

EXHIBIT “E”

This is Exhibit "E" referred to in the
affidavit of Sergiu Cosmin
sworn before me, this 9th
day of June 2017

A COMMISSIONER FOR TAKING AFFIDAVITS

Paul Joseph Demarco, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires July 6, 2019.

Properties

PIN 17171 - 0009 LT **Interest/Estate** Fee Simple
Description PT LT 75 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON; PT LT 76 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON (BTN HUNTER ST, MACNAB ST, JACKSON ST & JAMES ST) AS IN HA59712; CITY OF HAMILTON
Address 98 JAMES ST S
HAMILTON

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 2203284 ONTARIO INC.
Address for Service 93 Skyway Avenue, Suite 210
Toronto, ON M9W 6N6

I, Luigi Santaguida, 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 DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Address for Service 5290 Yonge Street
Toronto, Ontario
M2N 5P9

Statements

Schedule: See Schedules

Provisions

Principal \$5,000,000.00 **Currency** CDN
Calculation Period monthly, not in advance
Balance Due Date 2016/07/08
Interest Rate Prime + 3.0%
Payments
Interest Adjustment Date 2015 07 08
Payment Date 8th day of each and every month
First Payment Date 2015 08 08
Last Payment Date 2016 07 08
Standard Charge Terms
Insurance Amount full insurable value
Guarantor Luigi Santaguida

Additional Provisions

Luigi Santaguida, the guarantor named herein, covenants and agrees to guarantee and performance of the Chargor's obligations under this Charge on the terms and conditions set out in the guarantee in favour of the Chargee dated as of the date of this Charge.

Signed By

Enzo Sallese 145 King Street West, Suite 2200 acting for Chargor Signed 2015 07 08
Toronto (s)
M5H 4G2

Tel 416-362-3711
Fax 416-864-9223

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

LRO # 62 Charge/Mortgage

Registered as WE1048981 on 2015 07 08 at 16:40

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

yyyy mm dd Page 2 of 23

Submitted By

MINDEN GROSS LLP

145 King Street West, Suite 2200
Toronto
M5H 4G2

2015 07 08

Tel 416-382-3711

Fax 416-864-9223

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Chargee Client File Number 4095670

SCHEDULE - ADDITIONAL PROVISIONS
(Commercial Mortgage Loans)

ARTICLE 1 - INTERPRETATION

Any reference to the "Computer Field" in this Charge means a computer data entry field in a charge registered pursuant to Part III of the *Land Registration Reform Act* (Ontario) into which the terms and conditions of this Charge may be inserted.

1.01 Definitions. In this Charge, unless something in the subject matter or context is inconsistent therewith:

"Applicable Laws" means all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licences, authorizations and approvals.

"Borrower Entity" means the Chargor, each Guarantor, each Indemnitor, and any Person having a beneficial ownership interest in all or any part of the Property from time to time.

"Business Day" means any day other than a Saturday, Sunday or any statutory or civic holiday observed in the Province of Ontario.

"Calculation Period" means the period indicated in the Computer Field of this Charge entitled "Calculation Period."

"Charge" means the Charge prepared in the electronic format and registered electronically pursuant to Part III of the *Land Registration Reform Act* (Ontario), including this Schedule and all other schedules thereto.

"Chargee" means DUCA Financial Services Credit Union Ltd., and any Person who acquires the right, title and interest of the Chargee under the Loan Documents.

"Chargor" means the Person or Persons indicated in the Computer Field of this Charge entitled "Chargor/s".

"Commitment Letter" means the commitment letter governing the Loan between the Chargor and the Chargee.

"Costs" means all reasonable fees, costs, charges and expenses of any Lender Entity for or incidental to (i) preparing, executing and registering the Loan Documents and making each advance of the Loan; (ii) collecting, enforcing and realizing on or under the Loan or the Loan Documents; (iii) inspecting, protecting, securing, completing, insuring, repairing, equipping, taking and keeping possession of, managing, selling or leasing the Property, including curing any defaults under or renewing any leasehold interest; (iv) appointing a receiver (under this Charge or otherwise) and such receiver's fees and expenses (including all agents' and legal fees and disbursements); (v) obtaining any environmental audits or other inspections, tests or reports with respect to the Property; (vi) complying with any notices, orders, judgments, directives, permits, licences, authorizations or approvals with respect to the Property; (vii) performing the obligations of any Borrower Entity under the Loan Documents; (viii) all reasonable legal fees and disbursements in connection with the Loan, on a full indemnity basis, and (ix) any other fees, costs, charges or expenses payable to any Lender Entity under any of the Loan Documents or Applicable Laws. "Costs" include interest at the Interest Rate on all such fees, costs, charges and expenses.

"Environmental Laws" means all present and future Applicable Laws, permits, certificates, licences, agreements, standards and requirements relating to environmental or occupational health and safety matters, including the presence, release, reporting, investigation, disposal, remediation and clean-up of Hazardous Substances.

"Environmental Proceeding" has the meaning set out in Subsection 4.02(m) of this Charge.

"Equipment" means all machinery, equipment, appliances, furniture, furnishings, chattels, fixtures (including all heating, air conditioning, ventilating, waste disposal, sprinkler and fire and theft protection equipment, plumbing, lighting, communications and elevator fixtures) and other

similar property of every kind and nature whatsoever now or hereafter located upon or used in connection with the Property or appurtenant thereto.

"Event of Default" or **"default"** means any of the following events: (a) any default by the Chargor in payment of all or any portion of the Loan Indebtedness when due or in payment of any other monies due under the Loan Documents; (b) any Borrower Entity defaults in observing or performing any other covenant, condition or obligation under any Loan Document on its part to be observed or performed, which default is not cured within the applicable grace or cure period, or if no such period is provided, within 30 days following written notice of such default to such Borrower Entity; for greater certainty, there shall be no grace or cure period in respect of any other Event of Default expressly enumerated in this definition; (c) any representation or warranty of any Borrower Entity in any Loan Document, or in any financial statement or other document at any time delivered by or on behalf of any such Borrower Entity to any Lender Entity in connection with the Loan, is incorrect or misleading in any material respect; (d) any Borrower Entity becomes insolvent, makes any assignment in bankruptcy, makes any assignment for the benefit of creditors or makes any proposal to or seeks relief from its creditors under any bankruptcy, insolvency, reorganization, liquidation, moratorium, receivership or other similar laws affecting or relating to creditors' rights, any order, declaration or judgment of any court is made adjudging or declaring any Borrower Entity bankrupt or insolvent or ordering the liquidation, winding-up, reorganization or arrangement of any Borrower Entity or granting any Borrower Entity protection from its creditors or appointing any trustee, receiver, receiver and manager or other Person with similar powers in respect of any Borrower Entity or all or any part of its assets, or any proceedings are commenced by or against any Borrower Entity seeking any such order, declaration or judgment; (e) any default by any Borrower Entity under any Lien of all or any part of the Property ranking in priority to or subsequent to the security of this Charge or the other Loan Documents, or any attornment of rents, power of sale, judicial sale, foreclosure or other enforcement proceedings are commenced against or in respect of any Borrower Entity or any part of the Property under or in respect of such Lien or any holder of such Lien takes possession or control of any part of the Property; (f) any writ of execution, distress, attachment or other similar process is issued or levied against any Borrower Entity or all or any part of its assets, or any judgment or order is made against any Borrower Entity by a court of competent jurisdiction and, in the opinion of the Chargee, such judgment or order would materially and adversely affect the ability of such Borrower Entity to fulfil its obligations to the Chargee under the Loan or the Loan Documents; (g) any part of the Property is condemned or expropriated and, in the opinion of the Chargee in respect of any expropriation, such expropriation materially impairs the value of the Property, the validity, enforceability or priority of the security of the Loan Documents, or the ability of any Borrower Entity to fulfil its obligations to the Chargee in respect of the Loan; or (h) any other Event of Default under any Loan Document.

"First Payment Date" means the date indicated in the Computer Field of this Charge entitled "First Payment Date".

"Governmental Authority" means any federal, provincial, municipal or other form of government or any political subdivision or agency thereof, any body or authority exercising any functions of government, and any court.

"Guarantor" means the Person or Persons named as guarantor of all or any part of the Loan Indebtedness in the Commitment Letter.

"Hazardous Substance" means any substance or material that is prohibited, controlled or regulated by any Governmental Authority including any contaminants, pollutants, asbestos, lead, polychlorinated by-phenyl or hydrocarbon products, any materials containing the same or derivatives thereof, underground storage tanks, dangerous or toxic substances or materials, controlled products, and hazardous wastes.

"Indemnitor" means the Person or Persons named as indemnitor in the Commitment Letter.

"Interest Adjustment Date" means the date indicated in the Computer Field of this Charge entitled "Interest Adjustment Date".

"Interest Rate" means the interest rate per annum indicated in the Computer Field of this Charge entitled "Interest Rate", which rate of interest shall be calculated in accordance with the Calculation Period, both before and after maturity, demand, default and judgment.

"Last Payment Date" means the date indicated in the Computer Field of this Charge entitled "Last Payment Date".

"Leases" means all present and future leases, offers to lease, subleases, concessions, licences and other contracts and agreements affecting the use, enjoyment or occupancy of the Property or any portion thereof together with all related credits, rights, options, claims, causes of action, guarantees, indemnities, security deposits and other security.

"Lender Entity" means each of the Chargee, each Person having an ownership interest in the Loan from time to time, any receiver and their respective employees, officers and directors.

"Lien" means any mortgage, charge, pledge, hypothec, assignment, lien, lease, sublease, easement, preference, priority, trust or other security interest or encumbrance of any kind or nature whatsoever with respect to any property or asset, including any title reservations, limitations, provisos or conditions.

"Loan" means the loan made by the Chargee to the Chargor in the Principal Amount pursuant to the Loan Documents.

"Loan Documents" means, collectively, all documents, instruments, agreements and opinions now or hereafter evidencing, securing, guaranteeing and/or relating to the Loan and the Loan Indebtedness or any part thereof, including the Commitment Letter and this Charge.

"Loan Indebtedness" means the aggregate of (i) the Principal Amount, (ii) all interest and compound interest at the Interest Rate, (iii) the Prepayment Charge, if any; (iv) Costs, (v) any amount, cost, charge, expense or interest added to the Loan Indebtedness under the Loan Documents or Applicable Laws or which is otherwise due and payable thereunder or secured thereby from time to time, and (vi) the payment, performance, discharge and satisfaction of all other obligations of any Borrower Entity under or in respect of the Loan and Loan Documents.

"Maturity Date" means the date indicated in the Computer Field of this Charge entitled "Balance Due Date".

"Payments" means the payments to be paid by the Chargor to the Chargee on account of the Loan in accordance with the Commitment Letter, each in the amount indicated in the Computer Field of this Charge entitled "Payments". If the Payments are interest only, they will vary with each change in the Prime Rate.

"Payment Date" means the date indicated in the Computer Field of this Charge entitled "Payment Date".

"Person" means any individual, general or limited partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, estate trustee, legal representative or Governmental Authority.

"Prepayment Charge" means, with respect to any acceleration or prepayment of the Loan, an amount equal to three months' interest at the Interest Rate on the Principal Amount then outstanding.

"Prime Rate" or **"Prime"** when indicated in the Computer Field of this Charge entitled "Interest Rate" means the annual rate of interest announced from time to time by DUCA Financials Services Credit Union Ltd. a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada and designated by the Chargee as its prime rate.

"Principal Amount" means the amount indicated in the Computer Field of this Charge entitled "Principal".

"Property" means all legal and beneficial right, title, estate and interest in and to the lands and premises described in this Charge, together with all buildings, structures, fixtures, and improvements of any nature or kind now or hereafter located on such lands, and all Equipment, Leases, Rents and all other appurtenances thereto.

"Realty Taxes" means all taxes, duties, rates, imposts, levies, assessments and other similar charges, whether general or special, ordinary or extraordinary, or foreseen or unforeseen,

including municipal taxes, school taxes and local improvement charges, and all related interest, penalties and fines which at any time may be levied, assessed, imposed or be a Lien on the Property or any part thereof.

"Rents" means all revenues, receipts, income, credits, deposits, profits, royalties, rents, additional rents, recoveries, accounts receivable and other receivables of any kind and nature whatsoever arising from or relating to the Property.

"Transfer" means (a) any conveyance, assignment, transfer, sale, granting or creation of an option or trust with respect to, or other disposition of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) any legal or beneficial interest in the Property or any part thereof; or (b) any change in the effective voting control of any Person comprising the Chargor or any beneficial or unregistered owner of any part of the Property from that existing as of the initial Loan advance (including any change of ownership of 50%, or such other percentage as may be specified in the Commitment Letter, or more of the voting securities representing an interest in any such Person) and shall include any agreement to do or complete any of the matters referred to in (a) or (b) above.

1.02 Construction. In this Charge (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the words "including", "includes" and "include" shall mean "including without limitation", "includes without limitation" and "include without limitation" respectively; (c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor statute thereto; (d) any reference to the Commitment Letter, any Loan Document, any Lease or other agreement or instrument shall include all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto from time to time; (e) reference to the Chargee, Chargor, Indemnitor, Guarantor, Lender Entity, Borrower Entity, any beneficial owner of the Property, and any other Person shall include their respective heirs, estate trustees, legal representatives, successors and assigns, and reference to a "corporation" shall include a company or other form of body corporate; (f) all dollar amounts are expressed in Canadian dollars; (g) the division of this Charge into separate Articles, Sections, Subsections and Schedules, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Charge; (h) the Chargee's right to give or withhold any consent or approval, make any determination or exercise any discretion shall be exercised by the Chargee acting reasonably unless otherwise expressly provided, except that following an Event of Default, the Chargee shall be entitled to exercise the same in its sole discretion; (i) the Loan Documents are the result of negotiations between the parties hereto and shall not be construed in favour of or against any party by reason of the extent to which any party or its legal counsel participated in its preparation; (j) if more than one Person is named as Chargor, or otherwise becomes liable for or assumes the obligations and liabilities of the Chargor, then the obligations and liabilities of all such Persons shall be joint and several; (k) time shall be of the essence; and (l) all obligations of the Chargor in this Charge will be deemed to be covenants by the Chargor in favour of the Chargee. Where any reference is made in this Charge to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to a trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to the trustees of the trust. In the event of any conflict or inconsistency between any provision of this Charge and the provision of any other Loan Document, the provision of this Charge shall prevail to the extent of any such conflict or inconsistency. This Charge is intended to supplement and not derogate from the other Loan Documents. The delivery of this Charge for registration by direct electronic transmission shall have the same effect for all purposes as if this Charge was in written form, signed by the Chargor and delivered to the Chargee.

1.03 Survival of Representations, Warranties and Covenants. The representations, warranties, covenants and obligations of each Borrower Entity in the Loan Documents shall (i) survive the making of any advance or repayment of the Loan, any full or partial release,

termination or discharge of any Loan Document, and any enforcement proceedings taken by any Lender Entity under any Loan Document or Applicable Laws; (ii) enure to the benefit of the Chargee for itself and on behalf of each Lender Entity (including each Person having a beneficial or unregistered ownership interest in the Loan); and (iii) be fully effective and enforceable by the Chargee notwithstanding any due diligence performed by or on behalf of any Lender Entity or any breach by any Borrower Entity of any of its obligations and liabilities in respect of the Loan or other information (to the contrary or otherwise) known to any Lender Entity at any time. Without limiting the foregoing, the representations, warranties, covenants and obligations of the Chargor under the Loan Documents shall be fully binding upon and enforceable against the Chargor when it is the beneficial owner of the Property and when it is a trustee, agent or nominee of the Property for any other Person. The representations and warranties of each Borrower Entity in the Loan Documents are deemed to be made to the Chargee on the date of execution of each Loan Document by such Borrower Entity and are deemed repeated on the date of each Loan advance. The Chargor agrees that all enforcement actions or proceedings may be brought by the Chargee under or in respect of the Loan and the Loan Documents on behalf of all Persons having a beneficial or unregistered ownership interest therein and waives any requirement that any such Persons be a party thereto.

ARTICLE 2 - CHARGE

2.01 Charge. As security for the payment and performance to the Chargee of the Loan Indebtedness, the Chargor hereby mortgages and charges the Property to and in favour of the Chargee.

2.02 Continuing Security. Without limiting any other provision hereof, this Charge secures, *inter alia*, a current or running account and any portion of the Principal Amount may be advanced or readvanced by the Chargee in one or more sums at any future date or dates and the amount of such advances and readvances when so made will be secured by this Charge and be repayable with interest at the Interest Rate and this Charge will be security for the ultimate balance owing to the Chargee arising from the current and running accounts represented by advances and readvances of the Principal Amount or any part thereof with interest at the Interest Rate and all other amounts secured hereby and notwithstanding any change in the amount, nature and form of the Loan Indebtedness from time to time. If the whole or any part of the Principal Amount or other amount secured hereby is repaid, this Charge shall be and remain valid security for any subsequent advance or readvance by the Chargee to the Chargor until such time as the Chargee has executed and delivered to the Chargor a complete discharge of this Charge. The provisions relating to defeasance contained in Subsection 6(2) of the *Land Registration Reform Act* (Ontario) are hereby expressly excluded from this Charge.

ARTICLE 3 - PAYMENT PROVISIONS

3.01 Covenant to Pay. The Chargor acknowledges itself indebted and promises to pay the Loan Indebtedness to the Chargee as and when provided in this Charge, without set-off, deduction or abatement.

3.02 Interest. The Principal Amount shall bear interest at the Interest Rate both before and after default, demand, maturity and judgment until paid.

3.03 Payment Provisions. The Chargor will pay the Loan Indebtedness to the Chargee as follows: (a) interest at the Interest Rate on the Principal Amount or such portion as may be advanced from time to time, calculated from the respective dates of such advances, shall become due and payable on the Interest Adjustment Date (at the option of the Chargee, such interest may be deducted from such advances); (b) from and after the Interest Adjustment Date, Payments will become due and payable on each Payment Date from and including the First Payment Date to and including the Last Payment Date; (c) the Principal Amount or the balance thereof with interest at the Interest Rate will become due and payable on the Maturity Date; (d) any part of the Loan Indebtedness that is not principal or interest on principal will be payable on demand with interest thereon at the Interest Rate; and (e) the balance of the Loan Indebtedness then remaining together with any interest thereon at the Interest Rate will become due and be paid on the Maturity Date.

3.04 Compound Interest. Interest shall accrue on overdue interest at the Interest Rate from time to time, both before and after default, demand, maturity and judgment until paid and shall

be due and payable by the Chargor to the Chargee forthwith. If such overdue interest and compound interest are not paid within the Calculation Period from the time of default, a rest will be made and compound interest at the Interest Rate will be payable on the aggregate amount then due, both before and after maturity, default and judgment, and so on from time to time until paid. All compound interest shall be added to the Loan Indebtedness and secured by this Charge.

3.05 Receipt of Payment. Payment will not be deemed to have been made until the Chargee has actually received such money. The Chargor assumes all risk if payments are lost or delayed. Any payment received after 12:00 o'clock noon Toronto time on any day will be deemed, for the purpose of calculation of interest, to have been made and received on the next Business Day. Payments shall be made to the Chargee at such place as the Chargee may designate from time to time.

