing or fallen trees separately from the Mortgaged Land and the purchaser shall have all necessary access to the Mortgaged Land for the purposes of severing, cutting and removal; and
- (g) subject to compliance with law, sales may be made from time to time of any part or parts of the Mortgaged Land to satisfy any part or parts of the Indebtedness then owing to the Mortgagee leaving the remaining outstanding Indebtedness secured by the Mortgage as a charge of the remainder of the Mortgaged Land.

4. *Sale or Lease.* The following shall apply with respect to any sale or lease by the Mortgagee, its agent or any Receiver of all or part of the Mortgaged Land after the occurrence of a Default:

- (a) no purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety and no lack of default or lack of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease;
- (b) the Mortgagee may sell or lease all or part of the Mortgaged Land without entering into actual possession of the Mortgaged Land and, when it desires to take possession, it may break locks and bolts and while in possession shall only be accountable for moneys actually received by it;
- (c) the Mortgagor hereby appoints the Mortgagee as the Mortgagor's true and lawful attorney and agent to make application under any statute for consent to sever, sell or lease part or parts of the Mortgaged Land and to do all things and execute all documents to effectually complete any such severance, sale or lease;
- (d) the Mortgagee may lease or take sale proceedings notwithstanding that other mortgage proceedings have been taken or are then pending;

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- (e) the Mortgagee shall not be responsible for any loss which may arise by reason of any such leasing or sale of the Mortgaged Land unless such loss is caused by the Mortgagee's willful misconduct; and
- (f) no sale, leasing or other dealing by the Mortgagee with the Mortgaged Land or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of any Indebtedness.

5. *Attornment.* To the extent the Mortgaged Land or any part thereof is not a residential premises so as to be subject to the provisions of the applicable statute governing residential tenancies, the Mortgagor hereby attorns to and becomes a tenant of such Mortgaged Land to the Mortgagee from year to year from the date of the execution of the Mortgage until the Mortgage is discharged at a rental equivalent to and applicable in satisfaction of the interest payments forming part of the Indebtedness, the legal relation of landlord and tenant being hereby constituted between the Mortgagee and the Mortgagor in regard to the Mortgaged Land. The Mortgagor agrees that neither the existence of this provision nor anything done by virtue hereof shall impose any obligation on the Mortgagee or render the Mortgagee a mortgagee in possession or accountable for any moneys except moneys actually received by the Mortgagee and the Mortgagee may, upon the occurrence of any Default, enter on the Mortgaged Land and terminate the tenancy hereby created without notice.

6. *Right to Distrain.* Upon the occurrence of a Default, to the extent permitted by law, the Mortgagee may distrain for payment of any and all Indebtedness upon the Mortgaged Land or any part thereof and all chattels situated thereon and by distress warrant recover, by way of rent reserved from the Mortgaged Land, such moneys as shall from time to time be or remain in arrears and all costs, charges and expenses incurred by or on behalf of the Mortgagee with respect to or in connection therewith as in like cases of distress for rent. The Mortgagor waives the right to claim exceptions and agrees that the Mortgagee shall not be limited in the amount for which it may distrain.

7. *Judgments and Non-Merger.* The taking of a judgment or judgments with respect to any of the covenants contained herein, in the Mortgage or otherwise shall not operate as a merger of any such covenants or affect the Mortgagee's right to receive interest under the Mortgage and each such judgment may provide, at the option of the Mortgagee, that interest thereon shall be computed and payable until such judgment has been fully paid and satisfied.

8. *Separate Remedies.* All remedies of the Mortgagee may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Mortgagee however created.

9. *Application of Proceeds and Mortgagor's Liability for Deficiency.* All amounts received by the Mortgagee or any Receiver pursuant to any enforcement of the Mortgage may be held by the Mortgagee as security for the Indebtedness or applied to reduce Indebtedness in such manner as may be determined by the Mortgagee and the Mortgagee may at any time apply or change any such appropriation of such payments to such part or parts of the Indebtedness as the Mortgagee may determine in its sole discretion. The Mortgagor shall be and remain liable to the Mortgagee for any deficiency. Any surplus amounts realized after payment of all Indebtedness shall be paid in accordance with applicable law.

10. *Mortgagor's Insolvency Proceedings.* The Mortgagor acknowledges that the Mortgaged Land is of such a unique nature that, if the Mortgagor seeks to reorganize or restructure its affairs pursuant to any Insolvency Proceeding, the Mortgagee would not have a sufficient commonality of interest with any other creditor or creditors of the Mortgagor such that the Mortgagee would be required to vote on any plan, reorganization, arrangement, compromise or other transaction in a class with any other creditor or creditors of the Mortgagor and, in that regard, the Mortgagor agrees that the Mortgagee shall be placed in its own exclusive class of creditors for voting purposes. The Mortgagor further agrees that:

- (a) it will give the Mortgagee not less than 10 days written notice prior to the commencement of any Insolvency Proceeding with respect to the Mortgagor;