3.06 Pre-Authorized Chequing. The Chargor, on written request from the Chargee, and at the Chargee's option, will make all payments pursuant to this Charge by pre-authorized chequing on an account maintained by the Chargor with the Chargee, and will execute and provide such written authorizations and sample cheques as the Chargee may require.

3.07 Dishonoured Cheques or Payments. If a pre-authorized payment is not honoured, the Chargor will immediately pay the Chargee a reasonable servicing fee as determined by the Chargee to cover the administration costs and expenses arising therefrom. Until paid, such servicing fee, together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness and secured by this Charge.

3.08 No Right of Prepayment. Except as otherwise provided by the Commitment Letter, neither any Borrower Entity nor any other Person shall have the right to prepay the Loan. If any acceleration (including any acceleration under Section 4.02(d)) or prepayment of all or any portion of the Loan should occur prior to the Maturity Date for any reason whatsoever (whether as a result of any Event of Default, Applicable Laws or otherwise), then the Prepayment Charge shall immediately become due and payable by the Chargor to the Chargee, in addition to all other amounts then due and owing to the Chargee. Such Prepayment Charge shall form part of the Loan Indebtedness and shall be secured by the Charge and the Loan Documents. The Chargor acknowledges that the Prepayment Charge represents reasonable and fair compensation for the loss that the Chargee may sustain from any acceleration or prepayment of the Loan prior to the Maturity Date, provided nothing herein shall create any right to prepay all or any portion of the Loan at any time or in any circumstances prior to the Maturity Date, except as otherwise provided by the Commitment Letter.

3.09 Application of Payments. Prior to an Event of Default, all Payments received by the Chargee on account of the Loan Indebtedness shall be applied as follows, regardless of any other designation of such payments as principal, interest or other charges: first, to the repayment of sums advanced by the Chargee pursuant to this Charge or any other Loan Document for any reason (other than the Principal Amount), including sums advanced to pay Realty Taxes, Costs, insurance premiums or other charges against the Property (together with interest thereon at the Interest Rate from the date of advance until paid); then to the payment of accrued but unpaid interest which is then due and payable; and finally, to reduction of the Principal Amount. Following an Event of Default, all payments received by the Chargee shall be applied by the Chargee to principal, interest and/or such other charges due under this Charge or the Loan Documents in such order as the Chargee shall determine in its sole discretion.

3.10 Costs. The Chargor covenants to pay all Costs to the Chargee forthwith upon demand whether or not all or any part of the Principal Amount is advanced. Until paid, all Costs together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness and secured by this Charge.

3.11 Deemed Re-Investment. There shall be no allowance or deduction for deemed re-investment with respect to any amounts paid to the Chargee on account of interest under the Loan.

3.12 Advance Directed to Pay Reserves and Costs. Notwithstanding any rule of law or equity to the contrary, any amounts directed from any Loan advance by the Chargor to be paid on account of any Costs shall be considered to be fully and immediately advanced to the Chargor

for all purposes, shall bear interest at the Interest Rate from and after the date of such Loan advance, and shall be fully and immediately secured by this Charge in priority to all other Liens.

3.13 **Reserves.** In addition to the Loan Indebtedness, the Chargor shall pay to the Chargee any reserves required by the Commitment Letter when due.

ARTICLE 4 - REPRESENTATIONS, WARRANTIES AND COVENANTS

4.01 **Statutory Covenants.** The implied covenants under subsection 7(1) of the *Land Registration Reform Act* (Ontario) are expressly incorporated in this Charge but shall be varied so that they shall apply to the Chargor when it is the beneficial owner of the Property and to the Chargor when it is a trustee of the Property for any other Person. The covenants in this Charge supplement and do not derogate from such implied covenants.

4.02 **Representations, Warranties and Covenants.** The Chargor represents and warrants to and covenants with the Chargee:

(a) **Authorization.** Each Borrower Entity (i) which is a corporation is a duly organized and validly existing corporation under the laws of its governing jurisdiction; (ii) which is a partnership is a valid and subsisting general or limited partnership, as the case may be, under the laws of its governing jurisdiction; (iii) which owns an interest in the Property has full power, authority and legal right to own the Property and to carry on its business thereon in compliance with all Applicable Laws and is duly licensed, registered or qualified in all jurisdictions where the character of its undertaking, property and assets or the nature of its activities makes such licensing, registration or qualification necessary or desirable; (iv) has full power, authority and legal right to enter into each of the Loan Documents to which it is a party and to do all acts and execute and deliver all other documents as are required to be done, observed or performed by it in accordance with their respective terms; (v) has taken all necessary action and proceedings to authorize the execution, delivery and performance of the Loan Documents to which it is a party and to observe and perform the provisions of each in accordance with its terms; (vi) shall maintain in good standing its existence, capacity, power and authority as a corporation or partnership, as the case may be, and shall not liquidate, dissolve, wind-up, terminate, merge, amalgamate, consolidate, reorganize or restructure or enter into any transaction or take any steps in connection therewith; and (vii) which is the Chargor, is a corporation resident in Canada.

(b) **Enforceability.** The Loan Documents constitute valid and legally binding obligations of each Borrower Entity enforceable against each of them in accordance with their terms and are not subject to any right of rescission, set-off, counterclaim or defence. Neither execution and delivery of the Loan Documents, nor compliance with the terms and conditions of any of them, (i) has resulted or will result in a violation of the constating documents governing any Borrower Entity, including any unanimous shareholders' agreement, or any resolution passed by the board of directors, shareholders or partners, as the case may be, of any Borrower Entity; (ii) has resulted or will result in a breach of or constitute a default under Applicable Laws or any agreement or instrument to which any Borrower Entity is a party or by which it or the Property or any part thereof is bound; or (iii) requires any approval or consent of any Person except such as has already been obtained.

(c) **Title and Security.** The Chargor has good and marketable title in fee simple to the Property free and clear of all Liens, and this Charge and the Loan Documents shall be at all times a good and valid mortgage, charge, assignment of and security interest in the Property in priority to all other Liens, except in each case as disclosed by the records of the applicable land registry office and accepted by the Chargee in its sole discretion prior to the Loan advance. The Chargor shall defend title to the Property for the benefit of the Chargee from and against all actions, proceedings and claims of all Persons. The Chargor shall not subject the Property or any part thereof to a condominium regime or any other form of multiple ownership or governance, without the prior written consent of the Chargee.

(d) **Transfers and Liens.** No Transfer shall be made or permitted to be made without the prior written consent of the Chargee in its sole discretion. No Liens shall be created, issued, incurred or permitted to exist (by operation of law or otherwise and whether prior or subordinate to the security of this Charge and the Loan Documents) on any part of the Property or any interest therein (except in favour of the Chargee as security for the Loan), without the prior written consent of the Chargee in its sole discretion. Any Lien not permitted hereby shall be

vacated and discharged from the Property by the Chargor forthwith. If, without the prior consent of the Chargee, any Transfer or any Lien of any part of the Property or any interest therein is made, created, incurred or permitted to exist, then the Chargee, at its sole option, may declare the Loan Indebtedness (including the Prepayment Charge) to be immediately due and payable by the Chargor to the Chargee. If the Chargee elects to provide its consent to any Transfer in its sole discretion, such consent shall be subject to satisfaction of the following terms and conditions (each of which shall be an obligation of the Chargor to promptly satisfy prior to completion of such Transfer): (i) no Event of Default shall have occurred and be uncured and no event shall have occurred and be uncured which, with the passing of time or the giving of notice or both, would be an Event of Default; (ii) the Chargee shall have approved in its sole discretion the financial condition, managerial capacity and ownership structure of the transferee; (iii) the transferee and each other Borrower Entity shall execute and deliver, in the Chargee's form, an assumption agreement and such other indemnities, confirmations, insurance policies (including title insurance) and opinions as the Chargee may require in its sole discretion; (iv) the Chargor shall pay all fees, costs, expenses, charges and disbursements relating to such Transfer including the reasonable fees, costs, expenses, charges and disbursements of the Chargee and its counsel for review of the Chargor's compliance with the requirements hereof and the preparation and review and/or recording of any and all documentation, accounting certifications or legal opinions relating thereto, including any governmental or third-party fees, costs, taxes or assessments thereon; (v) the Chargor shall pay to the Chargee an assumption fee (not to be less than \$2,500.00) equal to 0.25% of the then outstanding Principal Amount; and (vi) the Chargor shall satisfy all other conditions imposed by the Chargee in respect of such Transfer in its sole discretion. Following any such Transfer, the Chargor and each beneficial owner of the Property including each transferee, shall be a corporation resident in Canada. No Transfer permitted by this Charge shall in any way affect the validity, priority or enforceability of the Loan Documents or the security thereof or release, discharge, modify or otherwise affect the respective obligations of the transferor or any other Borrower Entity thereunder.

Notwithstanding the foregoing and provided no Event of Default shall have occurred and be uncured and no event shall have occurred and be uncured which, with the passing of time or the giving of notice or both, would be an Event of Default, the Chargor may place subordinate Liens on the Property in favour of subordinate lenders provided the Chargor obtains the Chargee's prior written consent in its sole discretion to such subordinate Liens and subordinate lenders and completes the following conditions to the satisfaction of the Chargee in its sole discretion (upon satisfaction of all such conditions in respect of a subordinate Lien, such subordinate Lien shall be a "**Permitted Subordinated Lien**");

- (i) execution and delivery by the subordinate lender to the Chargee of a subordination and standstill agreement in the Chargee's required form, such agreement to include a full subordination and postponement of the subordinate Liens and all indebtedness secured thereby to the Loan Documents and all Loan Indebtedness and any reserves, restrictions satisfactory to the Chargee in its sole discretion on payment of such subordinated indebtedness from Property cash flow and complete standstill provisions restricting the enforcement by the subordinate lender of all of its rights and remedies under or in respect of the subordinate Liens and all indebtedness secured thereby without the Chargee's prior written consent in its sole discretion;
- (ii) demonstration by the Chargor to the Chargee's satisfaction of (A) the Chargor's ability to make all payments required to be made under the indebtedness secured by the subordinate Liens from Property cash flow after all payments due on account of the Loan Indebtedness, any reserves and Property expenses (both capital and non-capital) are made; (B) that the aggregate loan to value ratio and minimum debt service coverage ratio shall be acceptable to the Chargee, in each case as calculated by the Chargee in accordance with its then current underwriting standards; and (C) that there are no insolvency issues with respect to any Borrower Entity; and
- (iii) payment by the Chargor of all fees, costs, expenses, charges and disbursements relating to the subordinate Liens, including the reasonable fees, costs, expenses, charges and disbursements of the Chargee and its counsel for review of the Chargor's compliance with the requirements hereof and the preparation and review and/or recording of any and all documentation, accounting certifications or

legal opinions relating thereto, including any governmental or third-party fees, costs, taxes or assessments thereon.

In conjunction with the Chargor's request for approval of a transfer or sale of the Property and provided the Chargee approves, in its sole discretion, a substitute indemnitor and substitute guarantor (the "**Substitute Indemnitor and Guarantor**") following review of the proposed Substitute Indemnitor and Guarantor's financial condition, and the Substitute Indemnitor and Guarantor shall execute and deliver to the Chargee an indemnity agreement in the same form and content as the indemnity (the "**Original Indemnity**") executed and delivered by the Indemnitor at the time of the Loan advance, and a full recourse guarantee in the same form and content as the guarantee (the "**Original Guarantee**") executed and delivered by the Guarantor at the time of the Loan advance, together with a legal opinion with respect to the authorization and enforceability of the same in form and content satisfactory to the Chargee acting reasonably, the Chargee agrees it shall release the Indemnitor or Guarantor or both from all of its or their obligations under the Original Indemnity and Original Guarantee arising subsequent to the date of transfer or sale of the Property, provided that no such release shall be effective unless and until (i) the Chargor has satisfied all terms and conditions relating to such transfer or sale of the Property set out herein or otherwise imposed by the Chargee; and (ii) the Chargee executes and delivers a written release and each other Borrower Entity has confirmed in writing its continuing obligations under the Loan Documents in form and content satisfactory to the Chargee in its sole discretion. No such release shall in any way affect the validity, priority or enforceability of any Loan Documents or the security thereof or release, modify, or otherwise affect the respective obligations of any other Borrower Entity thereunder.

(e) Realty Taxes. With respect to Realty Taxes (a) the Chargee may deduct from any Loan advance an amount sufficient to pay the Realty Taxes which have become or will become due and payable at the Interest Adjustment Date and are unpaid at the date of such advance; (b) the Chargor pay all Realty Taxes as they fall due and will provide the Chargee with receipts confirming payment of same as it may require; (c) the Chargor shall, if directed by the Chargee, pay to the Chargee in monthly instalments on the dates on Payment Dates, sums which in the sole opinion of the Chargee will be sufficient to enable it to pay the whole amount of Realty Taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof; (d) the Chargee shall apply such deduction and payments to the Realty Taxes so long as the Chargor is not in default under this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of Realty Taxes more often than yearly; provided, however, that if before any sum so paid to the Chargee shall have been so applied, there shall be default by the Chargor in respect of any monthly Payment, the Chargee may apply such sum in or towards payment of the principal and/or interest in default. The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of Realty Taxes forthwith upon receipt; and (e) the Chargee shall allow the Chargor interest on the average monthly balance standing in the account from time to time to the credit of the Chargor for payment of Realty Taxes, at a rate per annum and at such times as the Chargee may determine in its sole discretion, and the Chargor shall be charged interest at the Interest Rate on the debit balance, if any, of Realty Taxes in the account outstanding after payment of Realty Taxes by the Chargee until such debit balance is fully repaid.

(f) Litigation. There are no existing or threatened actions, proceedings or claims against or relating to the Property or any Borrower Entity except as disclosed to and accepted by the Chargee in writing prior to the initial Loan advance. Upon becoming aware of any threatened or actual action, proceeding or claim against or relating to the Property or any Borrower Entity, the Chargor shall promptly notify and provide the Chargee with such information concerning the same as the Chargee may require from time to time.

(g) Property. The Property is in good condition and repair, complies with all Applicable Laws, title encumbrances and material agreements, and the present use and location of the buildings, structures and other improvements are legal conforming uses under all Applicable Laws. No buildings, structures or other improvements have been made, altered or removed from the Property since the date of any survey provided to the Chargee prior to the initial Loan advance and such survey accurately shows the location thereof. The Chargor is not aware of any actions, proceedings, notices, judgments, orders or claims by any Person alleging or relating to any non-compliance by the Property with any Applicable Laws, title encumbrances or material agreements or any permits, licences or approvals, and the Chargor shall promptly notify and provide the Chargee with all information concerning the same as the Chargee may require from

time to time. All services and utilities necessary for the use and operation of the Property are located in the public highways abutting the Property (or within easements disclosed to and approved by the Chargee in writing prior to the initial Loan advance) and are connected and available for use. The Property has unrestricted and unconditional rights of public access to and from public highways (completed and available for public use) abutting the Property at all existing access points. The Chargor is not aware of any existing or threatened expropriation or other similar proceeding in respect of the Property or any part thereof.

(h) Use and Maintenance. The Chargor shall not change the use of or abandon the Property, commit or permit any waste of the Property or, unless permitted by the Chargee, remove or allow the removal of any building, structure or other improvement from the Property (other than a tenant's improvements removable by a tenant in accordance with its Lease). The Chargor shall diligently maintain, use, manage, operate and repair the Property in a safe and insurable condition, in accordance with Applicable Laws, title encumbrances, material agreements, permits, licences and approvals, in a prudent and business-like manner, and in keeping with the highest standards for similar properties in the locality in which the Property is situated. The Chargor shall promptly make or cause to be made at its expense all necessary repairs and replacements to the Property necessary to comply with this subsection in a good and workmanlike manner and equal or better in quality to the original work, and in compliance with all Applicable Laws, title encumbrances, applicable material agreements, permits, licences and approvals.

(i) Changes to Property. The Chargor shall not demolish, remove, construct, alter, add to, repair or restore the Property or any portion thereof, nor consent to or permit any such action, without obtaining in each instance the Chargee's prior written consent in its sole discretion.

(j) Management. The manager of the Property and each management agreement shall each be subject to the approval of the Chargee in its sole discretion from time to time. The manager shall not be removed or replaced and the management agreement shall not be terminated or amended without the prior written consent of the Chargee in its sole discretion. Upon an Event of Default, the Chargee may terminate, or require the Chargor to terminate such management agreement and may retain, or require the Chargor to retain a new manager approved by the Chargee, in each case at the Chargor's sole expense. Each management agreement shall contain termination provisions consistent with this subsection.

(k) Right of Inspection. The Chargee and its agents and employees shall have the right, subject to the rights of tenants under existing Leases, to enter and inspect the Property at all reasonable times and, except in an emergency or following an Event of Default, upon reasonable notice to the Chargor. The Chargee shall not be a mortgagee in possession by reason of its exercise of any such right.

(l) Permits. The Chargor (i) has obtained all necessary permits, agreements, rights, licences, authorizations, approvals, franchises, trademarks, trade names and similar property and rights (collectively "**Permits**") necessary to permit the lawful construction, occupancy, operation and use of the Property; (ii) is not in default under such Permits and shall maintain all such Permits in good standing and in full force and effect; (iii) has delivered to the Chargee complete copies of each Permit existing as of the date of the initial Loan advance; (iv) shall not terminate, amend or waive any of its rights and privileges under any Permits without the Chargee's prior written consent in its sole discretion; and (v) is not aware of any proposed changes or any notices or proceedings relating to any Permits, including pending cancellation, termination or expiry thereof. The Chargor shall promptly notify and deliver to the Chargee particulars of any such changes, notices or proceedings that may arise from time to time.

(m) Representations Regarding Environmental Matters. The Property and all activities conducted thereon comply with all Environmental Laws. The Property contains no Hazardous Substances, has not been previously subject to any remediation or clean-up of Hazardous Substances and there is no prior, existing or threatened investigation, action, proceeding, notice, order, conviction, fine, judgment, claim, directive or Lien of any nature or kind against or affecting the Property or the Chargor arising under or relating to Environmental Laws (each, an "**Environmental Proceeding**"). All existing environmental assessments, audits, tests and reports relating to the Property have been delivered to the Chargee. To the best of the Chargor's knowledge and belief, there are no pending or proposed changes to Environmental Laws or any Environmental Proceedings which would render illegal or affect the present use and operation of

the Property. Neither the Chargor nor any other Person has used or permitted the use of the Property to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances or as a waste disposal site.

(n) Covenants Regarding Environmental Matters. The Chargor shall (i) ensure that the Property and the Chargor comply with all Environmental Laws at all times; (ii) not permit any Hazardous Substance to be located, manufactured, stored, spilled, discharged or disposed of at, on or under the Property, except in the ordinary course of business of the Chargor or any tenant and in compliance with all Environmental Laws; (iii) notify the Chargee promptly of any threatened or actual Environmental Proceedings that may arise from time to time and provide particulars thereof; (iv) remediate and cure in a timely manner any non-compliance by the Property or the Chargor with Environmental Laws, including removal of any Hazardous Substances; and (v) provide the Chargee promptly upon request with such information and documents and take such other steps (all at the Chargor's expense) as may be required by the Chargee to confirm and/or ensure compliance by the Property and the Chargor with Environmental Laws.

(o) Environmental Indemnity. Without limiting any other provision of any Loan Document, the Chargor shall indemnify and pay, protect, defend and save the Chargee harmless from and against all actions, proceedings, losses, damages, liabilities, claims, demands, judgments, costs and expenses (including legal fees and disbursements on a full indemnity basis (collectively "Environmental Claims") occurring, imposed on, made against or incurred by the Chargee arising from or relating to, directly or indirectly, whether or not disclosed by any environmental audit obtained by any Lender Entity prior to the initial Loan advance and whether or not caused by the Chargor or within its control (i) any actual or alleged breach of Environmental Laws relating to or affecting the Property; (ii) the actual or alleged presence, release, discharge or disposition of any Hazardous Substance in, on, over, under, from or affecting all or part of the Property or surrounding lands, including any personal injury or property damage arising therefrom; (iii) any actual or threatened Environmental Proceeding affecting the Property including any settlement thereof; (iv) any assessment, investigation, containment, monitoring, remediation and/or removal of all Hazardous Substances from all or part of the Property or surrounding areas or otherwise complying with Environmental Laws; or (v) any breach by any Borrower Entity of any Loan Document or Applicable Laws relating to environmental matters (including Subsections 4.02(m) and (n) above). Notwithstanding any Loan Document, the Chargor agrees that the Chargee shall have full and unrestricted recourse to the Chargor and all of its property and assets for all such Environmental Claims.

(p) Statement of Disclosure. Each Borrower Entity has received all statements of disclosure in respect of the Loan as required by and in compliance with Applicable Laws.

(q) Estoppel Certificates. Within two Business Days following a request by the Chargee from time to time, the Chargor shall provide the Chargee with a written statement confirming the status of the Loan in form and content required by the Chargee, including the amount of the Loan Indebtedness, interest rate and payment terms and particulars of all existing or alleged defaults, claims, offsets or defences.

(r) Financial and Other Information. All financial statements and other information delivered to any Lender Entity by or on behalf of each Borrower Entity in connection with the Loan are complete and correct in all material respects and include all material facts and circumstances concerning the financial or other condition or status of the Property, each Borrower Entity or its business and operations necessary to ensure all such statements and information so provided are not misleading as of the date of delivery to such Lender Entity or as of such other date specified therein. There has been no subsequent material adverse change in the financial or other condition of the Property, any Borrower Entity or its business and operations. No Borrower Entity has any material liability (contingent or otherwise) or other unusual or forward commitment not reflected in such financial statements. Each Borrower Entity has filed all tax returns required by Applicable Laws and has paid, when due, all taxes, surtaxes, duties, rates, withholdings and other similar charges (including related interest, penalties and fines) imposed on it by Applicable Laws or any Governmental Authority.

4.03 Performance of Covenants and Default. The Chargor shall observe and perform and cause to be observed and performed all covenants, provisos and conditions contained in this Charge and the Loan Documents. The Chargor represents and warrants to the Chargee that no

Event of Default has occurred and no event has occurred which with the giving of notice, lapse of time or both would constitute an Event of Default. Upon becoming aware of any such Event of Default or event, the Chargor shall promptly deliver to the Chargee a notice specifying full particulars of same.

ARTICLE 5 - INSURANCE

5.01 Insurance Coverage. The Chargor shall maintain at its sole expense the following insurance coverages with respect to the Property for the benefit of Chargee until the Loan Indebtedness has been fully paid and satisfied, in each case to the extent applicable: (a) insurance against loss or damage by fire, casualty and other hazards as are now or subsequently covered by an "all risk" policy with such endorsements as the Chargee may reasonably require from time to time, covering 100% of the full replacement cost of the buildings, structures and improvements comprising the Property (including footings and foundations); (b) rental insurance covering 100% of the total Rents from the Property for not less than a twelve month period (to be determined once each calendar year); (c) comprehensive broad form boiler and machinery coverage; (d) "Comprehensive General Liability Form" of commercial general liability insurance coverage with the "Broad Form CGL" endorsement, providing coverage on a per occurrence basis in an amount not less than \$2,000,000.00 per occurrence, or such other amount as may be specified in the Commitment Letter; and (e) such other insurance as required by the Chargee from time to time in its sole discretion. The Chargor represents and warrants to the Chargee that all such insurance is in full force and effect from and after the initial Loan advance.

5.02 Policy Terms. All insurance required by this Article shall have a term of not less than one year and shall be in the form and amount and with such deductibles, endorsements and insurers as are acceptable to the Chargee from time to time in its sole discretion. Original or certified copies of all insurance policies and all renewals thereof shall be delivered by the Chargor to the Chargee prior to the initial Loan advance or policy expiry, as the case may be. If insurance certificates or binders evidencing such insurance and acceptable to the Chargee are delivered prior to the initial Loan advance or renewal, as the case may be, the original or certified copies of such insurance policies may be delivered to the Chargee within 90 days thereafter. All property, income and boiler and machinery policies shall (i) contain either a stated amount endorsement or a waiver of any co-insurance provision, (ii) contain Canadian standard mortgage clauses in favour of the Chargee, and (iii) shall name the Chargee (or an insurance trustee on terms approved by the Chargee in its sole discretion) as first loss payee. The Chargor shall not carry separate insurance, concurrent in kind or form or contributing in the event of loss, with any insurance required hereunder. If any insurance required by this Charge is not maintained by the Chargor at any time, the Chargee may (but is not obligated to do so) effect such insurance in any manner it shall determine in its sole discretion and all costs and expenses incurred by or on behalf of the Chargee in maintaining such insurance shall be payable by the Chargor to the Chargee forthwith on demand. Until paid, such costs and expenses together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness and secured by this Charge. As additional and separate security for payment of the Loan Indebtedness, the Chargor hereby assigns, transfers and sets over to the Chargee, as a first Lien thereon, all legal and beneficial right, title and interest in and to all present and future insurance proceeds and expropriation awards in respect of the Property. The Chargor hereby authorizes and directs the issuer of any such insurance proceeds or expropriation awards to make payment directly to the Chargee. Upon an Event of Default, all insurance proceeds and expropriation awards arising in respect of the Property shall, at the option of the Chargee in its sole discretion, be applied in reduction of the Loan Indebtedness.

5.03 Comply with Insurance Policies. The Chargor shall pay all premiums relating to all insurance required by this Article when due and shall promptly deliver to the Chargee receipted invoices or other evidence of payment. The Chargor shall comply with all the terms of each insurance policy required by this Article and all requirements of the insurer of each such policy. The Chargor shall not by any action or omission invalidate any insurance policy required to be carried hereunder or materially increase the premiums on any such policy above the normal premium charged by the carrier of such policy.

ARTICLE 6 - DAMAGE AND DESTRUCTION

6.01 Damage and Destruction and Restoration. If any damage or destruction occurs to the Property, the Chargor shall (i) give prompt written notice to the Chargee of any damage or

destruction to the Property and cause the Property to be secured in a safe manner; (ii) promptly notify the Chargee of the Chargor's good faith estimate of the cost of the work and materials required to repair or restore such damage or destruction (the "**Restoration Work**"); (iii) promptly commence and diligently prosecute the Restoration Work to completion in accordance with all Applicable Laws and the provisions of this Article to a standard at least equal to the replacement value and general utility of the Property immediately prior to such damage or destruction; (iv) complete the Restoration Work within nine months after the date of the damage and no later than six months prior to the Maturity Date; (v) ensure that the proceeds of the rental insurance required by this Charge shall offset fully any loss of Rents throughout the completion of the Restoration Work and a reasonable period thereafter for leasing the Property or if not, deposit the amount of any deficiency with the Chargee in cash prior to commencement of the Restoration Work to ensure that funds are available to pay when due all scheduled payments on account of the Loan Indebtedness throughout the Restoration Work and leasing period; (vi) ensure that the use, occupancy and operation of the Property existing as of the Loan advance shall be permitted under all applicable zoning laws (or a legal non-conforming use thereunder) following completion of the Restoration Work; (vii) pay all costs and expenses incurred by any Lender Entity in connection with the recovery and administration of all insurance proceeds and the Restoration Work, including approving plans and specifications, inspecting the Restoration Work, and all reasonable architects', adjusters', lawyers', engineers' and other consultants' fees and disbursements; and (viii) promptly furnish at its own expense all necessary proofs of loss and do all necessary acts to ensure that the Chargee receives payment of all insurance proceeds.

6.02 Application of Insurance Proceeds. Provided no Event of Default exists, all insurance proceeds net of all reasonable architects', adjusters', lawyers', and other consultants' fees and disbursements ("**Net Proceeds**") shall be held by the Chargee and paid out from time to time (but not more frequently than every 30 days) to pay the cost of the Restoration Work performed in accordance with this Article upon and subject to satisfaction of the following terms and conditions (each of which shall be an obligation of the Chargor to promptly satisfy): (a) within ten days of such damage or destruction, the Chargor shall (i) deliver to the Chargee a certificate from an architect or cost consultant approved by the Chargee acting reasonably ("**Architect**") estimating the cost of the Restoration Work; (ii) if the estimated cost exceeds the amount of Net Proceeds then held by the Chargee, the Chargor shall deliver to the Chargee an unconditional, irrevocable, demand letter of credit, in form, substance and issued by a bank acceptable to the Chargee in its sole discretion, in the amount of such excess, or a completion bond in form, substance and issued by a surety company acceptable to the Chargee in its sole discretion; (iii) provide to the Chargee evidence satisfactory to it in its sole discretion (including an appraisal and statements of cash flow and debt service) that upon the completion of the Restoration Work, the debt service coverage ratio and loan to value ratio (each as determined by the Chargee in accordance with its then current underwriting practices) shall not be less than the debt service coverage ratio or more than the loan to value ratio specified in the Commitment Letter; and (iv) provide to the Chargee evidence satisfactory to it in its sole discretion, and agree in writing with the Chargee, that the Restoration Work will be completed in accordance with this Article; (b) if the Architect's estimate of the cost of the Restoration Work is equal to or exceeds \$50,000.00, such Restoration Work shall be performed under the supervision of an Architect and in accordance with plans and specifications approved by the Chargee in its sole discretion; (c) requests for payment of Net Proceeds held by the Chargee shall be made by the Chargor on not less than ten Business Days' prior notice to the Chargee and shall be accompanied by a certificate of an Architect, or if the Restoration Work is not required to be supervised by an Architect, by a certificate of the Chargor addressed to the Chargee, stating or containing (i) a detailed description of the completed Restoration Work for which the request for payment is made; (ii) that such Restoration Work has been completed in compliance with this Article, and has been approved by the Chargor and if applicable, the Architect; (iii) that the requested amount is due, or is required to reimburse the Chargor for payments made to the contractor, subcontractors, materialmen, labourers, engineers, architects or other persons performing the Restoration Work and that when added to all payments previously made from Net Proceeds does not exceed the value of the Restoration Work done to the date; (iv) that title to the personal property included in the request for payment is vested in the Chargor free and clear of all Liens; (v) the remaining cost to complete the Restoration Work; (vi) the amount of all lien holdbacks required or permitted to be maintained under Applicable Laws in respect of such Restoration Work; (vii) the amount of such holdbacks actually maintained by the Chargor; and (viii) that no written notice of a Lien under Applicable Laws has been received by the Chargor or the Architect or registered against the Property; and (d) prior to disbursing any Net Proceeds (i) the

Chargee must be satisfied in its sole discretion that all holdbacks required or permitted by Applicable Laws have been maintained and that no Liens under Applicable Laws have been registered against the Property; and (ii) the Chargee shall have the right to inspect the Property to determine that the Restoration Work complies with this Article.

6.03 Holdbacks. Notwithstanding any other provision of this Charge, the Chargee shall be entitled to retain, and not disburse, an amount equal to 10% of the cost of the Restoration Work (the "**Holdback Amount**") until such time as (i) the Restoration Work has been fully completed in accordance with this Article; (ii) the Chargee shall have received copies of any and all final certificates of occupancy or other certificates, licences, permits and approvals required for the ownership, occupancy and operation of the Property in accordance with all Applicable Laws; (iii) all Liens and holdback obligations under Applicable Laws relating to the Restoration Work have expired; (iv) all costs and expenses of the Restoration Work (including all costs of expenses of any Lender Entity referred to in Section 6.01(vii)) have been fully paid; and (v) no Event of Default exists. If any excess Net Proceeds remain after satisfaction of all of the foregoing matters, such excess proceeds shall be paid to the Chargor.

6.04 Event of Default. If the Chargor fails to comply with any of its obligations under this Article, an Event of Default shall have occurred, and the Chargee shall have the right in its sole discretion to apply all Net Proceeds to the Loan Indebtedness. The Chargee may (but shall have no obligation to do so) perform or cause to be performed any incomplete Restoration Work, and may take such other steps as it deems advisable in connection therewith. The Chargor hereby waives all actions, proceedings, claims, demands and other rights against each Lender Entity arising out of any act or omission of the Chargee completing the Restoration Work and all matters relating thereto. The Chargee may apply all or any portion of the Net Proceeds (without complying with any requirements of this Article) to pay or reimburse each Lender Entity for all costs of completing the Restoration Work without prior notice to or consent of the Chargor.

6.05 Proceeds of Expropriation. All proceeds of expropriation which are less than \$25,000.00 shall be paid to the Chargor and shall be re-invested in the Property. All proceeds of expropriation which exceed \$25,000.00 (or following an Event of Default, all expropriation proceeds) shall be paid to and held by the Chargee and may be applied by the Chargee, at its sole option exercisable in its sole discretion, to reduction of the Loan Indebtedness then due or may be held by the Chargee as security for the Loan Indebtedness.

ARTICLE 7 - EVENT OF DEFAULT AND REMEDIES

7.01 Acceleration. Upon an Event of Default, the entire Loan Indebtedness shall, at the option of the Chargee in its sole discretion, immediately become due and payable, with interest thereon at the Interest Rate to the date of actual payment thereof, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, each of which are hereby expressly waived, and all the Chargee's rights and remedies under this Charge, the Loan Documents, and otherwise at law and in equity shall immediately become enforceable.

7.02 Power of Sale. After an Event of Default which has continued for the minimum period provided by law, the Chargee, on giving the minimum notice required by law, may enter on, lease or sell the Property. Any sale of the Property by the Chargee may be by public auction or private sale for such price and on such terms as to credit and otherwise with such conditions of sale as the Chargee in its sole discretion deems proper and in accordance with Applicable Laws. If any sale is for credit or for part cash and part credit, the Chargee will not be accountable for or be charged with any monies until they are actually received. The Chargee may rescind or vary any contract or sale and may buy and re-sell the Property without being answerable for loss occasioned thereby. No purchaser will be bound to inquire into the legality, regularity or propriety of any sale or be affected by notice of any irregularity or impropriety. No lack of default, want of notice or other requirement or any irregularity or impropriety of any kind will invalidate any sale pursuant to this Charge and the purchaser shall not be responsible for any damage or loss caused thereby. The Chargee may sell without entering into actual possession of the Property and while in possession will be accountable only for monies which are actually received by it. The Chargee may, subject to the restrictions of Applicable Laws, sell parts of the Property from time to time to satisfy any portion of the Loan Indebtedness, leaving the remainder of the Property as security for the balance of the Loan Indebtedness. The Chargee may sell the Property or any portion thereof subject to the balance of the Loan Indebtedness not yet due at the time of such sale. The costs of any sale proceedings pursuant to this Charge, whether such sale

proves abortive or not, including taking, recovering or keeping possession of the Property or enforcing any other remedies pursuant to this Charge, shall be payable upon demand by the Chargor to the Chargee with interest thereon at the Interest Rate and until paid shall be added to the Loan Indebtedness and secured by this Charge.

7.03 General Rights of Chargee. After an Event of Default, the Chargee may, but will not be obligated to do so, perform or cause to be performed any obligations of the Chargor pursuant to this Charge and the Loan Documents, and for such purpose may do such things as may be required, including entering upon the Property and doing such things upon or in respect of the Property as the Chargee reasonably considers necessary. No such performance by the Chargee shall relieve the Chargor from any default hereunder. The costs of all such actions taken by the Chargee shall be payable by the Chargor to the Chargee forthwith upon demand. Until paid, such costs together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness and secured by this Charge.

7.04 Possession. Upon an Event of Default, the Chargee may enter into and take possession of the Property and shall be entitled to have, hold, use, occupy, possess and enjoy the Property without let, suit, hindrance, interruption or denial of the Chargor or any other Person. The Chargee may maintain, repair and complete the construction of the Property, inspect, manage, take care of, collect Rents and lease the Property or any part thereof for such terms and for such rents (which may extend beyond the Maturity Date) and on such conditions and provisions (including providing any leasehold improvements and tenant inducements) as the Chargee may determine in its sole discretion, which lease shall have the same effect as if made by the Chargor, and all costs, charges and expenses incurred by the Chargee in the exercise of such rights (including allowances for the time, service or effort of any Person appointed by the Chargee for the above purposes, and all reasonable legal fees and disbursements incurred on a full indemnity basis), together with interest thereon at the Interest Rate, shall be payable forthwith by the Chargor to the Chargee, and until paid shall be added to the Loan Indebtedness and shall be secured by this Charge. Each lease or renewal of lease made by the Chargee while in possession of the Property shall continue for its full term notwithstanding the termination of the Chargee's possession. No Lender Entity shall be liable for any loss or damage sustained by the Chargor or any other Person resulting from any lease entered into by the Chargee, any failure to lease the Property, or any part thereof, or from any other act or omission of the Chargee or any receiver in managing the Property, nor shall any Lender Entity be obligated to perform or discharge any obligation or liability of the Chargor under any Lease, Loan Document or otherwise at law or in equity.

7.05 Carry on Business. Upon any Event of Default, the Chargee may in its sole discretion, carry on, or concur in the carrying on of all or any part of the business or undertaking of the Chargor relating to the Property and enter on, occupy and use the Property without charge by any Borrower Entity.

7.06 Borrow on Security of Property. Upon an Event of Default, the Chargee may raise money on the security of the Property or any part thereof in priority to this Charge or otherwise, as reasonably required for the purpose of the maintenance, preservation, protection or completion of the Property or any part thereof or to carry on all or any part of the business of the Chargor relating to the Property.