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- (b) in no circumstance will the Mortgagor seek an order which stays any right of the Mortgagee or, to the extent permitted by law, permit any right of the Mortgagee to be stayed, in any Insolvency Proceeding and, if any court-ordered or automatic stay is imposed on the Mortgagee, the Mortgagor hereby consents to an order lifting such stay as against the Mortgagee;
- (c) if an Insolvency Proceeding is commenced with respect to the Mortgagor, the Mortgagor will consent to an order directing that all rents or other revenues generated or received from or in respect of the Mortgaged Land be deposited to a segregated trust account under the sole control of the Mortgagee and that same shall not result in the Mortgagee's being a mortgagee in possession of, or in control or management of the Mortgaged Land or result in the acceleration of payment of any Indebtedness unless such acceleration is required by the Mortgagee in writing; and
- (d) it shall not, without the Mortgagee's prior written consent, propose or permit the sale or transfer of the Mortgaged Land or any part thereof, in or as part of any Insolvency Proceeding, for a net sale price less than the amount required to pay in full all Indebtedness outstanding as at the date of payment of such net sale proceeds to the Mortgagee.

#### K. APPOINTMENT OF A RECEIVER

1. *Appointment.* Upon the occurrence of a Default, in addition to any other remedies available to the Mortgagee, the Mortgagee may by instrument in writing appoint a Receiver of all or any part of the Mortgaged Land and all rents, incomes, profits and other amounts now or hereafter arising therefrom. The Mortgagee may also apply to any court of competent jurisdiction for the appointment of a Receiver.

2. *Powers of Receiver.* Any Receiver appointed by the Mortgagee shall, to the extent permitted by law, have the following powers:

- (a) to enter upon, take possession of, use, and occupy the Mortgaged Land or any part thereof;
- (b) to collect all rents, incomes, profits and other amounts in respect of the Mortgaged Land and to carry on the business of the Mortgagor on the Mortgaged Land;
- (c) to borrow money required for the maintenance, preservation or protection of the Mortgaged Land or for carrying on the business of the Mortgagor and, in the discretion of the Receiver, to charge the Mortgaged Land in priority to the Mortgage as security for the principal amounts so borrowed, interest thereon and costs related thereto;
- (d) to sell, lease, or otherwise dispose of the Mortgaged Land or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its sole discretion, and to effect such sale by conveying in the name and on behalf of the Mortgagor or otherwise;
- (e) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession of the Mortgaged Land, and to give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the rents, accounts receivable or any other obligation of any person to the Mortgagor;
- (f) to exercise any rights or remedies which could have been exercised by the Mortgagee against the Mortgagor or the Mortgaged Land or with respect thereto; and
- (g) to execute all documents required to effect any of the foregoing.

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3. *Identity of Receiver and Removal.* Any Receiver so appointed by the Mortgagee may be any person or persons satisfactory to the Mortgagee, and the Mortgagee may remove any Receiver so appointed and appoint another or others instead.

4. *Receiver as Agent of Mortgagor.* Any Receiver appointed by the Mortgagee shall be deemed to be agent of the Mortgagor unless the Mortgagee expressly specifies in writing that the Receiver shall be agent of the Mortgagee. The Mortgagor agrees to ratify and confirm all actions of the Receiver acting as agent for the Mortgagor and to release and indemnify the Receiver in respect of all such actions.

5. *Receivership Expenses.* The Mortgagor shall pay to the Receiver, forthwith on demand by the Mortgagee or the Receiver, the amount of all reasonable fees, disbursements and other expenses incurred by the Receiver in the exercise of its powers hereunder, with interest thereon at the Applicable Rate from the date on which such sums are incurred. All such sums, together with interest thereon at the Applicable Rate, shall be part of the Indebtedness and secured by the Mortgage.

6. *No Enquiries Required.* No persons dealing with the Receiver or its agents, upon any sale or other dealing with the Mortgaged Land, shall be concerned to inquire as to their powers or as to the application of any money paid to them, such sale or dealing shall be deemed as regards such person to be within the powers hereby conferred and to be valid and effectual.

#### L. MISCELLANEOUS

1. *Records of Mortgagee.* The records of the Mortgagee disclosing the amount of an extension of credit by the Mortgagee to the Mortgagor, the repayment of any principal amount of Indebtedness, the amount of accrued and unpaid interest owing by the Mortgagor and the amount of other Indebtedness (or any part thereof) at any time outstanding, shall constitute conclusive evidence thereof in the absence of mathematical error.

2. *Revolving Line of Credit.* The Mortgagee may wish to make loan advances and re-advances or otherwise extend credit to the Mortgagor from time to time up to a total outstanding principal amount not exceeding the principal amount referred to in the Mortgage. The Mortgage is and shall be continuing security to the Mortgagee for the payment of all Indebtedness. Any portion of the Indebtedness may be advanced or re-advanced by the Mortgagee or other credit may be extended by the Mortgagee in one or more sums at any future time or times and the amount of all such advances, re-advances or other credits when so made or extended shall be secured by the Mortgage and be payable by the Mortgagor with interest thereon at the Applicable Rate and the Mortgage shall be deemed to be taken as security for the ultimate balance of the monies hereby secured, provided that none of the execution or registration of the Mortgage or the advance in part of any monies or extension of any other credit by the Mortgagee shall obligate the Mortgagee to advance any unadvanced portion thereof or to extend any other credit. The Mortgage shall not be void or cease to operate because the Indebtedness secured hereby has at any time or times been paid in full.