7.07 Receiver. Upon any Event of Default, the Chargee may in its discretion, with or without entering into possession of the Property or any part thereof, by instrument in writing, appoint a receiver (which shall include a receiver, a manager or a receiver and manager) of the Property or any part thereof ("**Receiver**") with or without security and may from time to time remove any Receiver with or without appointing another in his stead, and in making such appointment or appointments or removing a Receiver the Chargee shall be deemed to be acting for the Chargor (provided that no such appointment shall be revocable by the Chargor). Upon the appointment of any such Receiver from time to time, and subject to the provisions of the instrument appointing such Receiver, the following provisions shall apply: (a) such Receiver may, in the discretion of the Chargee and by writing, be vested with all or any of the rights, powers and discretions of the Chargee; (b) such Receiver, so far as concerns the responsibility for his acts or omissions, shall be deemed the agent or attorney of the Chargor and not the agent of the Chargee (unless specifically appointed by the Chargee as the agent of the Chargee); (c) neither the appointment, removal or termination of such Receiver by the Chargee nor any act or omission by such Receiver shall incur or create any liability on the part of the Chargee to the Receiver in any

respect or constitute the Chargee a chargee or mortgagee in possession of the Property or any part thereof; (d) such Receiver shall be the irrevocable agent or attorney of the Chargor (unless the Chargee specifically appoints such Receiver as the agent for the Chargee) for the collection of all Rents falling due in respect of the Property or any part thereof; (e) the rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have; (f) the Chargee may from time to time fix the remuneration for such Receiver, who shall be entitled to deduct the same out of revenue or sale proceeds of the Property; (g) such Receiver shall have the power from time to time to lease any portion of the Property which may become vacant for such term (which may extend beyond the Maturity Date) and shall have the power to accept surrenders of or terminate any lease, in each case on such terms and conditions as it may determine in its sole discretion and in so doing such Receiver shall act as the attorney or agent of the Chargor and shall have authority to execute under seal any lease or surrender of any such premises or notices of termination in the name of and on behalf of the Chargor, and the Chargor agrees to ratify and confirm whatever any Receiver may do in respect of the Property; (h) such Receiver may make such arrangements, at such time or times as it may deem necessary without the concurrence of any other Person, for the repairing, completing, adding to, or managing of the Property, including completing the construction of any incomplete building or buildings, structures, services or improvements on the Property, and constructing or providing for leasehold improvements notwithstanding that the resulting cost may exceed the original Principal Amount; (i) such Receiver shall have full power to manage, operate, amend, repair or alter the Property or any part thereof in the name of the Chargor for the purpose of obtaining rental and other income from the Property or any part thereof; (j) no Receiver shall be liable to the Chargor to account for monies other than monies actually received by it in respect of the Property and out of such monies so received from time to time such Receiver shall pay in the following order: (i) its remuneration aforesaid; (ii) all obligations, costs and expenses made or incurred by it, including any expenditures in connection with the management, operation, amendment, repair, construction or alteration of the Property or any part thereof or any business or undertaking carried on by the Receiver thereon; (iii) interest, principal and other monies which may be or become a Lien upon the Property from time to time in priority to this Charge, including all Realty Taxes; (iv) to the Chargee, all Loan Indebtedness and any reserves payable to the Chargee under the Commitment Letter, to be applied in such order as the Chargee in its discretion shall determine; and (v) at the discretion of the Receiver, interest, principal and other monies which may from time to time constitute a Lien on the Property subsequent in priority or subordinate to the interest of the Chargee under this Charge, and such Receiver may retain in its discretion reasonable reserves to satisfy accruing amounts and anticipated payments in connection with any of the foregoing; (k) the Chargee may at any time and from time to time terminate any receivership by notice in writing to the Chargor and to any Receiver; and (l) the Chargor hereby releases and discharges the Chargee and every Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any Person claiming through or under it by reason or as a result of anything done by the Chargee or any Receiver under the provisions of this section. The Chargor agrees to ratify and confirm all actions of any Receiver taken or made pursuant to this provision and agrees that neither the Receiver nor any other Lender Entity shall be liable for any loss sustained by the Chargor or any other Person resulting from any such action or failure to act.

7.08 Power of Attorney. The Chargor hereby grants to the Chargee, with full power of substitution, an irrevocable power of attorney coupled with an interest for the following purposes: (i) to make any of the leases referred to in Section 7.04; (ii) to obtain, collect and receive any insurance proceeds or expropriation awards however arising with respect to the Property, to compromise or settle any claims relating to such proceeds or awards, to endorse any cheques, drafts or other instruments representing such proceeds or awards, and to execute and deliver all instruments, proofs of loss, receipts, and releases reasonably required in connection therewith; (iii) to correct any mistakes in and otherwise completing and perfecting any Loan Documents; (iv) to protect, perfect, preserve the security of the Loan Documents and, following an Event of Default, to collect, enforce and realize on or under the Loan or the Loan Documents including the exercise of any of the rights, powers, authority and discretion of the Chargor in respect of the Property, including collection of Rents and other money that may become or are now due and owing to the Chargor; and (v) without limiting the foregoing, to make all necessary conveyances, deeds, transfers, assurances, receipts and other documents and instruments as may be necessary to transfer good and marketable title to all or any of the Property and to complete all other matters pertaining thereto. The Chargor hereby ratifies all actions of the Chargee

pursuant to such power of attorney and confirms that no Lender Entity shall be liable for any loss sustained by the Chargor or any other Person resulting from any such action or any failure to act.

7.09 Concurrent Remedies. The Chargee may exercise all rights and remedies provided for in this Charge, any Loan Document or otherwise under Applicable Laws concurrently or in such order and at such times as it may see fit and will not be obligated to exhaust any right or remedy before exercising any of its other rights or remedies provided for in this Charge, any Loan Document or otherwise under Applicable Laws.

7.10 Judgments. The taking of a judgment or judgments against the Chargor or any other Person for breach of its obligations contained in this Charge or any Loan Document will not merge or extinguish such obligations or affect the Chargee's rights to interest on the Loan Indebtedness at the Interest Rate. Any such judgment may provide that interest thereon will be computed at the Interest Rate until such judgment is fully paid and satisfied.

7.11 Remedies Cumulative. The rights and remedies of the Chargee under the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies otherwise provided under Applicable Laws. No right or remedy of the Chargee shall be exclusive of or dependent on any other right or remedy and any one or more of such rights and remedies may be exercised independently or in combination from time to time. Any single or partial exercise by the Chargee of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in any Loan Document shall not waive, alter, affect or prejudice any other right or remedy to which the Chargee may be lawfully entitled for such default or breach.

7.12 Extension of Time and Waiver. Neither any extension of time given by the Chargee to the Chargor or any Person claiming through the Chargor, nor any amendment to any Loan Document or other dealing by the Chargee with a subsequent owner of the Property will in any way affect or prejudice the rights of the Chargee against the Chargor or any other Person or Persons liable for payment of the Loan Indebtedness. The Chargee may waive any Event of Default in its sole discretion. No waiver will extend to a subsequent Event of Default, whether or not the same as or similar to the Event of Default waived, and no act or omission by the Chargee will extend to, or affect, any subsequent Event of Default or the rights of the Chargee arising from such Event of Default. Any such waiver must be in writing and signed by the Chargee. No failure on the part of the Chargee or the Chargor to exercise, and no delay by the Chargee or the Chargor in exercising, any right pursuant to this Charge or any Loan Document will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right or the exercise of any other right.

7.13 Discharge of Charge and Release. The Chargee will have a reasonable period of time after full payment and satisfaction of the Loan Indebtedness to prepare and execute a discharge of this Charge. Interest at the Interest Rate will continue to run and accrue on all Loan Indebtedness until full payment has been received by the Chargee. All reasonable legal and other expenses for the preparation, execution, delivery and registration of the discharge will be paid by the Chargor upon demand. The Chargor shall register such discharge. The Chargee may release in its discretion and at any time any Person or any part or parts of the Property from all or any part of the Loan Indebtedness or any security of the Loan Documents either with or without any consideration and without releasing any other part of the Property or any other Person from the Loan Documents or from any of the covenants contained in the Loan Documents, and without being accountable to the Chargor for the value of the land released or for any money except that actually received by the Chargee. Every part or lot into which the Property is or may hereafter be divided will stand charged with the entire Loan Indebtedness. The Chargee may grant time, renewals, extensions, indulgences, releases and discharges, may take securities from and give the same up, may abstain from taking securities from or from perfecting securities, may accept compositions and proposals, and may otherwise deal with the Chargor and all other Persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under the Loan or the Loan Documents.

ARTICLE 8 - INDEMNITY

8.01 General Indemnity. Without limiting any other provision of any Loan Document, the Chargor shall indemnify and pay, protect, defend and save harmless the Chargee from and against all actions, proceedings, claims, demands, judgments, losses, damages, liabilities, costs

or expenses (including legal fees and disbursements on a full indemnity basis), imposed upon, made against or incurred by the Chargee arising from or relating to directly or indirectly (i) any breach of any Loan Document by any Borrower Entity or any remedial or other proceedings taken by any Lender Entity thereunder or pursuant thereto; (ii) any accident, injury to or death of any person or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, parking areas, streets or ways; (iii) any use, non-use or condition in, on or about, or possession, alteration, repair, operation, maintenance or management of, the Property or any part thereof or on the adjoining sidewalks, curbs, parking areas, streets or ways; (iv) performance of any labour or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (v) any claim by brokers, finders or similar Persons claiming to be entitled to a commission in connection with the Loan, any Lease or other transaction involving the Property or any part thereof; (vi) any taxes, fees, costs or expenses attributable to the execution, delivery, filing, or recording of any Loan Document; (vii) any Lien or other claim arising on or against the Property or any part thereof or asserted against any Lender Entity with respect thereto; and/or (viii) the claims of any tenant or other Person arising under or relating to any Lease. Any amounts payable to the Chargee hereunder shall constitute part of the Loan Indebtedness, bear interest at the Interest Rate until paid and shall be secured by this Charge.

ARTICLE 9 - OTHER SECURITY

9.01 General Assignment of Rents and Leases. As general and continuing security for payment and performance of the Loan Indebtedness, the Chargor hereby assigns, transfers, grants and sets over to the Chargee, as and by way of a first fixed and specific assignment and security interest, all legal and beneficial right, title and interest in and to (i) the Rents now or hereafter due and payable with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents in the name of the Chargor or the owner from time to time of the Property or in the name of the Chargee, as the Chargee may determine in its sole discretion; and (ii) the Leases with full benefit and advantage thereof including the benefit of all covenants and agreements contained in the Leases on the part of the tenants therein or any guarantor or indemnitor thereof to be observed, performed or kept, including all proceeds of or from any of the foregoing. This assignment and security interest is in addition to and not in substitution for any other general assignment of the Rents and Leases and other security granted by the Chargor to the Chargee to secure the Loan Indebtedness.

9.02 General Security Agreement. As general and continuing security for the payment and performance of the Loan Indebtedness, the Chargor hereby grants to the Chargee a security interest in all present and future undertaking and property of any nature or kind, both real and personal, of the Chargor comprising or otherwise relating to the Property (collectively, the "Collateral") with the right to possess, use or sell the Collateral, in whole or in part, upon an Event of Default, and as further general and continuing security for the payment and performance of the Loan Indebtedness, the Chargor hereby assigns the Collateral to the Chargee and mortgages and charges the Collateral as and by way of a fixed and specific mortgage and charge to the Chargee. Without limiting the foregoing, the Collateral shall include all replacements of, substitutions for and increases, additions and accessions to any real or personal property comprising the Collateral and all proceeds of any Collateral in any form derived directly or indirectly from any dealing with the Collateral or that indemnifies or compensates for the loss of or damage to the Collateral; provided that the said security interest, assignment, mortgage and charge will not (i) extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Chargor, but should the Chargee enforce the said security interest, assignment, mortgage and charge, the Chargor will thereafter stand possessed of such last day and must hold it in trust to assign the same to any Person acquiring such term in the course of the enforcement of the said assignment and mortgage and charge; or (ii) render the Chargee liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Chargor is a party or by which it is bound. This security interest, assignment, mortgage and charge is in addition to and not in substitution for any other general security agreement and other security granted by the Chargor to the Chargee to secure the Loan Indebtedness.

ARTICLE 10 - MISCELLANEOUS

10.01 Notice

(1) Any notice, demand or other communication required or permitted to be given or made to the Chargor pursuant to this Charge may be given or made in any manner permitted or provided by the laws applicable thereto, notwithstanding any provision of any Loan Document to the contrary. Subject to the foregoing, any such notice, demand or communication may be given or made, at the option of the Chargee by personal delivery, by prepaid ordinary or registered mail (to the address for service of the Chargor set out in this Charge or to the last known address of the Chargor as shown in the Chargee's records) or by facsimile transmission to the facsimile number of the Chargor set out in Subsection 10.01(2) or the last known facsimile number of the Chargor as shown in the Chargee's records. Such notice will be sufficient although not addressed to any Person by name or designation and notwithstanding that any Person to be affected thereby may be unknown, unascertained or under a disability. Subject to Applicable Laws, the giving of such notice in the manner aforesaid will be as effective as if the notice had been personally served on all Persons required to be served therewith.

(2) Subject to Subsection 10.01(1), any demand, notice or communication to be made or given in connection with this Charge or any of the Loan Documents shall be in writing and may be made or given by personal delivery, by registered mail or by facsimile transmission addressed to the Chargor or the Chargee at its address for service indicated in the Computer Field of this Charge entitled "Chargor/s" and "Chargee/s" respectively, or to such other address, individual or facsimile number as any party may designate by notice given to the others in accordance with this section. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, and if made or given by registered mail, on the third Business Day following the deposit thereof in the mail, and if made or given by facsimile transmission, on the first Business Day following the transmittal thereof. If the party giving any demand, notice or other communication knows or reasonably ought to know of any difficulties with the postal system that might affect the delivery of mail, such demand, notice or other communication shall not be mailed, but shall be given by personal delivery or by facsimile transmission.

10.02 Severability. If any term, covenant, obligation or agreement contained in this Charge, or the application thereof to any Person or circumstance, shall be invalid or unenforceable to any extent, the remaining provisions of this Charge or the application of such term, covenant, obligation or agreement to such other Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, obligation or agreement contained herein shall be separately valid and enforceable to the fullest extent permitted by law.

10.03 Governing Law. This Charge shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws other than the laws in force in Ontario applying to this Charge; and the Chargor consents to the jurisdiction of the courts of the Province of Ontario and irrevocably agrees that, subject to the Chargee's election in its sole discretion, all actions or proceedings arising out of or relating to this Charge shall be litigated in such courts and the Chargor unconditionally accepts the non-exclusive jurisdiction of the said courts and waives any defence of *forum non-conveniens*, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Charge, provided nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the Chargee to bring proceedings against the Chargor or any other Borrower Entity in the courts of any other jurisdiction.

10.04 Non-Merger. The terms and conditions of the Loan Documents will remain binding and effective on the parties to this Charge and will not merge in this Charge nor in any Loan Document.

10.05 Successors and Assigns. This Charge will enure to the benefit of and be binding upon the Chargor, the Chargee and their respective heirs, estate trustees, legal representatives, successors and assigns.

10.06 No Obligation to Advance. Neither the preparation, execution nor registration of this Charge will bind the Chargee to advance all or any part of the Principal Amount. The advance of a part of the Principal Amount will not bind the Chargee to advance any unadvanced portion of the Principal Amount. Each advance of the Loan shall be subject to and governed by the terms and conditions of the Commitment Letter.

10.07 Consent to Disclosure. The Chargor acknowledges and agrees that the Loan may be syndicated without further notice to or the consent of the Chargor or any other Borrower Entity. Each Lender Entity from time to time may release, disclose, exchange, share, transfer and assign as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, lease defaults or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by any Lender Entity relating to any Borrower Entity, the Property or the Loan (both before and after any Loan advance and/or default) without restriction and without notice to or the consent of the Chargor or any other Borrower Entity as follows: (i) to any other Lender Entity; (ii) to any subsequent or proposed purchaser of the Loan, including any subsequent or proposed Lender Entity, and its respective third party advisers and or agents, such as lawyers, accountants, consultants, appraisers and credit verification sources; and (iii) to any other Person in connection with the sale or assignment of the Loan or in connection with any collection or enforcement proceedings taken under or in respect of the Loan and/or the Loan Documents. The Chargor irrevocably consents to the collection, obtaining, release, disclosure, exchange, sharing, transfer and assignment of all such information and materials.

10.08 Change of Status. After any change affecting the spousal status of the Chargor or the qualification of the Property as a matrimonial home within the meaning of Part II of the *Family Law Act* (Ontario), the Chargor will advise the Chargee and provide the Chargee with the full particulars of such change and such other information as the Chargee may require from time to time.

10.09 Maximum Rate of Return. Notwithstanding any provision of any Loan Document to the contrary, in no event will the aggregate "interest" (as defined in Section 347 of the *Criminal Code* (Canada)) payable under the Loan exceed the effective annual rate of interest lawfully permitted under that Section and, if any payment, collection or demand pursuant to the Loan in respect of "interest" (as defined in that Section) is determined to be contrary to the provisions of that Section, such payment, collection or demand will be deemed to have been made by mutual mistake of the Chargor and Chargee and the amount of such payment or collection shall either be applied to the Loan Indebtedness (whether or not due and payable), and not to the payment of interest (as defined in section 347 of the said *Criminal Code*), or be refunded to the Chargor at the option of the Chargee. For purposes of each Loan Document, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of the Loan on the basis of annual compounding of the lawfully permitted rate of interest. In the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Chargee will be conclusive for the purposes of such determination.

10.10 Assignment. This Charge may be assigned by the Chargee at any time without prior notice to or consent of the Chargor. The Chargor shall not assign any of its rights and obligations under this Charge.

10.11 Condominium Provisions. If any part the Property is a condominium unit (a) the Chargor shall promptly observe and perform all of its covenants, duties and obligations under or pursuant to the *Condominium Act* (Ontario) and the declaration, by-laws and rules of the condominium corporation created by registration of the declaration and the description relating thereto of which the condominium unit forms part (the "**Condominium Corporation**"); (b) the Chargor will pay promptly when due any and all contributions to common expenses and all other levies, charges and assessments made, assessed or levied by or on behalf of the Condominium Corporation payable in respect of, or charged to the owner of, the Property (all such common expenses, levies, charges, assessments are called "**unit charges**"); (c) upon request by the Chargee from time to time, the Chargor shall provide satisfactory proof to the Chargee that all unit charges have been paid in full; (d) if the Chargor does not pay any unit charges when due, then, without limiting any of other rights and remedies of the Chargee hereunder or otherwise at law or in equity, the Chargee may (but shall not be obligated to do so) pay the same and the amount so paid together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness and secured by this Charge and shall be payable forthwith to the Chargee upon demand; (e) promptly following receipt thereof, the Chargor shall deliver to the Chargee copies of every notice, assessment, request, claim or demand, notice of meeting and all other documentation or information of any kind relating to the condominium unit or the Condominium Corporation received by the Chargor so that the Chargee receives them at least ten days prior to the date that any response, payment or other action is required; (f) any default by the Chargor under this

section (regardless of any action or proceedings taken or proposed by the Condominium Corporation) shall be an Event of Default under this Charge; (g) the Chargor hereby irrevocably assigns to the Chargee, and irrevocably authorizes and empowers the Chargee to exercise, all rights of the Chargor as the owner of the Property to vote or to consent to all matters relating to the affairs of the Condominium Corporation, provided however that (i) the Chargee may at any time and from time to time give notice in writing to the Chargor and to the Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes such notice the Chargor may exercise the right to vote or consent in respect of all matters not requiring a unanimous resolution (any such notice may be for an indeterminate period of time or for a specific meeting or matter); (ii) the Chargee's right to vote and consent do not impose any obligation on the Chargee to consult with the Chargor as to the manner in which such right to vote or consent will be exercised or not exercised or to protect the Chargor's interests and the Chargee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and (iii) neither this assignment and authorization in favour of the Chargee nor the exercise by the Chargee of the right to vote or consent shall constitute the Chargee a mortgagee in possession nor give rise to any liability on the part of the Chargee; (h) this Charge includes a mortgage, charge, assignment and sublease in favour of the Chargee of any lease or rights to occupy any parking space or spaces in the building of which the Property forms part demised to or reserved or designated for exclusive use by the Chargor or its condominium unit and of any lease or right to exclusive use of any common property or special privileges in respect thereof granted to the Chargor or its condominium unit; (i) without limiting the obligations of the Chargor under Article 5 hereof, the Chargor shall cause the Condominium Corporation to maintain the insurance required by Article 5 of this Charge with respect to all of the Property which is governed by the *Condominium Act* (Ontario) for the benefit of the Chargee and shall cause the Condominium Corporation to comply fully with the terms of the required policies of insurance and the insurance provisions of the *Condominium Act* (Ontario) and the declaration, by-laws and rules of the Condominium Corporation; (j) in addition to the Events of Default defined in Section 1.01, it shall be an Event of Default if (i) the government of the Property by the Condominium Corporation or any part thereof by the *Condominium Act* (Ontario) is terminated; or (ii) a vote of the Condominium Corporation authorizes the sale of all or substantially of its property or assets or all or any part of its common elements which are all or any part of the Property, or if any part of such common elements of the Condominium Corporation is expropriated; or (iii) the Condominium Corporation fails to comply with any provision of the *Condominium Act* (Ontario) or the declaration, by-laws or any of the rules of the Condominium Corporation; or (iv) the Condominium Corporation fails to insure the condominium units and the common elements governed by it in accordance with the *Condominium Act* (Ontario) and declaration and by-laws of the Condominium Corporation; or (v) in the Chargee's opinion, the Condominium Corporation fails to manage its property and assets in a prudent and businesslike manner and in keeping with the highest standards for similar properties in the locality in which the Property is located.

10.12 Multi-Residential Properties. If the Property is a multi-residential property, the Chargor represents and warrants with respect to the Property as follows: (a) except as permitted under Applicable Laws in respect of residential housing (i) no demolition, conversion, renovation, repair or severance has taken place with respect to the Property; and (ii) there have been no increases in the rental rate charged for any residential rental unit or units on the Property; (b) in accordance with Applicable Laws in respect of residential housing (i) all rents charged with respect to the Property are lawful rents and all required rebates have been paid; and (ii) all required filings have been made and were timely, accurate and complete; (c) under Applicable Laws in respect of residential housing (i) no applications, investigations or proceedings have been commenced or made; and (ii) there are no outstanding orders or decisions made by any Governmental Authority with respect to the Property or any residential rental unit. On or before the date of the first Loan advance, the Chargor shall provide a statutory declaration by an officer or director of the Chargor that the above representations and warranties are true and correct. The Chargor shall deliver to the Chargee on or before the date of the first Loan advance all documents required to establish the legality of rents. The Chargor hereby authorizes all Government Authorities having jurisdiction over residential housing to release to the Chargee or its solicitors any and all information contained in their files. The Chargor shall comply with the provisions of all Applicable Laws in respect of residential housing during the term of the Loan. In the event of a breach of this covenant or in the event that any of the representations and warranties hereinabove contained are false, the outstanding Principal Amount and any accrued interest shall, at the Chargee's option, become immediately due and payable.

EXHIBIT "F"

This is Exhibit "F" referred to in the
affidavit of Sergiu Cosmin
sworn before me, this 9th
day of June 2017

[Signature]
A COMMISSIONER FOR TAKING AFFIDAVITS

Paul Joseph Demarco, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires July 6, 2019.



GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

1.01 For value received, 2203284 ONTARIO INC. (the "**Debtor**") hereby grants to DUCA FINANCIAL SERVICES CREDIT UNION LTD. (the "**Secured Party**") a security interest (the "**Security Interest**") in the present and future undertaking and property, both real and personal, of the Debtor (collectively the "**Collateral**") and as further general and continuing security for the payment and performance of the Indebtedness, the Debtor hereby assigns the Collateral to the Secured Party and mortgages and charges the Collateral as and by way of a fixed and specified mortgage and charge to the Secured Party. Without limiting the generality of the foregoing, Collateral shall include all the right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to, or acquire in all property of the following kinds: all goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), accounts, chattel paper, documents of title (whether negotiable or not), equipment, instruments, intangibles, inventory, money and securities and in all proceeds and renewals thereof, accretions thereto and substitutions therefor and including the following:

- ☒ all inventory of whatever kind and wherever situated;
- ☒ all equipment (other than inventory) of whatever kind and wherever situated, including all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- ☒ all accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including guarantees, indemnities, letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (hereinafter collectively called "**Debts**");
- ☒ all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- ☒ all contractual rights, licences and insurance claims and all goodwill, patents, trademarks, copyrights, and other intellectual property and industrial property and any rights of renewal or extension thereof;

- ☒ all monies other than trust monies lawfully belonging to others; and
- ☒ all property described in any schedule now or hereafter annexed hereto.

- 1.02 The Security Interest granted hereby shall not extend or apply to and the Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term, including, without limitation, the Secured Party.
- 1.03 The terms "accessions", "account", "chattel paper", "document of title", "equipment", "goods", "instrument", "intangible", "inventory", "money", "personal property", "proceeds" and "security" whenever used herein have the meanings given to those terms in the *Personal Property Security Act* (Ontario) (the "**P.P.S.A.**"). Provided always that the term "goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A., and the term "inventory" when used herein shall include livestock and the young thereof after conception, crops that become growing crops, fish after they are caught, minerals or hydrocarbons after they are extracted and timber after it is cut. Any reference herein to the "Collateral" shall, unless the context otherwise requires, be deemed a reference to the "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

- 2.01 The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of the Debtor to the Secured Party (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is at any time and from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "**Indebtedness**"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Secured Party shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

- 3.01 The Debtor represents and warrants and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that,

- (a) the Collateral is genuine and owned by the Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "**Encumbrances**"), save for the Security Interest and those Encumbrances approved in writing, prior to their creation or assumption, by the Secured Party (hereinafter collectively called "**Permitted Encumbrances**"); provided, that nothing in the foregoing definition of "Permitted Encumbrances" or otherwise in this Agreement shall (i) be construed as evidencing an intention or agreement on the part of the Secured Party that the Security Interest or the Indebtedness be or have been subordinated to any such Permitted Encumbrances; or (ii) cause any such subordination to occur.
- (b) to the best of the knowledge, information and belief of the Debtor, (i) each Debt, chattel paper and instrument constituting the Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Debtor**"), and the amount represented by the Debtor to the Secured Party from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable; and (ii) no Account Debtor now has any defence, set off, claims or counterclaim against the Debtor which can be asserted against the Secured Party, whether in any proceeding to enforce the Collateral or otherwise; and
- (c) the locations specified in Schedule "A" attached hereto as to the location of the business operations and records of the Debtor are accurate and complete and, with respect to goods (including inventory) constituting the Collateral, the locations specified in Schedule "A" are accurate and complete, save for goods in transit to such locations and inventory on lease or consignment; and all fixtures or goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situated at one of such locations.

4. COVENANTS OF DEBTOR

4.01 So long as this Agreement remains in effect the Debtor covenants and agrees,

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and the Permitted Encumbrances; and not to sell, exchange, transfer, assign, lease, or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Secured Party; provided always that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease inventory

and, subject to section 7.01 hereof, use monies available to the Debtor and the Debtor may sell or otherwise dispose of equipment which has become worn out or damaged or otherwise unsuitable for its purpose on condition that the Debtor shall substitute therefor, subject to the Security Interest, property of equal or greater value so that the Collateral shall not thereby be in any way reduced or impaired;

- (b) to notify the Secured Party in writing promptly of,
 - (i) any change in the information contained herein relating to the Debtor, the Debtor's business or the Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting the Debtor or the Collateral;
 - (iv) any significant loss of or damage to the Collateral;
 - (v) any material default by any Account Debtor in payment or other performance of its obligations with respect to the Collateral; and
 - (vi) the return to or repossession by the Debtor of the Collateral;
- (c) to keep the Collateral in good order, condition and repair and not to use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, information and things as may be reasonably requested by the Secured Party with respect to the Collateral in order to give effect to this agreement and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same become due and payable;
- (f) to insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Secured Party shall reasonably direct with loss payable to the Secured Party and the Debtor, as

insureds, as their respective interests may appear, and to pay all premiums therefor;

- (g) to prevent the Collateral, save inventory sold or leased as permitted hereby, from being or becoming an accession to other property not charged by this Agreement;
- (h) to carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral, and mark in the manner specified by the Secured Party from time to time any and all such records and the Collateral at the Secured Party's request so as to indicate the Security Interest; and
- (i) to deliver to the Secured Party from time to time promptly upon request,
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to the Collateral; and
 - (v) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Secured Party may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

- 5.01 Subject to compliance with the Debtor's covenants contained herein and section 7.01 hereof, the Debtor may, until default, possess, operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to

all places where the Collateral may be located and to all premises occupied by the Debtor.

6. SECURITIES

- 6.01 If the Collateral at any time includes shares in any affiliates of the Debtor, the Debtor authorizes the Secured Party to transfer the same or any part thereof into its own name or that of its nominee. If the Collateral at any time includes Securities, other than shares in any affiliates of the Debtor, the Debtor authorizes the Secured Party, upon default, to transfer the same or any part thereof into its own name or that of its nominee so that the Secured Party or its nominee may appear of record as the sole owner thereof. After any transfer as aforesaid, the Debtor waives all right to receive any notices or communications received by the Secured Party or its nominee as such registered owner. Subject to the foregoing, upon the request of the Secured Party, the Debtor will instruct the issuer, clearing agency, custodian or nominee to make an entry in its records of the Secured Party's security interest in the Securities so as to effect delivery to and possession by the Secured Party of those securities.

7. COLLECTION OF DEBTS

- 7.01 Before or after default under this Agreement, the Secured Party may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on the Collateral to the Secured Party. The Debtor acknowledges that any payments on or other proceeds of the Collateral received by the Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Agreement, shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

- 8.01 Until default, the Debtor reserves the right to receive any monies constituting income from or interest on the Collateral and if the Secured Party receives any such monies prior to default, the Secured Party shall either credit same against the Indebtedness or pay the same promptly to the Debtor.
- 8.02 After default, the Debtor will not request or receive any monies constituting income from or interest on the Collateral and if the Debtor receives any such monies, without any request by the Secured Party, the Debtor will pay the same promptly to the Secured Party.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

9.01 Whether or not default has occurred, the Debtor authorizes the Secured Party,

- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of sections 8.01 and 8.02 hereof and dealt with accordingly; and
- (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of the Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of the Collateral.

9.02 If the Debtor receives any such increase or profits (other than money) or payments or distributions, the Debtor will deliver the same promptly to the Secured Party to be held by the Secured Party as herein provided.

10. DISPOSITION OF MONIES

10.01 Subject to any applicable mandatory requirements of the P.P.S.A., all monies collected or received by the Secured Party pursuant to or in exercise of any right it possesses with respect to the Collateral shall be applied or reapplied on account of the Indebtedness in such manner as the Secured Party deems best in its sole discretion or, in the discretion of the Secured Party, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

11.01 The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) the non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement between the Debtor and the Secured Party;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to an individual Debtor;
- (c) the bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment or proposal for the benefit of Secured Parties by the Debtor; the appointment of a receiver

or trustee for the Debtor or for any assets of the Debtor; or the institution by or against the Debtor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada) or otherwise;

- (d) the institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Debtor;
- (e) if any Encumbrance affecting the Collateral becomes enforceable against the Collateral;
- (f) if the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or if a distress or analogous process is levied upon the assets of the Debtor or any part thereof; or
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement, or otherwise (including the representations and warranties contained herein) or as an inducement to the Secured Party to extend any credit to or to enter into this Agreement or any other agreement with the Debtor, proves to have been false or inaccurate in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Secured Party at or prior to the time of such execution.

12. ACCELERATION

- 12.01 The Secured Party, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable without demand or notice of any kind, in the event of default, or if the Secured Party in good faith believes and has commercially reasonable grounds to believe that a material adverse change has occurred in the financial and business position of the Debtor. The provisions of this section 12.01 are not intended in any way to affect any right of the Secured Party with respect to Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

- 13.01 Upon default, the Secured Party may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Secured Party or not, to be a receiver (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of the Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Secured Party, and the Secured Party shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any Receiver, his servants, agents or employees. Subject to the provisions of the instrument appointing him, any Receiver shall have power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral. To facilitate the foregoing powers, any Receiver may, to the exclusion of all others including the Debtor, enter upon by peaceable or forcible means at any time of the day or night, use and occupy all premises owned or occupied by the Debtor wherein the Collateral may be situated, maintain the Collateral upon such premises, borrow money on a secured or unsecured basis and use the Collateral directly in carrying on the Debtor's business or as security for loans or advances to enable him to carry on the Debtor's business or otherwise, as the Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Secured Party, all monies received from time to time by any Receiver in carrying out his appointment shall be received in trust for and paid over to the Secured Party. Every Receiver may, in the discretion of the Secured Party, be vested with all or any of the rights and powers of the Secured Party.
- 13.02 Upon default, the Secured Party may, either directly or through its agents or nominees, exercise all the powers and rights given to a Receiver by virtue of section 13.01 hereof.
- 13.03 The Secured Party may take possession of, collect, demand, sue on, enforce, recover and receive the Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Secured Party may sell, lease or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Secured Party may seem reasonable.
- 13.04 In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Secured Party and in addition to any other rights the Secured Party may have at law or in equity, the Secured Party shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Secured Party shall not be liable or

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accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of the Collateral or to institute any proceedings for such purposes. Furthermore, the Secured Party shall have no obligation to take any steps to preserve rights against prior parties to any instrument or chattel paper, whether Collateral or proceeds and whether or not in the Secured Party's possession, and shall not be liable or accountable for failure to do so.

- 13.05 The Debtor acknowledges that the Secured Party or any Receiver appointed by it may take possession of the Collateral wherever it may be located and by any method permitted by law, and the Debtor agrees upon request from the Secured Party or any Receiver to assemble and deliver possession of the Collateral at such place or places as directed.
- 13.06 In the event of default, the Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors' and auditors' costs, other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for dispositions and disposing of the Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses together with any monies owing as a result of any borrowing by the Secured Party or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of the Collateral and shall be secured hereby.
- 13.07 Unless the Collateral in question is perishable, the Secured Party believes on reasonable grounds that the Collateral in question will decline speedily in value, the Collateral in question is of the type customarily sold on a recognized market, the cost and storage of the Collateral is disproportionately large relative to its value or a court of competent jurisdiction orders otherwise, the Secured Party will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of the Collateral is to be made, as may be required by the P.P.S.A.

14. MISCELLANEOUS

- 14.01 The Debtor hereby authorizes the Secured Party to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying the Collateral or any permitted Encumbrances affecting the Collateral or identifying the locations at which the Debtor's business is carried on and the Collateral and records relating thereto are situate) as the Secured Party may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the

Collateral and to realize upon the Security Interest and the Debtor hereby irrevocably constitutes and appoints any officer or director from time to time of the Secured Party the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.

- 14.02 Without limiting any other right of the Secured Party, whenever Indebtedness is immediately due and payable or the Secured Party has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), the Secured Party may, in its sole discretion, set off against such Indebtedness any and all monies then owed to the Debtor by the Secured Party in any capacity, whether or not due, and the Secured Party shall be deemed to have exercised such right of setoff immediately at the time of making its decision to do so, even though any charge therefor is made or entered on the Secured Party's records subsequent thereto.
- 14.03 Upon the Debtor's failure to perform any of its duties hereunder, the Secured Party may, but shall not be obligated to do so, perform any or all of such duties, and the Debtor shall pay to the Secured Party, forthwith upon written demand therefor, an amount equal to the expense incurred by the Secured Party in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 18% per annum.
- 14.04 The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize the Security Interest. Furthermore, after default, the Secured Party may demand, collect and sue on the Collateral in either the Debtor's or the Secured Party's name, at the Secured Party's option, and may endorse the Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting the Collateral.
- 14.05 No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Secured Party may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

- 14.06 The Debtor waives protest, notice of protest, notice of presentment and notice of dishonour of any instrument constituting the Collateral at any time held by the Secured Party on which the Debtor is in any way liable and subject to section 13.07 hereof, notice of any other action taken by the Secured Party.
- 14.07 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, estate trustees, personal legal representatives, successors and assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.
- 14.08 Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- 14.09 Subject to the requirements of section 13.07 hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given if delivered by mail to the party for whom it is intended at the last known address of such party or if sent by prepaid registered mail addressed to the party for whom it is intended at the last known address of such party. Either party may notify the other pursuant hereto of any change in its address to be used for the purposes hereof.
- 14.10 This Agreement and the security created hereby is in addition to and not in substitution for any other security now or hereafter held by the Secured Party and is and is intended to be a continuing Agreement and shall remain in full force and effect until all Indebtedness contracted for or created, and any extensions or renewals thereof, together with interest accruing thereon shall be paid in full and this Agreement is discharged. If all the Indebtedness has been paid and satisfied and the Debtor has otherwise observed and performed all its obligations under this Agreement and is not then in default hereunder, then the Secured Party shall at the request and expense of the Debtor release and discharge the Security Interest and execute and deliver such deeds and other instruments as shall be requisite therefor.
- 14.11 In this Agreement (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the word "including" shall mean "including, without limitation,;"; (c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or

replaced from time to time, and any successor statute thereto; (d) reference to the Debtor, the Secured Party and any other person shall include their respective heirs, estate trustees, personal legal representatives, successors and assigns; (e) the division of this Agreement into separate Sections, Subsections and Schedules, and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement; (f) the Secured Party's right to give or withhold any consent or approval, make any determination or exercise any discretion shall be exercised by the Secured Party acting reasonably unless otherwise expressly provided, except that following default the Secured Party shall be entitled to exercise the same in its sole discretion; (g) if more than one person is named as, or otherwise becomes liable for or assumes the obligations and liabilities of the Debtor, then the obligations and liabilities of all such persons shall be joint and several; (h) time shall be of the essence; and (i) all obligations of the Debtor in this Agreement will be deemed to be covenants by the Debtor in favour of the Secured Party.

- 14.12 In the event any provisions of this Agreement shall be deemed invalid or void, in whole or in part, by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.
- 14.13 Nothing herein contained shall in any way obligate the Secured Party to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- 14.14 The Security Interest created hereby shall attach when this Agreement is signed by the Debtor and delivered to the Secured Party. The Debtor and the Secured Party acknowledge that value has been given and the Debtor has rights in the Collateral.
- 14.15 The Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby,
- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company; and
 - (b) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any "Indebtedness" of the amalgamated company to the Secured Party thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of

amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

- 14.16 This Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario as the same may from time to time be in effect, including, where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

- 15.01 The Debtor hereby acknowledges receipt of a copy of this Agreement and all financing statements in respect hereof. In the event that the Secured Party pays to the Debtor any penalties pursuant to subsection 46(7) of the P.P.S.A. then the Debtor shall indemnify and hold harmless the Secured Party from all costs, expenses, penalties or charges arising in connection with any action by or on behalf of the Debtor pursuant to subsection 46(7) of the P.P.S.A.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the 7th day of July, 2015.

2203284 ONTARIO INC.

Per:



Name: Luigi Santaguida

Title: President

I have authority to bind the Corporation

SCHEDULE "A"
(Locations)

1. Business Locations

98 James Street South, Hamilton

2. Location of Records relating to Collateral


93 Skyway Avenue, Suite 210, Toronto, ON, M9W 6N6
94 Brockport Drive, Toronto

3. Locations of Collateral

98 James Street South, Hamilton

EXHIBIT “G”

This is Exhibit "G" referred to in the
affidavit of Sergiu Cosmin
sworn before me, this 9th
day of June 2017


A COMMISSIONER FOR TAKING AFFIDAVITS

Paul Joseph Demarco, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires July 6, 2019.