3. *Assignment and Syndication.* The Mortgagee shall be entitled from time to time, both before and after a Default, without notice to, or the consent of the Mortgagor or any Guarantor:

- (a) to sell or assign all or part of the Indebtedness and the Mortgagee's interests in the Mortgage and any other security and agreements held by the Mortgagee; and
- (b) to syndicate all or part of the Indebtedness, the Mortgage and any other security and agreements held by the Mortgagee and to grant participations therein.

To facilitate the foregoing, the Mortgagee may provide each prospective purchaser, assignee, syndicated lender or participant and their respective advisers with financial and other information concerning the Indebtedness, the Mortgagor, the Mortgaged Land, any Guarantor, any other collateral or any other matter.

4. *General Indemnity by Mortgagor.* The Mortgagor hereby agrees, on demand by the Mortgagee, to indemnify and hold harmless the Mortgagee and its officers, directors, employees and agents from and against any and all claims, expenses, liabilities, losses and damages that may be asserted against or incurred by any of such indemnified persons arising out of, or in

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connection with the Mortgage, any Indebtedness or any claim, investigation, proceeding or litigation relating to any of the foregoing, regardless of whether any such indemnified person is a party thereto (including any and all breakage costs reasonably incurred by the Mortgagee in respect of any breach by the Mortgagor of any of its obligations under the Mortgage) and to reimburse each such indemnified person, on demand by the Mortgagee, for any and all reasonable legal and other expenses incurred in investigating, pursuing or defending any of the foregoing or otherwise in connection with any of the foregoing; provided that the foregoing indemnity shall not, as to any indemnified person, apply to any claim, expense, liability, loss or damage or related expense to the extent they are found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the wilful misconduct or gross negligence of such indemnified person.

5. *Effect of Sale.* No sale, conveyance, transfer or other dealing by the Mortgagor with the Mortgaged Land or any part thereof or any approval of the Mortgagee relating thereto shall in any way change or affect the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person or persons liable for payment of the Indebtedness or any part thereof.

6. *Dealings with the Mortgagor and Others.* The Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take security from and give the same and any and all existing security up to, may abstain from taking security from or from perfecting security of, may accept compositions from, may amend the Mortgage, and may otherwise deal with the Mortgagor and all other persons (including any principal debtor, any Guarantor or any owner of the Mortgaged Land) and security as the Mortgagee may see fit without prejudicing any rights of the Mortgagee under the Mortgage.

7. *Amendments to Mortgage.* The Mortgagor and the Mortgagee may from time to time amend the Mortgage (including to increase the interest rate specified by the Mortgage) by an amendment agreement between the Mortgagor and the Mortgagee, whether or not such amendment agreement (or notice thereof) is registered. This provision shall constitute notice of such amendments and the Mortgage shall secure payment of all Indebtedness (including all interest and other Indebtedness arising or resulting from such amendments) and retain its priority with respect thereto over any mortgage, charge or other instrument registered subsequent to the Mortgage.

8. *Waiver.* No waiver, condonation or excusing by the Mortgagee of any default, breach or other non-performance by the Mortgagor at any time or times in respect of any provision of the Mortgage (including any Default) shall operate as a waiver by the Mortgagee of any subsequent or other default, breach or non-performance or prejudice or affect in any way the rights of the Mortgagee in respect of any such subsequent or other default, breach or non-performance.

9. *Discharge or Assignment.* The Mortgagee shall be entitled to prepare or have its counsel prepare a discharge or assignment of the Mortgage and any other documents necessary to discharge or assign any other security held by the Mortgagee and shall have a reasonable time after payment of the Indebtedness in full within which to prepare, execute and deliver such instruments. All reasonable costs, fees and disbursements of the Mortgagee and the Mortgagee's counsel in connection with the preparation, review, execution and delivery of the discharge, assignment or any other documents necessary to discharge or assign the Mortgage or any other security shall, to the extent permitted by law, be paid by the Mortgagor to the Mortgagee and be secured by the Mortgage.

10. *No Obligation to Advance.* Nothing herein and nothing contained in the Mortgage shall obligate the Mortgagee to loan any amount to the Mortgagor or to extend any other credit to the Mortgagor.

11. *Appointment of Attorney Irrevocable.* Each appointment by the Mortgagor of an attorney in the Mortgage or the Standard Charge Terms is coupled with an interest and may not be revoked.

12. *Other Security.* The Mortgage is in addition to and not in substitution for any other security at any time held by the Mortgagee as security for payment of all or any part of the Indebtedness, and the Mortgagee may, at its option, pursue its remedies thereunder or under the Mortgage concurrently or successively. Any judgment or recovery under the Mortgage or under any other

security held by the Mortgagee as security for payment of Indebtedness shall not affect the right of the Mortgagee to enforce or realize on the Mortgage or any other such security.

13. *Financing Statement.* To the extent permitted by law, the Mortgagor hereby waives its right to receive from the Mortgagee a copy of any financing statement, financing change statement, verification statement or other similar statement filed by or received by the Mortgagee or any agent of the Mortgagee.