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

yyyy mm dd Page 1 of 5

Properties

PIN 17171 - 0009 LT

Description PT LT 75 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON; PT LT 76 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON (BTN HUNTER ST, MACNAB ST, JACKSON ST & JAMES ST) AS IN HA59712; CITY OF HAMILTON

Address 98 JAMES ST S
HAMILTON**Applicant(s)**

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name 2203284 ONTARIO INC.

Address for Service 93 Skyway Avenue, Suite 210
Toronto, ON M9W 6N8

I, Luigi Santaguida, President, 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 DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Address for Service 5290 Yonge Street
Toronto, Ontario
M2N 5P9**Statements**

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, WE1048981 registered on 2015/07/08 to which this notice relates is deleted

Schedule: See Schedules

Signed ByEnzo Sallese 145 King Street West, Suite 2200 acting for Signed 2015 07 08
Toronto
M5H 4G2 Applicant(s)

Tel 416-362-3711

Fax 416-864-9223

I have the authority to sign and register the document on behalf of all parties to the document

Enzo Sallese 145 King Street West, Suite 2200 acting for Signed 2015 07 08
Toronto
M5H 4G2 Party To(s)

Tel 416-362-3711

Fax 416-864-9223

I have the authority to sign and register the document on behalf of all parties to the document

Submitted By

MINDEN GROSS LLP

145 King Street West, Suite 2200
Toronto
M5H 4G2

2015 07 08

Tel 416-362-3711

Fax 416-864-9223

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

yyyy mm dd Page 2 of 5

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Party To Client File Number : 4095670

Schedule of Required Clauses
For Attachment to Notice of Assignment of Rents - General

SCHEDULE

FOR THE VALUE RECEIVED, the Assignor doth hereby assign to the Assignee, all right, privileges, advantages and benefits whatsoever including all rental and other income arising pursuant to leases and/or agreements to lease and/or tenancies, (herein referred to as the "Leases"), now or hereafter affecting the lands and premises more particularly described in the Notice of Assignment of Rents - General attached hereto.

This assignment is given additional security for the payment of the sum recorded on the related Charge/Mortgage and all other sums secured by a charge/mortgage between the Assignor as Chargor/Mortgagor and the Assignee as Chargee/Mortgagee, charging/mortgaging the premises of which those demised in said Leases form all or part and which Charge/Mortgage is herein referred to as the "Mortgage". The security of this assignment is and shall be primary and on a parity with the real estate charged by said Mortgage and not secondary. All amounts collected hereunder, after deducting expense of collection, shall be applied on account of the indebtedness secured by said Mortgage, or in such other manner as may be provided in such Mortgage. Nothing herein contained shall be construed as constituting Assignee as trustee or mortgagee in possession.

The Assignor does hereby empower the Assignee, its agents or attorneys, to collect, sue for, settle, compromise and give acquittances for all of the rents that may become due under the said Leases and avail itself of and pursue all remedies for the enforcement of said Leases and Assignor's rights in and under the said Leases as the Assignor might have pursued but for this assignment.

The Assignor warrants that said Leases are in full force and effect, the copies thereof heretofore delivered to the Assignee are true and correct copies, the Assignor has not heretofore assigned or pledged the same or any interest therein, and no default exists on the part of the Lessees, or the Assignor, or Lessor, in the performance on the part of either, of the terms, covenants, provisions or agreements in said Leases contained; that no rent has been paid by any of the Lessees in advance, and that the payment of none of the rents to accrue under said Leases comprised by the Assignor directly or indirectly by assuming any Lessee's obligations with respect to other premises; that no security deposit has been made by Lessees under any of the Leases.

The Assignor waives any rights of set-off against the Lessees.

The Assignor covenants and agrees:

- (a) the Leases shall remain in full force and effect irrespective of any merger of the interest of the Lessor and Lessee thereunder; and that it will not transfer or convey the fee title to said premises to any of the Lessees without requiring such Lessees, in writing, to assume and agree to pay the debt secured by the Mortgage in accordance with the terms, covenants and conditions contained in the Mortgage;
- (b) that if Leases provided for the abatement of rent during the repair of the demised premises by reason of fire or other casualty, the Assignor shall furnish rental insurance to the Assignee, the policies to be in an amount and form and written by such insurance companies as shall be satisfactory to the Assignee;
- (c) not to terminate, modify or amend said Leases or any of the terms thereof, or grant any concessions in connection therewith, either orally or in writing, or to accept a surrender thereof without the written consent of the Assignee and that any attempted termination, modification or amendments of said Leases without such written consent shall be null and void;
- (d) not to collect any of the rent, income and profits arising or accruing under said Leases in advance of the time when the same become due under the terms thereof;
- (e) not to discount any future accruing rents;
- (f) not to execute any other assignments of said Leases or any interest therein or any of the rents thereunder;
- (g) to perform of the Assignor's covenants and agreements as Lessor under said Leases and not to suffer or permit to occur any release of liability of the Lessees, or any rights of the Lessees to withhold payment of rent; and to give prompt notices to the Assignee of any notice of default on the part of the Assignor with

respect to said Leases received from the Lessees thereunder, and to furnish Assignee with complete copies of said notices;

(h) that all offers to lease and Leases shall be bona fide, the terms of which are to be approved by the Assignee prior to execution, and shall be at rental rates and terms consistent with comparable space in the area of the lands and premises described herein;

(i) if so requested by the Assignee, to enforce said Leases and all remedies available to the Assignor against Lessees, in case of default under said Leases by the Lessees;

(j) that none of the rights or remedies of the Assignee under the Mortgage shall be delayed or in any way prejudiced by this assignment;

(k) that notwithstanding any variation of the terms of the Mortgage or any extension of time for payment hereunder, the Leases and benefits hereby assigned shall continue as additional security in accordance with the terms hereof;

(l) not to alter, modify or change the terms of any guarantees of any said Leases or cancel or terminate such guarantees without prior written consent of the Assignee;

(m) not to consent to any assignment of said Leases, or any subletting thereunder, whether or not in accordance with their terms, without the prior written consent of the Assignee;

(n) not to request, consent to, agree to or accept a subordination of said Leases to any mortgage or other encumbrance now or hereafter affecting the premises;

(o) not to exercise any right of election, whether specifically set forth in any such Leases or otherwise which would in any way diminish the tenant's liability or, have the effect of shortening the stated term of the lease; and

(p) to pay the costs, charges and expenses of any incidental to the taking, preparation and filing of this Agreement or any notice hereof which may be required and of every renewal related thereto.

Upon any vesting of title to the properties secured under the Mortgage in the Chargee/Mortgagee or other party by the Court order, operation of law, or otherwise or upon delivery of a deed or deeds pursuant to the Chargee/Mortgagee's exercise of remedies under the Mortgage, all right, title and interest of the Assignor in and to the Leases shall by virtue of this instrument thereupon vest in and become the absolute property of the party vested with such title or the grantee or grantees in such deed or deeds without any further act or assignment by the Assignor. Assignor hereby irrevocably appoints Assignee and its successors and assigns, as its agent and attorney in fact, to execute all instruments of assignment or further assurances in favour of such party vested with title or the grantee or grantees.

In the exercise of the powers herein granted to the Assignee, no liability shall be asserted or enforced against the Assignee, all such liability being hereby expressly waived and released by the Assignor. The Assignee shall not be obligated to perform or discharge any obligation, duty or liability under the Leases, or under or by reason of this assignment, and the Assignor shall and does hereby agree to indemnify the Assignee for, and to save and hold it harmless of and from, any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reasons of any obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should the Assignee incur any such liability, loss or damage under the Leases or under or by reason of this assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby, and the Assignor shall reimburse the Assignee therefore immediately upon demand.

Although it is the intention of the parties that this instrument shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding that the Assignee shall not exercise any of the rights or powers herein conferred upon it until a default shall occur under the terms and provisions of this assignment or of the Mortgage, but upon the occurrence of any such default, the Assignee shall be entitled upon notice to the Lessees, to all rents and other amounts then due under the Leases and thereafter accruing, and this assignment shall constitute a direction to and full authority to the Lessees to pay all such amounts to the Assignee without proof of the default relied upon. The Lessees are hereby irrevocably authorized to rely upon and comply with any notice or demand by the Assignee for the payment to the Assignee of any rental or other sums which may be thereafter become due under the Leases regardless whether any default under the Mortgage has actually occurred or is then existing.

This assignment is intended to be additional to, and not in substitution for, or in derogation of, any assignment of rents contained in the Mortgage or in any other document.

The assignment shall include any extensions and renewals of the Leases and any reference herein to the Leases shall be construed as including any such extensions and renewals.

This instrument shall be binding upon and enure to the benefit of the respective successors and assigns of the parties hereto. The words "Assignor", "Assignee" and "Lessees", wherever used herein, and designated as such and their respective heirs, administrators, successors and assigns, and all words and phrases shall be taken to include the singular or plural and masculine, feminine or neuter gender, as may fit the case.

08/13

EXHIBIT “H”

This is Exhibit "H" referred to in the
affidavit of Sergiu Cosmin
sworn before me, this 9th
day of June 2017


A COMMISSIONER FOR TAKING AFFIDAVITS

Paul Joseph Demarco, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires July 6, 2019.

NOTICE OF INTENTION TO ENFORCE SECURITY

Pursuant to Subsection 244(1) of the Bankruptcy and Insolvency Act
R.S.C. 1985 c.B-3 as amended

TO:

2203284 Ontario Inc. 93 Skyway Avenue Suite 210 Toronto, ON M9W 6N6	2203284 Ontario Inc. 94 Brockport Drive Toronto, ON M9W 5C5
---	--

Attention: Luigi Santaguida, President

An insolvent person

TAKE NOTICE THAT:

1. Duca Financial Services Credit Union Ltd., a secured creditor, intends to enforce its security on the property of 2203284 Ontario Inc. described below:
 - a. Real property municipally known as 98 James Street South, Hamilton, Ontario;
 - b. All of the present and future undertaking and property of 2203284 Ontario Inc., both real and personal, including, without limitation, all inventory, equipment and accounts.
2. The security that is to be enforced is in the form of a:
 - a. Charge/Mortgage with respect to property municipally known as 98 James Street South, Hamilton, Ontario, registered in the Registry Office of Hamilton (#62) on July 8, 2015 as Instrument No. WE1048981.
 - b. General Security Agreement dated July 7, 2015 made by 2203284 Ontario Inc. in favour of Duca Financial Services Credit Union Ltd.
 - c. Assignment of Rents – General registered in the Registry Office of Hamilton (#62) July 8, 2015 as Instrument No. WE1048982.

3. The total amount of indebtedness secured by the security is as follows:

Principal	\$5,000,000.00
Accrued interest to December 13, 2016	27,328.77
Discharge Fee	1,000.00
PPSA Discharge Fee	150.00
Registration Fee	75.00
Late Payment Fee	1,000.00
Three months penalty interest pursuant to Section 17 of the <i>Mortgage Act</i> RSO 1990, cM.40	71,250.00
Legal Enforcement Expense (inclusive of disbursements and HST)	1,153.70
TOTAL	\$5,101,957.47

Interest continues to accrue from December 13, 2016 on the aforesaid principal amount, late payment fee and legal enforcement expense at Duca's Prime Rate plus 3% per annum, as it varies from time to time, calculated and payable monthly and not in advance, to the date of payment.

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 2203284 Ontario Inc. consents to an earlier enforcement.

Dated at Hamilton this 13th day of December, 2016.

Duca Financial Services Credit Union Ltd.
By its lawyers
SimpsonWigle LAW LLP
1 Hunter Street East
Suite 200, Box 990
Hamilton, ON L8N 3R1
Tel. 905-528-8411
Fax. 905-528-9008

Per:

David J. Jackson

THE UNDERSIGNED HAS REVIEWED THE ABOVE AND HEREBY AGREES TO
WAIVE THE NOTICE PERIOD AND CONSENT TO THE EARLY
ENFORCEMENT BY DUCA FINANCIAL SERVICES CREDIT UNION LTD.

DATED:

2203284 Ontario Inc.


Per: _____

Name:

Title:

I have authority to bind the corporation

EXHIBIT “I”

This is Exhibit "I" referred to in the
affidavit of Sergiu Cosmin
sworn before me, this 9th
day of June 2017

A COMMISSIONER FOR TAKING AFFIDAVITS

Paul Joseph Demarco, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires July 6, 2019.

**Search Results**
ID=4205712

CORPORATE SERVICES LTD.

Current: 07/06/2017 12:16:43
Submitted: 07/06/2017 12:16:35
Completed: 07/06/2017 12:16:38**Your Ref No. ESCWEB4205712**

PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 06/07/2017
TIP73509 ENQUIRY REQUEST 12:16:37

FILE CURRENCY 06JUN 2017
CHANGE ACCOUNT (Y/N) : N ACCOUNT NUMBER : 009313 0001 ACCOUNT CODE : ESCVFDE

SEARCH TYPE (BD,IN,IS,MV) : BD
SEARCH CRITERIA : 2203284 ONTARIO INC.

SUB-SEARCH

RETRIEVE REGISTRATIONS RECORDED SINCE (DDMMYYYY) :
RESPONSE TYPE (V,P) : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE :
RESPONSE MAILING ADDRESS
NAME :
ADDRESS :
CITY : PROV :
POSTAL CODE :
PRINT RESPONSE LOCALLY (Y/N) : N

PSSME19 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 06/07/2017
TIP73509 RESPONSE SUMMARY/HIGH VOLUME 12:16:37
ACCOUNT : 009313-0001
FILE CURRENCY : 06JUN 2017
SEARCH : BD : 2203284 ONTARIO INC.

RESPONSE CONTAINS : APPROXIMATELY 4 FAMILIES 7 PAGES

- FOR VERBAL RESPONSE, ENTER "V" IN RESPONSE TYPE.
- TO REQUEST A PRINT-OUT, ENTER "P" IN RESPONSE TYPE AND FILL IN THE MISSING INFORMATION.
- TO TERMINATE THE ENQUIRY, ENTER "CANCEL" IN THE NAME LINE.

RESPONSE TYPE : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE : _____
RESPONSE MAILING ADDRESS
NAME : _____
ADDRESS : _____
CITY : _____ PROV : _____
POSTAL CODE : _____
PRINT RESPONSE LOCALLY (Y/N) : N

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 06/07/2017
TIP73509 DISPLAY 1C REGISTRATION - SCREEN 1 12:16:37
ACCOUNT : 009313-0001 FAMILY : 1 OF 4 ENQUIRY PAGE : 1 OF 7
FILE CURRENCY : 06JUN 2017
SEARCH : BD : 2203284 ONTARIO INC.

00 FILE NUMBER : 701132553 EXPIRY DATE : 30OCT 2024 STATUS :
01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20141030 1346 1862 3945 REG TYP: P PPSA REG PERIOD: 10
02 IND DOB : IND NAME:
03 BUS NAME: 2203284 ONTARIO INC.

OCN :
04 ADDRESS : 93 SKYWAY AVENUE, UNIT 104
CITY : TORONTO PROV: ONT POSTAL CODE: M9W 6N6
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
THE GUARANTEE COMPANY OF NORTH AMERICA
09 ADDRESS : 4950 YONGE STREET, SUITE 1400
CITY : TORONTO PROV: ONT POSTAL CODE: M2N 6K1
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION
13 DEPOSIT TRUST AGREEMENT WITH RESPECT TO A 259 UNIT CONDOMINIUM
14 COMPLEX LOCATED AT 98 JAMES STREET SOUTH, IN THE CITY OF HAMILTON,
15 ONTARIO AND KNOWN AS "THE CONNOLLY"
16 AGENT: SCHNEIDER RUGGIERO LLP (37393/LS)
17 ADDRESS : 120 ADELAIDE STREET W., STE. 1000
CITY : TORONTO PROV: ONT POSTAL CODE: M5H 3V1

131
PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 06/07/2017
TIP73509 DISPLAY 1C REGISTRATION - SCREEN 1 12:16:37
ACCOUNT : 009313-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 2 OF 7
FILE CURRENCY : 06JUN 2017
SEARCH : BD : 2203284 ONTARIO INC.

00 FILE NUMBER : 707377941 EXPIRY DATE : 23JUN 2017 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20150623 1627 1590 8300 REG TYP: P PPSA REG PERIOD: 2
02 IND DOB : IND NAME:
03 BUS NAME: 2203284 ONTARIO INC.

OCN :
04 ADDRESS : 94 BROCKPORT DRIVE
CITY : TORONTO PROV: ON POSTAL CODE: M9W 5C5
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
DUCA FINANCIAL SERVICES CREDIT UNION LTD.

09 ADDRESS : 5290 YONGE STREET
CITY : TORONTO PROV: ON POSTAL CODE: M2N 5P9
CONS. MV DATE OF OR NO FIXED
GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: MINDEN GROSS LLP (EXS)
17 ADDRESS : 145 KING STREET WEST, SUITE 2200
CITY : TORONTO PROV: ON POSTAL CODE: M5H 4G2

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 06/07/2017
TIP73509 DISPLAY 1C REGISTRATION - SCREEN 1 12:16:37
ACCOUNT : 009313-0001 FAMILY : 3 OF 4 ENQUIRY PAGE : 3 OF 7
FILE CURRENCY : 06JUN 2017
SEARCH : BD : 2203284 ONTARIO INC.

00 FILE NUMBER : 707378715 EXPIRY DATE : 23JUN 2017 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20150623 1642 1590 8303 REG TYP: P PPSA REG PERIOD: 2
02 IND DOB : IND NAME:
03 BUS NAME: 2203284 ONTARIO INC.

OCN :
04 ADDRESS : 94 BROCKPORT DRIVE
CITY : TORONTO PROV: ON POSTAL CODE: M9W 5C5
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
DUCA FINANCIAL SERVICES CREDIT UNION LTD.

09 ADDRESS : 5290 YONGE STREET
CITY : TORONTO PROV: ON POSTAL CODE: M2N 5P9
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION
13 GENERAL ASSIGNMENT OF RENTS AND LEASES WITH RESPECT TO THE PROPERTY
14 MUNICIPALLY KNOWN AS 98 JAMES STREET SOUTH, HAMILTON, ONTARIO (PIN
15 17171-0009 (LT))
16 AGENT: MINDEN GROSS LLP (EXS)
17 ADDRESS : 145 KING STREET WEST, SUITE 2200
CITY : TORONTO PROV: ON POSTAL CODE: M5H 4G2

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 06/07/2017
TIP73509 DISPLAY 1C REGISTRATION - SCREEN 1 12:16:37
ACCOUNT : 009313-0001 FAMILY : 4 OF 4 ENQUIRY PAGE : 4 OF 7
FILE CURRENCY : 06JUN 2017
SEARCH : BD : 2203284 ONTARIO INC.

00 FILE NUMBER : 719522406 EXPIRY DATE : 11AUG 2018 STATUS :
01 CAUTION FILING : PAGE : 001 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20160811 1357 6083 4914 REG TYP: P PPSA REG PERIOD: 2
02 IND DOB : IND NAME:
03 BUS NAME: 2415118 ONTARIO INC.

OCN : 2415118

04 ADDRESS : UNIT 104, 93 SKYWAY AVENUE
CITY : TORONTO PROV: ON POSTAL CODE: M9W 6N6
05 IND DOB : IND NAME:
06 BUS NAME: 2203284 ONTARIO INC.