14. *Notice.* Except as otherwise herein provided, any notice, demand or other communication to the Mortgagor referred to herein or in the Mortgage may be forwarded to the Mortgagor by personal delivery or mailed by prepaid ordinary or registered mail to the Mortgagor at the Mortgagor's last known address as shown on the Mortgagee's records. The Mortgagor shall be deemed to have received the same on the date of delivery, if personally delivered, or on the fourth day after the same is mailed by prepaid ordinary mail or registered mail, if mailed, even if the Mortgagor does not actually receive it.

15. *Different Currencies.* The payment of any part of the Indebtedness shall be made by the Mortgagor in the same currency as the currency in which such part of the Indebtedness is then denominated and all interest and fees shall be paid by the Mortgagor in the same currency as the currency in which that part of the Indebtedness to which they relate is denominated.

16. *Judgment Currency.* If in the recovery by the Mortgagee of any Indebtedness in any currency, judgment can only be obtained in another currency and, because of changes in the exchange rate of such currencies between the date of judgment and payment in full of the amount of such judgment, the recovery under the judgment differs from the receipt by the Mortgagee of the full amount of such Indebtedness, the Mortgagor shall pay any such deficiency to the Mortgagee, such deficiency may be claimed by the Mortgagee against the Mortgagor as an alternative or additional cause of action and any surplus received by the Mortgagee shall be repaid to the Mortgagor.

17. *Foreign Exchange Rate Determinations.* Whenever any provision of the Mortgage requires or permits the determination of the rate of exchange between any currencies, such rate of exchange shall be determined by the Mortgagee based on its normal practice as at the date of such determination.

18. *Governing Law.* The Standard Charge Terms and the Mortgage shall be governed by the law of the jurisdiction in which the Mortgaged Land is located.

19. *Time of Essence.* Time shall be of the essence of the Mortgage.

20. *Severability.* If any provision of the Mortgage is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall not apply and the Mortgage shall remain in full force and effect without such provision.

21. *Interpretation.* Whenever the context so requires, words in the singular shall include the plural, words in the plural shall include the singular and words importing any gender shall include the other genders. Whenever used in the Standard Charge Terms, the Mortgage or any Schedule, the words "including" and "includes" shall mean "including, without limitation" and "includes, without limitation", respectively, and the word "person" shall include an individual, corporation, partnership, government, government agency and any other entity.

22. *Titles.* Titles used in the Standard Charge Terms, the Mortgage or any Schedule are inserted for convenience of reference only and shall not affect or modify the interpretation or construction of any provision of the Standard Charge Terms, the Mortgage or any Schedule.

23. *Joint and Several Obligations.* If there is more than one Mortgagor, all Mortgagors shall be jointly and severally liable for all obligations of the Mortgagors pursuant to the Mortgage.

24. *Schedule.* Schedule "A" shall form part of the Standard Charge Terms.

25. *Equivalent Rate Information.* Schedule "A" is a summary of various annual rates of interest calculated half-yearly not in advance equivalent to the corresponding annual rates calculated monthly not in advance or calculated quarter-annually not in advance. The rate of interest



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chargeable, calculated half-yearly not in advance, equivalent to each Applicable Rate, is shown by Schedule "A".

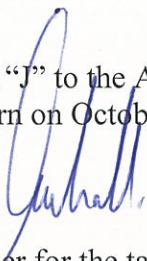
26. *Successors and Assigns.* All rights and powers of the Mortgagee shall enure to the benefit of and be exercisable by the Mortgagee and the Mortgagee's successors and assigns. All covenants, obligations and liabilities entered into or imposed on the Mortgagor shall be binding on the Mortgagor and the Mortgagor's heirs, executors, administrators, personal representatives, successors and assigns.

**SCHEDULE "A"**

The interest rates set out in Column C are the annual interest rates calculated half-yearly not in advance which are equivalent to the corresponding annual interest rates calculated monthly not in advance set out in Column A and quarter-annually not in advance set out in Column B.

COLUMN A Interest rate calculated monthly not in advance	COLUMN B Interest rate calculated quarter- annually not in advance	COLUMN C Interest rate calculated half-yearly not in advance	COLUMN A Interest rate calculated monthly not in advance	COLUMN B Interest rate calculated quarter- annually not in advance	COLUMN C Interest rate calculated half-yearly not in advance
3.0000%	3.0075%	3.0188%	11.8250%	11.7380%	11.9102%
3.1250%	3.1331%	3.1454%	11.7500%	11.8654%	12.0414%
3.2500%	3.2588%	3.2721%	11.8750%	11.9829%	12.1727%
3.3750%	3.3845%	3.3988%	12.0000%	12.1204%	12.3040%
3.5000%	3.5102%	3.5256%	12.1250%	12.2479%	12.4354%
3.6250%	3.6360%	3.6525%	12.2500%	12.3755%	12.5669%
3.7500%	3.7617%	3.7794%	12.3750%	12.5031%	12.6985%
3.8750%	3.8875%	3.9064%	12.5000%	12.6307%	12.8301%
4.0000%	4.0133%	4.0335%	12.6250%	12.7583%	12.9618%
4.1250%	4.1392%	4.1606%	12.7500%	12.8859%	13.0935%
4.2500%	4.2651%	4.2878%	12.8750%	13.0136%	13.2253%
4.3750%	4.3910%	4.4151%	13.0000%	13.1413%	13.3572%
4.5000%	4.5169%	4.5424%	13.1250%	13.2691%	13.4892%
4.6250%	4.6428%	4.6698%	13.2500%	13.3968%	13.6212%
4.7500%	4.7688%	4.7973%	13.3750%	13.5246%	13.7533%
4.8750%	4.8948%	4.9248%	13.5000%	13.6524%	13.8854%
5.0000%	5.0209%	5.0524%	13.6250%	13.7803%	14.0177%
5.1250%	5.1469%	5.1800%	13.7500%	13.9082%	14.1499%
5.2500%	5.2730%	5.3078%	13.8750%	14.0360%	14.2823%
5.3750%	5.3991%	5.4355%	14.0000%	14.1640%	14.4147%
5.5000%	5.5252%	5.5634%	14.1250%	14.2919%	14.5472%
5.6250%	5.6514%	5.6913%	14.2500%	14.4199%	14.6798%
5.7500%	5.7776%	5.8193%	14.3750%	14.5479%	14.8124%
5.8750%	5.9038%	5.9474%	14.5000%	14.6759%	14.9451%
6.0000%	6.0300%	6.0755%	14.6250%	14.8040%	15.0779%
6.1250%	6.1563%	6.2037%	14.7500%	14.9320%	15.2108%
6.2500%	6.2826%	6.3319%	14.8750%	15.0601%	15.3437%
6.3750%	6.4089%	6.4603%	15.0000%	15.1883%	15.4766%
6.5000%	6.5353%	6.5887%	15.1250%	15.3164%	15.6097%
6.6250%	6.6616%	6.7171%	15.2500%	15.4446%	15.7428%
6.7500%	6.7880%	6.8456%	15.3750%	15.5728%	15.8760%
6.8750%	6.9145%	6.9742%	15.5000%	15.7011%	16.0092%
7.0000%	7.0409%	7.1029%	15.6250%	15.8293%	16.1425%
7.1250%	7.1674%	7.2316%	15.7500%	15.9576%	16.2759%
7.2500%	7.2939%	7.3604%	15.8750%	16.0859%	16.4094%
7.3750%	7.4204%	7.4892%	16.0000%	16.2143%	16.5429%
7.5000%	7.5470%	7.6182%	16.1250%	16.3427%	16.6765%
7.6250%	7.6736%	7.7472%	16.2500%	16.4710%	16.8102%
7.7500%	7.8002%	7.8762%	16.3750%	16.5995%	16.9439%
7.8750%	7.9268%	8.0053%	16.5000%	16.7279%	17.0777%
8.0000%	8.0535%	8.1345%	16.6250%	16.8564%	17.2116%
8.1250%	8.1801%	8.2638%	16.7500%	16.9849%	17.3455%
8.2500%	8.3068%	8.3931%	16.8750%	17.1134%	17.4795%
8.3750%	8.4336%	8.5225%	17.0000%	17.2420%	17.6136%
8.5000%	8.5604%	8.6519%	17.1250%	17.3706%	17.7477%
8.6250%	8.6871%	8.7815%	17.2500%	17.4992%	17.8819%
8.7500%	8.8140%	8.9111%	17.3750%	17.6278%	18.0162%
8.8750%	8.9408%	9.0407%	17.5000%	17.7564%	18.1506%
9.0000%	9.0677%	9.1704%	17.6250%	17.8851%	18.2850%
9.1250%	9.1946%	9.3002%	17.7500%	18.0138%	18.4195%
9.2500%	9.3215%	9.4301%	17.8750%	18.1426%	18.5540%
9.3750%	9.4484%	9.5600%	18.0000%	18.2713%	18.6887%
9.5000%	9.5754%	9.6900%	18.1250%	18.4001%	18.8233%
9.6250%	9.7024%	9.8201%	18.2500%	18.5290%	18.9581%
9.7500%	9.8294%	9.9502%	18.3750%	18.6578%	19.0929%
9.8750%	9.9565%	10.0804%	18.5000%	18.7867%	19.2278%
10.0000%	10.0836%	10.2107%	18.6250%	18.9156%	19.3628%
10.1250%	10.2107%	10.3410%	18.7500%	19.0445%	19.4979%
10.2500%	10.3378%	10.4714%	18.8750%	19.1734%	19.6330%
10.3750%	10.4650%	10.6019%	19.0000%	19.3024%	19.7682%
10.5000%	10.5921%	10.7324%	19.1250%	19.4314%	19.9034%
10.6250%	10.7194%	10.8630%	19.2500%	19.5605%	20.0387%
10.7500%	10.8466%	10.9937%	19.3750%	19.6895%	20.1741%
10.8750%	10.9739%	11.1244%	19.5000%	19.8186%	20.3096%
11.0000%	11.1011%	11.2552%	19.6250%	19.9477%	20.4451%
11.1250%	11.2285%	11.3861%	19.7500%	20.0768%	20.5807%
11.2500%	11.3558%	11.5170%	19.8750%	20.2060%	20.7163%
11.3750%	11.4832%	11.6480%	20.0000%	20.3352%	20.8521%
11.5000%	11.6108%	11.7791%			