OCN : 2203284

07 ADDRESS : UNIT 104, 93 SKYWAY AVENUE
CITY : TORONTO PROV: ON POSTAL CODE: M9W 6N6

08 SECURED PARTY/LIEN CLAIMANT :
1220356 ONTARIO LIMITED

09 ADDRESS : C/O AVENUE CAPITAL MORTGAGE ADMINISTRATI
CITY : TORONTO PROV: ON POSTAL CODE: M5M 1C4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 AN ASSIGNMENT OF PLANS AND RELATED AGREEMENTS AND AN ASSIGNMENT OF
14 AGREEMENTS OF PURCHASE AND SALE AFFECTING THE PROPERTY AT 155
15 WYCHWOOD AVENUE, TORONTO, AND THE PROPERTY AT 98 JAMES STREET SOUTH,
16 AGENT: ESC CORPORATE SERVICES LTD.
17 ADDRESS : 445 KING STREET WEST, 4TH FL
CITY : TORONTO PROV: ON POSTAL CODE: M5V 1K4

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 06/07/2017
TIP73509 DISPLAY 1C REGISTRATION - SCREEN 1 12:16:37
ACCOUNT : 009313-0001 FAMILY : 4 OF 4 ENQUIRY PAGE : 6 OF 7
FILE CURRENCY : 06JUN 2017
SEARCH : BD : 2203284 ONTARIO INC.

135

00 FILE NUMBER : 719522406 EXPIRY DATE : 11AUG 2018 STATUS :
01 CAUTION FILING : PAGE : 003 OF 4 MV SCHEDULE ATTACHED :
 REG NUM : 20160811 1357 6083 4914 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 TARAGAR HOLDINGS LIMITED

09 ADDRESS : C/O AVENUE CAPITAL MORTGAGE ADMINISTRATI
 CITY : TORONTO PROV: ON POSTAL CODE: M5M 1C4
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

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13 GENERAL COLLATERAL DESCRIPTION

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16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 06/07/2017
TIP73509 DISPLAY 1C REGISTRATION - SCREEN 1 12:16:38
ACCOUNT : 009313-0001 FAMILY : 4 OF 4 ENQUIRY PAGE : 7 OF 7
FILE CURRENCY : 06JUN 2017
SEARCH : BD : 2203284 ONTARIO INC.

136

00 FILE NUMBER : 719522406 EXPIRY DATE : 11AUG 2018 STATUS :
01 CAUTION FILING : PAGE : 004 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20160811 1357 6083 4914 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:

OCN :

04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : ON INC. 480 LAWRENCE AVE. W., 4TH FL
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:

LAST SCREEN

PSSME01
TIP73509

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY REQUEST

06/07/2017
12:16:38

137

FILE CURRENCY 06JUN 2017
CHANGE ACCOUNT (Y/N) : ACCOUNT NUMBER : 009313 0001 ACCOUNT CODE : ESCVFDE


SEARCH TYPE (BD,IN,IS,MV) :
SEARCH CRITERIA :

SUB-SEARCH

RETRIEVE REGISTRATIONS RECORDED SINCE (DDMMYYYY) :
RESPONSE TYPE (V,P) : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE :
RESPONSE MAILING ADDRESS
NAME :
ADDRESS :
CITY : PROV :
POSTAL CODE :
PRINT RESPONSE LOCALLY (Y/N) : N
ENQUIRY FOR "2203284 ONTARIO INC." ENDED

EXHIBIT “J”

This is Exhibit "J" referred to in the
affidavit of Sergiu Cosmin
sworn before me, this 9th
day of June 2017


A COMMISSIONER FOR TAKING AFFIDAVITS

Paul Joseph Demarco, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires July 6, 2019.



Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND

REGISTRY
OFFICE #62

PAGE 1 OF 2

PREPARED FOR Sherine01
ON 2017/06/07 AT 11:42:21

17171-0009 (LT)

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

PROPERTY DESCRIPTION:

PT LT 75 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON; PT LT 76 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON (BTN HUNTER ST, MACNAB ST, JACKSON ST & JAMES ST) AS IN HA59712; CITY OF HAMILTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE

LT CONVERSION QUALIFIED

OWNERS' NAMES

2203284 ONTARIO INC.

RECENTLY:

RE-ENTRY FROM 17171-0141

CAPACITY SHARE

EIN CREATION DATE:

2008/09/22

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT / CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
**SUBJECT,	ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:					
**	SUBSECTION 4(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: 2008/04/22 **						
VM36576	1990/02/16	BYLAW				C
VM60787	1990/09/07	AGREEMENT			THE CORPORATION OF THE CITY OF HAMILTON	C
REMARKS: HISTORICAL EASEMENT						
VM111553	1992/02/17	NOTICE OF CLAIM				C
WE901635	2013/06/04	TRANS RELIGIOUS ORG	\$610,000	TRUSTEES OF THE JAMES STREET BAPTIST CHURCH		C
WE903381	2013/06/13	CHARGE	\$1,500,000	2203284 ONTARIO INC.		C
WE998973	2014/10/30	CHARGE	\$5,180,000	2203284 ONTARIO INC.		C
WE998974	2014/10/30	POSTPONEMENT		SANTAGUIDA, MARY LOU		C
REMARKS: WE903381 TO WE998973						
WE1029640	2015/04/10	NOTICE	\$2	2203284 ONTARIO INC.		C
REMARKS: WE903381						

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.



Ontario ServiceOntario

LAND
REGISTRY
OFFICE #62

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 2

PREPARED FOR Sherine01
ON 2017/06/07 AT 11:42:21

17171-0009 (LT)

* 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
WE1048981	2015/07/08	CHARGE	\$5,000,000	2203284 ONTARIO INC.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	C
WE1048982	2015/07/08	NO ASSGN RENT GEN REMARKS: WE1048981		2203284 ONTARIO INC.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	C
WE1048988	2015/07/08	POSTPONEMENT REMARKS: WE998573 TO WE1048982		THE GUARANTEE COMPANY OF NORTH AMERICA	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	C
WE1048989	2015/07/08	POSTPONEMENT REMARKS: WE903381 WE1048981		SANTAGUIDA, MARY LOU	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	C
WE1111875	2016/04/11	CHARGE	\$701,583	2203284 ONTARIO INC.	SANTAGUIDA, MARYLOU	C
WE1141288	2016/08/12	CHARGE	\$3,000,000	2203284 ONTARIO INC.	DIVERSIFIED CAPITAL INC.	C
WE1141293	2016/08/12	POSTPONEMENT REMARKS: WE903381 & WE1029640 TO WE1141288		SANTAGUIDA, MARY LOU	DIVERSIFIED CAPITAL INC.	C
WE1141294	2016/08/12	POSTPONEMENT REMARKS: WE1111875 TO WE1141288		SANTAGUIDA, MARYLOU	DIVERSIFIED CAPITAL INC.	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.

EXHIBIT “K”

This is Exhibit "K" referred to in the
affidavit of Sergiu Cosmin
sworn before me, this 9th
day of June 2017.


A COMMISSIONER FOR TAKING AFFIDAVITS

Paul Joseph Demarco, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires July 6, 2019.

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

142

Properties

PIN 17171 - 0009 LT **Interest/Estate** Fee Simple
Description PT LT 75 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON; PT LT 76 P.
HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON (BTN HUNTER ST,
MACNAB
ST, JACKSON ST & JAMES ST) AS IN HA59712; CITY OF HAMILTON
Address 98 JAMES ST S
HAMILTON

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 2203284 ONTARIO INC.
Address for Service 93 Skyway Avenue
Unit 104
Toronto, ON M9W 6N6

I, Luigi Santaguida, 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 THE GUARANTEE COMPANY OF NORTH AMERICA
Address for Service 4950 Yonge Street
Suite 1400, Madlson Centre
Toronto, ON M2N 6K1

Statements

Schedule: See Schedules

Provisions

Principal	\$5,180,000.00	Currency	CDN
Calculation Period	See Schedule		
Balance Due Date	See Schedule		
Interest Rate	See Schedule		
Payments			
Interest Adjustment Date			
Payment Date			
First Payment Date			
Last Payment Date			
Standard Charge Terms			
Insurance Amount	full insurable value		
Guarantor			

Additional Provisions

Tarion Warranty Corporation Bond Facility

Signed By

Kevin Bruce Milburn	1000-120 Adelaide St. W. Toronto M5H 3V1	acting for Chargor (s)	Signed	2014 10 30
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Tel 416-363-2211
Fax 416-363-0645

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

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

SCHNEIDER RUGGIERO LLP

1000-120 Adelaide St. W.
Toronto
M5H 3V1

2014 10 30

Tel 416-363-2211

Fax 416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Chargee Client File Number : 37393/LS

SCHEDULE "2"

144

COLLATERAL MORTGAGE

In pursuance of the *Short Form of Mortgages Act*

Dated: October 29, 2014

Chargor: 2203284 Ontario Inc.

Chargee: The Guarantee Company of North America

Principal Sum: Five Million, One Hundred and Eighty Thousand DOLLARS (\$5,180,000.00)

Re: Indemnity Agreement entered into and effective as of October 22, 2014, between the Chargor, the Chargee and others (the "Indemnity Agreement")

COLLATERAL SECURITY AS TO DEBT AND NOMINAL INTEREST RATE

1. (a) FOR VALUE RECEIVED, the Chargor hereby acknowledges and agrees that this Charge is given as continuing collateral security for the payment of all amounts from time to time payable by the Chargor to the Chargee under the Indemnity Agreement (which sums are hereinafter referred to as the "Indebtedness" or the "Principal Sum"). This Charge is given in addition to and not in substitution for any other security held by the Chargee for the Indebtedness. The said Principal Sum shall become due and payable on demand by the Chargee at the Chargee's office as designated in paragraph 20 and the Chargor shall pay interest on the Principal Sum both before and after default as well as before and after judgment at the rate of eighteen (18%) per centum per annum, calculated semi-annually and payable monthly with interest on overdue interest payable in the same manner and at the same rate until such time as the Principal Sum is paid in full.
- (b) In addition to paragraph 1 (a) above, this Charge is given as continuing collateral security for the payment of monies and the performance of obligations of and by the Chargor under a commitment letter dated September 16, 2014, and accepted by the Chargor on October 16, 2014 (the "Commitment Letter"). The provisions of the Commitment Letter are incorporated herein and form part hereof. In the event of any inconsistency or contradiction between the Commitment Letter and this Charge, the applicable provision of the Commitment Letter shall prevail.

SECURITY

2. As security for the due payment of all monies payable hereunder, the Chargor hereby:

- (a) mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of the Chargee, its successors and assigns its interest in the lands and premises now owned by the Chargor and described or referred to on Page 1 of this Charge to which this Schedule "2" is attached (the "Property"), including all appurtenances, buildings and fixtures now or hereafter situate thereon;
- (b) mortgages and charges in favour of the Chargee, its successors and assigns its interest in the agreements to lease and leases, both present and future (the "Leases") relating to the Property, including all rents and monies payable under the Property and any extensions or renewals thereof (the "Rents") and including the benefit of all covenants, stipulations and provisions contained in the Leases;

all of such mortgages and charges hereby constituted being sometimes collectively called the "Security" and the subject matter of the Security being sometimes called the "Charged Premises".

TERM AND DEFEASANCE:

3. This Charge is to be void upon the payment of the sum of the Principal Sum, in lawful money of Canada, and all of such other sums as the Chargee may be entitled to by virtue of these presents; and is payable on demand; and all taxes and performance of statute labour, and observance and performance of all covenants, provisos and conditions herein contained.

FURTHER ASSURANCES

4. The Chargor hereby covenants and agrees that it will at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, pledges, deeds, mortgages, hypothecs, transfers, assignments and assurances in law or equity as the Chargee may reasonably require for the better assuring, mortgaging, hypothecating, charging, transferring, assigning and confirming unto the Chargee and for perfecting the security interests hereby created in the undertaking, property and assets hereby mortgaged and charged or intended so to be or which the Chargor may hereafter become bound to mortgage, hypothecate, transfer, assign and charge in favour of the Chargee and for the better accomplishing and effectuating of this Charge.

CHARGOR'S COVENANTS

5. The Chargor covenants and agrees with the Chargee that:

- (a) The Chargor shall keep the Property in good condition and repair such that the value of the Property is not materially adversely affected in any way.
- (b) The Chargor shall pay the principal, interest and all other monies properly due and owing under the Indemnity Agreement and secured by this Charge and will pay or cause to be paid as they fall due all taxes, rates and assessments, municipal, local, parliamentary and otherwise, which now are or may hereafter be imposed, charged, or levied upon the Property and further, to deliver to Chargee on an annual basis, evidence of payment of realty taxes by the Chargee.
- (c) The Chargor shall comply with all governmental, statutory or regulatory requirements and any permitted encumbrances related to the Property.
- (d) The Chargor shall permit the Chargee, whenever the Chargee deems it necessary, by its agent to enter upon and inspect the Property.
- (e) The Chargor will at its own expense forthwith insure, if not already so insured, and during the continuance of this Charge keep insured in the name of the Chargor, with loss payable to the Chargee as its interest may appear, the Property and each and every building, structure, erection, improvement, fixture or replacement thereof, including without limiting the generality of the foregoing, all plant, equipment, apparatus, machinery and fixtures of every kind and nature whatsoever now on the Property but which may hereafter be erected thereon, both during erection and thereafter (all of the foregoing being collectively the "Premises") in such amounts as the Chargee may from time to time specify but in any event in an amount not less than the full insurable replacement value thereof on a completed value basis, in lawful money of Canada, with a company or companies and by a policy or policies of insurance approved by the Chargee, against all risks of direct physical loss with only such exclusion as the Chargee may approve and, in addition, without limiting the generality of the foregoing, the Chargor shall maintain rental insurance, boiler insurance and insurance against liability imposed for damages, loss or injury to or death of persons or for damage to or loss of property of any person, in such amounts as will in the opinion of the Chargee reasonably protect the Chargor against such losses. If the Property has no insurable structures thereon such insurance will not be required. Such insurance shall, during the course of construction, be in builders "all risk" course of construction form. Such insurance policy shall either be without co-insurance or have a stated or stipulated amount co-insurance clause for an amount equal to the principal amount secured pursuant to this Charge, together with the principal amount of any permitted prior encumbrances. All policies of insurance required hereby shall contain "mortgage clauses" in favour of the Chargee in a form approved by the Chargee acting reasonably.
- (f) The Chargor shall maintain its corporate existence, and further shall promptly provide written notice to the Chargee of any default respecting any obligations or liabilities of the Chargor.
- (g) The Chargor shall promptly pay the full amount of:
 - (i) all liens, charges and encumbrances upon the Charged Premises;
 - (ii) all reasonable charges or expenses of the Chargee in inspecting, protecting or valuating the property at any time after realization proceedings have been commenced; and
 - (iii) all costs, fees and disbursements secured by this charge.
- (h) The Chargor will pay or cause to be paid as soon as the same are due all claims and demands of contractors and materialmen and all wages, salaries, holiday pay, Worker's Compensation assessments or other charges of any nature or kind (collectively the "Claims"), which could in the circumstances constitute a lien or charge having priority over this Charge or any future advance to be secured by this Charge and the Chargor will from time to time on demand provide the Chargee with such books, payrolls, or other records, receipts, certificates and declarations as the Chargee may deem necessary to satisfy itself that the Claims have been paid as soon as the same are due.
- (i) The Chargor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies; and any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the said Charged Premises or to be applied or paid partly in one way and partly in another, or may be applied, in the sole discretion of the Chargee, in whole or in part, on the principal and interest or other monies owing under this Charge then due, or any part thereof, whether due or not then due, notwithstanding any law, equity or statute to the contrary, all rights and benefits of the Chargor thereunder being hereby expressly waived.
- (j) The Chargor, immediately upon obtaining knowledge of the institution of any proceedings for the expropriation of the Charged Premises, or any part thereof, will notify the Chargee of such proceedings. If the Charged Premises, or any part thereof is taken or damaged in or by such expropriation proceedings or otherwise, the award or compensation payable to the Chargor shall be paid and is hereby assigned to the Chargee.
- (k) The Chargor, within ten (10) days after receipt of the request to do so, shall certify to the Chargee or any person designated by the Chargee the amount of principal then due hereunder, the date to which interest is paid, that it has no right of set-off against the monies due hereunder, or if it has such a right of set-off, the amount thereof, and that there have been no amendments hereto or, if there has been any such amendment, specifying it. The Chargee shall, upon request, provide mortgage statements to the Chargor within ten (10) days after receipt of such request.

- (l) The Chargor shall obey or cause to be obeyed all laws, rules, regulations and by-laws, whether federal, provincial or municipal, which in any way relate to the Charged Premises or the use thereof.
- (m) All representations and warranties herein shall remain true and of full force and effect throughout the entire term of this Charge.
- (n) The Chargor shall keep the Charged Premises in good condition and repair according to the nature and description thereof respectively, and that the Chargee may, whenever it deems it necessary, by its agent enter upon and inspect the Property and the Charged Premises and make such repairs as it deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate or rates aforesaid shall be added to the monies secured by this Charge and be payable forthwith and be a charge upon the Property prior to all claims thereon subsequent to these presents. If the Chargor shall neglect to keep the Charged Premises in good condition and repair, or commit or permit any acts of waste on the Charged Premises (as to which the Chargee shall be sole judge) or make default as to any of the covenants, provisos, agreements or conditions contained in this Charge or in any mortgage to which this Charge is subject, all monies hereby secured shall at the option of the Chargee forthwith become due and payable, and in default of payment of same with interest as in the case of payment before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.
- (o) The Chargor shall not further encumber the Property without the Chargee's prior written consent, such consent not to be unreasonably withheld or unduly delayed.
- (p) The Chargor shall keep the Permitted Encumbrances as defined herein in good standing. "Permitted Encumbrances" are defined in Schedule "A" hereto.
- (q) In the event that the Chargor commits an act of default pursuant to the provisions contained in any encumbrance on the Charged Premises ranking equally with or in priority to this Charge, the Chargor shall be deemed to have committed an event of default hereunder and the Chargee shall be entitled to exercise any and all remedies herein contained.

PROVISOS

- 6. Neither the preparation, execution nor registration of this indenture shall bind the Chargee to advance the money hereby secured, nor shall the advance of a part of the monies hereby secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby conveyed shall take effect forthwith upon the execution and delivery of these presents by the Chargor, and the expenses of the examination of the title and of this Charge and of valuation are to be secured hereby in the event of the whole or any balance of the principal sum not being advanced, the same to be a charge hereby upon the Property, and shall be without demand therefor, payable forthwith with interest at the rate or rates provided for in this Charge, and in default, the Chargee's power of sale hereby given, and all other remedies hereunder shall be exercisable.

OUTSTANDING TAXES

- 7. The Chargee may, at its option, deduct from any advance of the monies secured by this Charge an amount sufficient to pay any taxes which have become due and payable as at the date of such advance. The Chargor shall transmit to the Chargee the copies of the tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Chargor.

ASSIGNMENT OF CHARGE BY CHARGE

- 8. The Chargee, without the consent of the Chargor, may assign in whole or in part, this Charge and the benefit of all covenants of the Chargor as therein and herein contained, provided that the security and obligations to which this Charge is collateral is also assigned.