This is Exhibit "J" to the Affidavit of Marc Chia  
sworn on October 30, 2018



A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019

LRO # 21 Postponement Of Interest

Received as HT190085 on 2016 06 09 at 16:12

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

yyyy mm dd Page 1 of 2

**Properties**

PIN 40170 - 0079 LT

Description PT LT LOUCKS ESTATE BLK W PL 307 PT 1 21R8201 & PT 3 21R1295, S/T & T/W  
QR642264; S/T QR234933, QR234936; MARMORA & LAKE; COUNTY OF HASTINGSAddress 57 MATTHEW ST  
MARMORA**Source Instruments**

Registration No.	Date	Type of Instrument
HT84600	2010 04 15	Notice Of Lease

**Party From(s)**

Name CST CANADA CO.

Address for Service 1155, boul. Rene-Levesque Ouest  
Montreal QC H3B 0C9

I, Nancy O'Hearn, A.S.O., have the authority to bind the corporation.

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

**Party To(s)**

Capacity

Share

Name BANK OF MONTREAL

Address for Service 302 Bay Street, Mezzanine Level  
Toronto, ON M5H 4A6**Statements**

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number HT190082 registered on 2016/06/09

This document relates to registration no.(s) HT138748 and HT156425 which are to be deleted

**Signed By**

Louise Marie Kaczala

800-150 York St.  
Toronto  
M5H 3S5acting for  
Party From(s)

Signed

2016 06 09

Tel 416-364-1553

Fax 416-364-1453

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

**Submitted By**

MACDONALD SAGER MANIS LLP

800-150 York St.  
Toronto  
M5H 3S5

2016 06 09

Tel 416-364-1553

Fax 416-364-1453

**Fees/Taxes/Payment**

Statutory Registration Fee \$62.85

Total Paid \$62.85

LRO # 21 Postponement Of Interest

Received as HT190085 on 2016 06 09 at 16:12

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

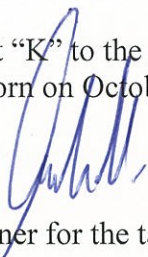
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**File Number**

Party To Client File Number :

161681 SJS/LOU

This is Exhibit "K" to the Affidavit of Marc Chia  
sworn on October 30, 2018



A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019

LRO # 21 Postponement Of Interest

Received as HT190086 on 2016 06 09 at 16:12

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

yyyy mm dd Page 1 of 2

**Properties**

PIN 40170 - 0079 LT  
 Description PT LT LOUCKS ESTATE BLK W PL 307 PT 1 21R8201 & PT 3 21R1295, S/T & T/W  
 QR642264; S/T QR234933, QR234936; MARMORA & LAKE ; COUNTY OF HASTINGS  
 Address 57 MATTHEW ST  
 MARMORA

**Source Instruments**

Registration No.	Date	Type of Instrument
HT184833	2016 02 16	Notice Of Lease

**Party From(s)**

Name CST CANADA CO.  
 Address for Service 1155, boul. Rena-Levesque Ouest  
 Montreal QC H3B 0C9

I, Nancy O'Hearn, A.S.O., have the authority to bind the corporation..

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

**Party To(s)**

Capacity

Share

Name BANK OF MONTREAL  
 Address for Service 302 Bay Street, Mezzanine Level  
 Toronto, ON M5H 4A6

**Statements**

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number HT190082 registered on 2016/06/09

**Signed By**

Louise Marie Kaczala	800-150 York St. Toronto M5H 3S5	acting for Party From(s)	Signed	2016 06 09
Tel 416-364-1553				
Fax 416-364-1453				

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

**Submitted By**

MACDONALD SAGER MANIS LLP	800-150 York St. Toronto M5H 3S5	2016 06 09
Tel 416-364-1553		
Fax 416-364-1453		

**Fees/Taxes/Payment**

Statutory Registration Fee	\$62.85
Total Paid	\$62.85

LRO # 21 Postponement Of Interest

Received as HT190086 on 2016 06 09 at 16:12

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

yyyy mm dd Page 2 of 2

**File Number**

Party To Client File Number :

161681 SJS/LOU



This is Exhibit "L" to the Affidavit of Marc Chia  
sworn on October 3<sup>o</sup>, 2018

A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019

LRO # 21 Postponement Of Interest

Received as HT190084 on 2016 06 09 at 16:12

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

yyyy mm dd Page 1 of 2

**Properties**

PIN 40170 - 0078 LT  
 Description PT LT LOUCKS ESTATE BLK W PL 307 PT 1 21R8201 & PT 3 21R1295, S/T & T/W  
 QR642264; S/T QR234933, QR234936; MARMORA & LAKE ; COUNTY OF HASTINGS  
 Address 57 MATTHEW ST  
 MARMORA

**Source Instruments**

Registration No.	Date	Type of Instrument
QR662239	2005 10 27	Notice Of Lease

**Party From(s)**

Name CST CANADA CO.  
 Address for Service 1155, boul. Rene-Levesque Ouest  
 Montreal QC H3B 0C9

I, Nancy O'Hearn, A.S.O., have the authority to bind the corporation.

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

**Party To(s)**

Capacity

Share

Name BANK OF MONTREAL  
 Address for Service 302 Bay Street, Mezzanine Level  
 Toronto, ON M5H 4A6

**Statements**

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number HT190082 registered on 2016/06/09

**Signed By**

Louise Marie Kaczala	800-150 York St. Toronto M5H 3S5	acting for Party From(s)	Signed	2016 06 09
Tel 416-364-1553				
Fax 416-364-1453				

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

**Submitted By**

MACDONALD SAGER MANIS LLP	800-150 York St. Toronto M5H 3S5	2016 06 09
Tel 416-364-1553		
Fax 416-364-1453		

**Fees/Taxes/Payment**

Statutory Registration Fee	\$62.85
Total Paid	\$62.85

LRO # 21 Postponement Of Interest

Recalpted as HT190084 on 2016 06 09 at 16:12

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

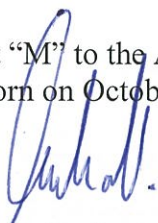
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**File Number**

Party To Client File Number:

161681 SJS/LOU

This is Exhibit "M" to the Affidavit of Marc Chia  
sworn on October 30, 2018



A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019

Date *June 28, 2018*

\$1,827,296.22,

206 Ritson Road N Oshawa, ON L1G 0B2  
Branch

On demand I promise to pay to the order of Bank of Montreal the sum of One million eight hundred twenty seven thousand two hundred ninety six 22/100 Dollars and to pay interest Monthly at a rate of 1.75 per cent per annum above the Bank of Montreal's prime interest rate per annum in effect from time to time, up to and after maturity, compounded monthly from the due date of such interest until actual payment at the above mentioned branch of the Bank of Montreal. At the date of this note such prime interest rate per annum is 3.45 per cent. Value received.

## FOR INTERNAL BANK USE ONLY

Credit Deposit Account No.	Loan Account No.	Initials
0351-1997-221	<i>351-688-717</i>	<i>1</i>

2508342 ONTARIO INC.

This is Exhibit "N" to the Affidavit of Marc Chia  
sworn on October 3<sup>rd</sup>, 2018

A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019

AUTHORIZATION AND DIRECTION

TO: Bank of Montreal

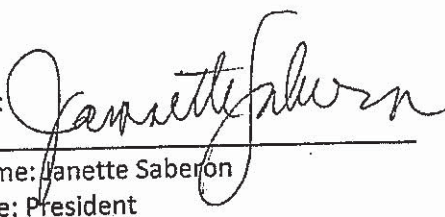
RE: 2508342 ONTARIO INC. (the "Company")

The Bank of Montreal (the "Bank") is hereby authorized and directed to discuss the Company's current financial situation with msi Spergel inc. ("Spergel") and for so doing this shall be your good and sufficient authority. We further acknowledge should the Bank decide to enforce its security held against the assets of the Company, that we consent hereby to the Bank appointing Spergel to act in any formal proceeding taken in consequence hereof and adverse in interest to the Company.

Dated at Marmora, Ontario, this 17 day of October, 2018.

2508342 Ontario Inc.

Per:



Name: Janette Saberon

Title: President

*I have authority to bind the corporation*

This is Exhibit "O" to the Affidavit of Marc Chia  
sworn on October 30, 2018

A Commissioner for the taking of affidavits, etc.

Athol Enos Hall,  
a Commissioner, etc.,  
Province of Ontario,  
for the Bank of Montreal,  
Expires December 13, 2019



5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9  
www.chaitons.com



REPLY TO: GARY N. FELDMAN  
FILE NO.: 31650  
DIRECT: 416-218-1130  
FAX: 416-218-1830  
EMAIL: gary@chaitons.com

October 18, 2018

**VIA COURIER AND REGISTERED MAIL  
PERSONAL & CONFIDENTIAL**

2508342 Ontario Inc.  
503 Caledonia Road  
Toronto, ON M6E 4V1

**Attention: Ms. Jannette Saberon, President**

Dear Ms. Saberon,

**Re: Bank of Montreal (the "Bank") loans to  
2508342 Ontario Inc. (the "Company")**

We act as solicitors for the Bank. According to our client's records, the Company is indebted to the Bank as of October 17, 2018 in the amount of \$1,943,225.70, particulars of which are as follows:

<u>Loan Type</u>	<u>Principal</u>	<u>Interest</u>
Demand Loan Non Revolving Loan No. 0351-1997-221 (Bank prime plus 1.75% per annum)	\$84,883.68	\$231.47
Demand Loan Non-Revolving Loan No. 0351-6998-717 (Bank prime plus 1.75% per annum)	\$1,803,525.30	\$4,585.25
Letter of Credit No. 0351-6999-058	\$50,000.00	-
<b>TOTAL</b>	<b>\$1,938,408.98</b>	<b>\$4,816.72</b>

Interest continues to accrue on the principal amounts aforementioned from October 18, 2018 to the date of payment at the rates of interest as set out above.

The indebtedness of the Company is secured by certain securities including a General Security Agreement dated June 6, 2016, a Charge/Mortgage of Land in the principal amount of \$2,155,000.00 registered against title to the property municipally known as 57 Matthew Street, Marmora, ON (the "Property"), on June 9, 2016 as HT190082, and a Notice of Assignment of Rents-General registered against title to the Property on June 9, 2016 as HT190083 (collectively, the "Security").

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9  
www.chaitons.com



Page 2

On behalf of the Bank, we hereby demand payment of the indebtedness of the Company pursuant to the Security and all other security held by the Bank from it as security for the payment of its indebtedness, together with payment of interest thereon, any further principal advances and legal costs to the date of payment.

Payment is to be made forthwith.

In the event that payment in full is not made as required, the Bank will be obliged to take such proceedings as it considers necessary to recover payment of the indebtedness of the Company in full and to enforce its Security, which proceedings may involve the appointment of an agent or receiver and manager and enforcement of the mortgage security.

Enclosed please find our client's Notice of Intention to Enforce Security which is served on the Company pursuant to the provisions of the *Bankruptcy and Insolvency Act*.

Yours truly,  
CHAITONS LLP



Gary N. Feldman  
PARTNER

GNF/sd  
Encl.

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)**

TO: 2508342 ONTARIO INC., an insolvent person,

Take notice that:

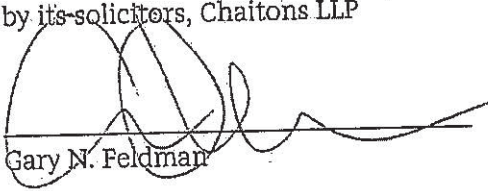
1. Bank of Montreal, a secured creditor, intends to enforce its security on the hereinafter described property of the insolvent person:

All assets, property and undertaking of 2508342 Ontario Inc.

2. The security that is to be enforced is in the form of a General Security Agreement dated June 6, 2016, a Charge/Mortgage of Land in the principal amount of \$2,155,000.00 registered against title to the property municipally known as 57 Matthew Street, Marmora, ON (the "Property"), on June 9, 2016 as HT190082, and a Notice of Assignment of Rents-General registered against title to the Property on June 9, 2016 as HT190083 (collectively, the "Security").
3. The total amount of indebtedness secured by the Security as at October 17, 2018 is \$1,943,225.70, plus costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto this 18<sup>th</sup> day of October, 2018.

BANK OF MONTREAL  
by its solicitors, Chaitons LLP

  
Gary N. Feldman

Court File No. 2241-17

ONTARIO  
SUPERIOR COURT OF JUSTICE

THE HONOURABLE \_\_\_\_\_

}

THURSDAY, THE 15<sup>th</sup>

JUSTICE \_\_\_\_\_

}

DAY OF NOVEMBER, 2018

}

BANK OF MONTREAL

Applicant

- and -

2508342 ONTARIO INC.

Respondent

**ORDER**  
(appointing Receiver)

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing msi Spengel inc. as receiver (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of 2508342 Ontario Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Marc Chia sworn October 4, 2018 and the Exhibits thereto and on hearing the submissions of counsel for Bank of Montreal, no one appearing for the respondent although duly served,

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s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

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THE HONOURABLE \_\_\_\_\_ DAY, THE \_\_\_\_ DAY .

JUSTICE \_\_\_\_\_)

OF \_\_\_\_\_, 20\_\_

PLAINTIFF

Plaintiff

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Defendant

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Deleted: [RECEIVER'S NAME]

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Deleted: [DEBTOR'S NAME]

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Deleted: [NAME]

Deleted: [DATE]

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Deleted: [NAME]

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sworn [DATE] and on reading the consent of [RECEIVER'S  
NAME] to act as the Receiver

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**SERVICE**

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

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**APPOINTMENT**

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

Deleted: [RECEIVER'S NAME]

**RECEIVER'S POWERS**

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

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- 3 -

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

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- 4 -

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

(i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and

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(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause or, in the opinion of the Receiver, court approval is otherwise necessary or desirable regardless of the value of the transaction;

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

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

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

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

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

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- 5 -

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

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- 6 -

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

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

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

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- 7 -

**NO EXERCISE OF RIGHTS OR REMEDIES**

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

**NO INTERFERENCE WITH THE RECEIVER**

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

**CONTINUATION OF SERVICES**

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

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- 8 -

**RECEIVER TO HOLD FUNDS**

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

**EMPLOYEES**

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

**PIPEDA**

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

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

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

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

#### **RECEIVER'S ACCOUNTS**

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

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

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

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

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#### **FUNDING OF THE RECEIVERSHIP**

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20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

#### **SERVICE AND NOTICE**

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

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

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#### GENERAL

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

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

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

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

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

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31. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

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

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

1. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the "Receiver") of the assets, undertakings and properties 2508342 ONTARIO INC. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 15<sup>th</sup> day of October, 2018 (the "Order") made in an action having Court file number -CL-, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

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

msi Spergel inc. solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Deleted: [RECEIVER'S NAME].

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

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BANK OF MONTREAL

2508342 ONTARIO INC.

Applicant

and

Respondent

Court File No.: CV-18-607905-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at TORONTO

**APPLICATION RECORD**

**CHAITONS LLP**

5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

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**Lawyers for the Applicant**