DISCRETION OF CHARGE RESPECTING TERMS UNDER CHARGE

- 9. The Chargee, in its discretion and with the consent of the Chargor, may enter into an agreement with the Chargor or with anyone who has assumed this Charge to grant an extension of time; or to change the rate of interest; or to alter in any way the terms of payment of this Charge; or take any additional security, or waive the performance of any covenant herein; and may compound with or release the Chargor or anyone claiming under the Chargor or any other person or persons liable hereunder; or surrender, release or abandon or omit to perfect or enforce any security, remedy or proceeding which the Chargee may now or hereafter hold or have; and may take, acquire or discharge either with or without payment part or all of the said Property and may apply all monies received from the Chargor or others or from any security upon such part of the monies hereby secured as the Chargee may think best, without prejudice to or in any way limiting or lessening the liability of the Chargor, any guarantor or any other person liable for payment. The Chargee shall incur no liability to any person by reason of anything aforesaid, and any agreement or liability aforesaid shall continue in full force as long as any money remains unpaid on this Charge, but the Chargee shall not be bound to exhaust its recourses against the Chargor or other parties, or the security it may hold, before being entitled to payment from any guarantor of the amounts secured hereby.

REAL ESTATE COVENANTS

- 10. (a) The implied covenants deemed to be included in the mortgage under sub-section 7(1) of the Land Registration Reform Act, 1984 shall be and are hereby expressly excluded and replaced by the schedule which are covenants by the Chargor and the Chargor's successors with the Chargee and the Chargee's successors and assigns.

- (b) The Chargor covenants that it has good registered title in fee simple to the Property and has the right to charge the Property to the Chargee as herein provided.

- (c) On default the Chargee shall have quiet possession of the Property free from all encumbrances, except as disclosed by the records of the land registry office.
- (d) The Chargor has done no act to further encumber the Property, except as disclosed by the records of the land registry office.

DISTRESS

- 11. The Chargee may distrain for arrears of interest. The Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.

SECURITY WITH RESPECT TO LEASES AND RENTS

- 12. (a) Nothing herein contained shall be deemed to have the effect of making the Chargee responsible for the collection of the Rents or any part thereof or for the performance of any covenants, terms and conditions either by the lessor or by the lessee contained in the Leases and the Chargee shall not by virtue of these presents be deemed a mortgagee in possession of the Property or any of them and that this mortgage shall not of itself create the relationship of landlord and tenant between the Chargee and any lessee.
- (b) The Chargee shall be liable to account for only such monies as shall actually come into its hands by virtue of these presents and that such monies when received by the Chargee shall be applied on account of the monies from time to time due under the primary instruments of indebtedness.
- (c) Nothing herein contained shall be deemed to be a consent on the part of the Chargee to the payment of rent in advance by the lessees or to an alteration of the terms of the Leases without the consent of the Chargee, whether or not a demand has occurred provided that the Chargor is acting in the normal course of its business.
- (d) The Chargee may waive any default or breach of covenant herein and shall not be bound to serve any notice upon the lessees upon the happening of any default or breach of covenant but any such waiver shall not extend to any subsequent default or breach of covenant.
- (e) Until default, the Chargor shall be entitled to receive the Rents and shall not be liable to account therefor to the Chargee; provided, however, after such demand the Chargee shall be entitled to collect all rents falling due subsequent to the date of service of the notice of demand.

DEFAULT

- 13. (a) If default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the rate or rates aforesaid, and in case the interest and compound interest are not paid within one month from the date of default, a rest shall be made and compound interest at the rate or rates aforesaid shall be payable on the aggregate amount then due, as well after as before a maturity and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.
- (b) On default of payment for at least fifteen (15) days, the Chargee may on at least thirty-five (35) days' notice enter on and lease the Property or on default of payment for at least fifteen (15) days may on at least thirty-five (35) days' notice sell the Property. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgages Act (Ontario), as amended, and in accordance with paragraph 15 hereof. Provided further, without prejudice to the statutory powers of the Chargee under the foregoing, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two (2) months after any payment of either falls due, then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law, then notice shall be given to such persons and in such manner and form and within such time as is so required by law. The whole or any part or parts of the Property may be sold by public auction or private contract or partly one or partly the other, and the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Property or by reason of non-payment or procuring payment of monies secured hereby or otherwise. The Chargee may sell the Property or any part thereof on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor and make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper, and may buy in or rescind or vary and contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit, the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of the said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

RECEIVER

- 14. The Chargee may by writing under the hand of any solicitor or agent authorized on its behalf, upon any default whatsoever on the part of the Chargor in payment of any principal, interest or any other monies owing hereunder, or in the observance of any of the covenants and conditions herein contained, appoint a Receiver or Manager, or Receiver and Manager, or Receiver-Manager (the "Receiver") of the Property or any portion thereof, and every such Receiver shall be deemed the agent of the Chargor, and the Chargor shall be solely responsible for the acts

or defaults of the Receiver save and except for fraud and wilful misconduct and the Receiver shall have power to demand, recover and receive all the income of the Property of which he may be appointed Receiver, by action, distress or otherwise, either in the name of the Chargor or the Chargee, and may give effectual receipts therefor.

Every such Receiver may in writing at the discretion of the Chargee complete the construction of any uncompleted structure substantially in accordance with the Chargor's plans and specifications respecting the Property or carry on the business of the Chargor relating to the said Property or any part thereof and may exercise all the powers conferred upon the Chargee hereunder. The Receiver may be removed in which case and if any Receiver dies or refuses to act or becomes incapable of acting, a new Receiver may be appointed from time to time by the Chargee by writing under the hand of any authorized solicitor or agent as aforesaid. The Chargee may from time to time fix the remuneration of every such Receiver and may recompense every such Receiver for his disbursements properly incurred in carrying out his duties, and his fees and such payments shall be a charge upon the Property, shall be payable on demand and shall bear interest at the rate or rates hereunder.

The Chargee shall not be deemed to be a mortgagee in possession and shall not be accountable except for the monies actually received by it, and the person paying money to or in any way dealing with the Receiver shall not be concerned to enquire whether any cause has happened to authorize the Receiver to act. Subject to the retention of his remuneration and disbursements as aforesaid, the Receiver shall apply all monies received by him in such of the following modes and in such order or priority as the Chargee may from time to time at its option direct in writing, namely, in discharge of all rents, taxes, assessments and outgoings whatsoever affecting the said Property; and in payment of any amounts due under any mortgage or lien; and in payment of any premiums on fire or other insurance, if any, properly payable under this Charge, payment of which is directed or confirmed in writing by the Chargee; and in payment of the costs of executing necessary or proper repairs to the said Property or any part hereof, directed or confirmed in writing by the Chargee; and in payment of the costs of carrying out or executing any of the powers, duties or discretions which vest in or may be vested in the Receiver by reason of the provisions contained in this sub-paragraph; and in payment of the interest accruing due under this Charge, and in or towards the discharge of the principal money or any instalments under this Charge, if and to the extent directed in writing by the Chargee; and shall pay the residue, if any, out of the money received by him to the person who but for the possession of the Receiver would have been entitled to receive the income of which he is appointed Receiver.

REMEDIES CUMULATIVE

15. No remedy herein conferred upon or reserved to the Chargee is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given by this Charge or any other security collateral hereto or now or hereafter existing at law or in equity or by statute. Every power and remedy given by this Charge to the Chargee may be exercised from time to time as often as may be deemed expedient by the Chargee.

DISCHARGE

16. Upon full satisfaction of all principal, interest and other monies secured hereby and the due performance of all covenants herein by the Chargor, the Chargee shall, within a reasonable time thereafter, execute a discharge of this Charge. All legal and other expenses for the preparation, execution and registration of such discharge shall be borne by the Chargor.

SEVERABILITY

17. If any one or more of the provisions contained in this Charge shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any or all other provisions of this Charge, and this Charge shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

DUE ON SALE, TRANSFER

18. In the event the Chargor sells, conveys, transfers or assigns the Property to a purchaser, transferee or an assignee, without first obtaining the consent of the Chargee in writing, at the option of the Chargee all monies secured by the within Charge shall become due and payable upon demand. A sale to an arms length purchaser of a unit to be constructed on the Property is not deemed to be a transfer or assignment within the meaning of this provision.

NO FURTHER CHARGE/ENCUMBRANCE

19. In the event that the Chargor further charges, mortgages or encumbers the Property in any way without first obtaining the written consent of the Chargee, then at the option of the Chargee all monies secured by this Charge shall become due and payable on demand.

NOTICE

20. Any and all written notices or written communications given or required to be given to a party hereunder may be delivered or, provided postal services shall not be interrupted, mailed by registered mail or sent by telegraph, telex or similar telecommunication device, and shall be deemed: (i) in the case of delivery to such party to have been duly given when the same is personally delivered to an officer of such party; (ii) if addressed to such party at its address for service as set forth on the first page of this document.
 - (a) in the case of dispatch by registered mail, to have been duly given at 5:00 in the afternoon (local time of the sender) on the second day after the day the same was deposited with the post office (or the first business day thereafter if such second day is a holiday or other non-business day); and
 - (b) in the case of dispatch by telegraph, telex or similar telecommunication device, to have been given the day after the day on which it is deposited for dispatch in a public office for organization of such telegram, telex or

similar telecommunication device or the business day after the day on which it is dispatched if dispatched by means of private telex or other telecommunication device.

For the purposes of the foregoing, the address for notice of each of the parties hereto shall, until changed by notice in writing by such party to the other parties, be as set out on the first page of the Charge to which this Schedule is attached.

NON-MERGER

21. It is agreed that the taking of this security shall not operate as a merger of the remedies of the Chargee for payment of the Indebtedness of the Borrower or of the remedies of the Chargee under the Commitment Letter, and notwithstanding these presents and anything herein contained the said remedies shall remain intact and be capable of enforcement against the Chargor and all other persons liable in respect thereof in the same manner and to the same extent as if these presents had not been executed, and that these presents are and shall be a continuing security to the Chargee for the amount of the Indebtedness and interest thereon, and that this Charge shall be deemed to be taken as security for the ultimate balance of the Indebtedness.

APPLICATION OF PROCEEDS

22. And it is further agreed that any and all payments made in respect of any monies hereby secured and the monies or other proceeds realized from any securities held therefor (including this Charge) may be applied, and re-applied notwithstanding any previous application, on such part or parts of the said liability under the Commitment Letter as the Chargee may see fit.

PARTIAL DISCHARGES

23. Provided that this Charge is in good standing, the Chargor shall have the privilege of obtaining from the Chargee, without payment therefor, partial discharge (s) of part or parts of the Property as set out and for the purposes stated in Schedule "B" hereto.

PLANNING ACT COMPLIANCE

24. Provided that the Chargee may at its discretion, subject to the provisions of the Planning Act, R.S.O.1990, Chapter P.13, at all times release any part or parts of the said lands either with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained and without being accountable to the Chargor for the value thereof or for any money except that actually received by the Chargee; it being expressly agreed that every part or lot into which the charged lands are or may hereafter be divided does and shall stand charged with the whole money secured; and that the Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Chargor and all other persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under this Charge.

SALE OF EQUITY OF REDEMPTION

25. Provided that no sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of money hereby secured.

QUIET POSSESSION PRIOR TO DEFAULT

26. Provided that until default the Chargor shall have quiet possession of the Property.

INTERPRETATION

27. In construing these presents the word "Chargor" and the personal pronoun "he" or "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "he", "she", "it" or "they" and "his", "her", "its" or "their" respectively, as the number and gender of the person or persons referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted; all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargee shall be equally binding upon the Chargor's heirs, executors, administrators and assigns or successor and assigns as the case may be; all such covenants, liabilities and obligations shall be joint and several; time shall be of the essence hereof; the headings herein shall not be a guide to the interpretation of this Charge and shall not define, restrict or limit any term or provision hereof; and all provisions hereof shall have effect notwithstanding any statute to the contrary.

SHORT FORM OF MORTGAGES ACT

28. If any of the form of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c. 474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Forms of Mortgages Act were still in full force and effect.

RECEIPT

29. The Chargor acknowledges having received a true copy of this Charge.

HEADINGS

30. The headings of the paragraphs hereof are inserted for convenience of reference only and shall not affect the interpretation or construction of this Charge.

IN WITNESS WHEREOF the Chargor has caused this Charge to be executed under its corporate seal by its duly authorized officers in that behalf on the date noted on page one of Schedule "2" hereof.

2203284 ONTARIO INC.

Per: 
Luigi Santaguida - President

I have the authority to bind the corporation.

SCHEDULE "A"

PERMITTED ENCUMBRANCES

<u>Instrument No.</u>	<u>Date</u>	<u>Instrument</u>
VM60787	September 7, 1990	Historical Easement Agreement between The Trustees of James Street Baptist Church and The Corporation of the City of Hamilton.
VM111553	February 17, 1992	Notice of Claim in favour of The Trustees of The James Street Baptist Church re easement for light.
WE903381	June 13, 2013	Charge from the Chagor to and in favour of Mary Lou Santaguida (the "Santaguida Charge"). The Santaguida Charge is permitted provided that it and all related security is fully postponed to and in favour of this Charge.

Provided that the Chargor when not in default hereunder shall have the privilege of obtaining from the Chargee upon ten (10) business days' notice therefor, the consent in writing of the Chargee or, where applicable, (1) partial discharges of this Charge or such portions of the lands described hereunder as are required by the Chargor to be dedicated or conveyed to any municipal or governmental authority or agency including road or park dedications; and (2) all documents which may be reasonably required by the Chargor for the purposes of servicing and development of the subject lands including, postponements of this Charge, easements, rights of way, subdivision and development agreements, Planning Act proceedings, provided:

1. That the partial discharge(s) and documents referred to herein are in compliance with the part lot control and subdivision control provisions of the Planning Act; and
2. That such partial discharge(s) and consent(s) will not, in the reasonable opinion of the Chargee's counsel or the Chargee, materially or adversely affect this Charge or the value of the lands charged hereunder; and
3. That the Chargee does not incur any liability thereunder; and
4. That any execution of any such partial discharge or other document by the Chargee is to the extent only of its interest in this Charge;
5. That any consideration payable to the Chargor for such partial discharge or other document shall be paid to the Chargee in reduction of the principal and interest owing hereunder.


IF APPLICABLE, WITH RESPECT TO A PROPERTY BEING DEVELOPED AS A CONDOMINIUM:

Provided that the Chargor when not in default hereunder shall have the privilege, upon thirty (30) days' notice to the Chargee or obtaining a partial discharge of each proposed unit and ancillary parking and locker units, if any, comprising the subject lands (and each actual unit and ancillary parking and locker units as and when the lands are registered under the Condominium Act) without payment of account of principal provided that the following conditions are all complied with, namely:

1. That the partial discharge(s) referred to herein are in compliance with the part lot control and subdivision control provisions of the Planning Act; and
2. That the subject lands are registered as a condominium under the Condominium Act; and
3. That the Chargor delivers or causes to be delivered to a purchaser of such unit(s) a registrable transfer and conveyance of such unit(s); and
4. That the said purchaser registers or causes to be registered on title such transfer and conveyance; and
5. That the Chargee is furnished with a photocopy of the duplicate registered copy of such transfer and conveyance.

A partial discharge from this Charge of any unit or other lands shall automatically constitute and be a discharge from all security documents (excluding guarantees) as may be registered on the title to the charged lands or as recorded under the Personal Property Security Act.

EXHIBIT “L”

This is Exhibit "L" referred to in the
affidavit of Sergiu Cosmin
sworn before me, this 9th
day of June 2017

A COMMISSIONER FOR TAKING AFFIDAVITS

Paul Joseph Demarco, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires July 6, 2019.

Properties

PIN 17171 - 0009 LT **Interest/Estate** Fee Simple
Description PT LT 75 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON; PT LT 76 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON (BTN HUNTER ST, MACNAB ST, JACKSON ST & JAMES ST) AS IN HA59712; CITY OF HAMILTON
Address 98 JAMES ST S
HAMILTON

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 2203284 ONTARIO INC.
Address for Service 93 Skyway Avenue, Unit 104
Toronto, ON M9W 6N6

I, Luigi Santaguida, 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 DIVERSIFIED CAPITAL INC.
Address for Service 1243 Islington Avenue
Suite 701
Toronto, ON M5P 1Y9

Statements

Schedule: This Charge is collateral to a Facility Letter dated April 11, 2016

Provisions

Principal \$3,000,000.00 **Currency** CDN
Calculation Period
Balance Due Date On demand
Interest Rate
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor

Signed By

David Mathew Markowitz 1000-120 Adelaide St. W. acting for Chargor Signed 2016 08 12
Toronto (s)
M5H 3V1
Tel 416-363-2211
Fax 416-363-0645

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

Submitted By

SCHNEIDER RUGGIERO LLP 1000-120 Adelaide St. W. 2016 08 12
Toronto
M5H 3V1

LRO # 62 Charge/Mortgage

Registered as WE1141288 on 2016 08 12 at 13:53

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

yyyy mm dd Page 2 of 2

Submitted By

Tel 416-363-2211

Fax 416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee \$62.85

Total Paid \$62.85

File Number

Chargee Client File Number : 38068

EXHIBIT “M”

This is Exhibit 'm' referred to in the
affidavit of Sergiu Cosmin
sworn before me, this 9th
day of June 2017

A COMMISSIONER FOR TAKING AFFIDAVITS

Paul Joseph Demarco, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires July 6, 2019.

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

Properties

PIN 17171 - 0009 LT **Interest/Estate** Fee Simple
Description PT LT 75 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON; PT LT 76 P.
HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON (BTN HUNTER ST,
MACNAB
ST, JACKSON ST & JAMES ST) AS IN HA59712; CITY OF HAMILTON
Address 98 JAMES ST S
HAMILTON

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 2203284 ONTARIO INC.
Address for Service 93 Skyway Avenue
Unit 104
Toronto, Ontario M9W 6N6

I, Louie Santaguida, 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 SANTAGUIDA, MARY LOU
Address for Service 14 St. Margarets Drive
Toronto, ON M4N 2E5

Provisions

Principal \$1,500,000.00 **Currency** CDN
Calculation Period Semi-Annually, Not in Advance
Balance Due Date 2023/07/01
Interest Rate 10.0%
Payments
Interest Adjustment Date 2013 07 01
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor

Additional Provisions

Open for pre-payment without notice or bonus. Chargor shall make payments towards the Principal amount due and owing to the Chargee in the amount of \$5,000.00 on each anniversary of the Interest Adjustment Date during the term of this Charge.

Signed By

Monica Trombetta 1000-120 Adelaide St. W. acting for Chargor Signed 2013 06 13
Toronto (s)
M5H 3V1

Tel 416-363-2211
Fax 416-363-0645

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

Submitted By

BAKER SCHNEIDER RUGGIERO LLP 1000-120 Adelaide St. W. 2013 06 13
Toronto
M5H 3V1

LRO # 62 Charge/Mortgage

Registered as WE903381 on 2013 06 13 at 16:57
yyyy mm dd Page 2 of 2

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

158

Submitted By

Tel 416-363-2211


Fax 416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

EXHIBIT “N”

This is Exhibit "N" referred to in the
affidavit of Sergiu Cosmin
sworn before me, this 9th
day of June 2017

A COMMISSIONER FOR TAKING AFFIDAVITS

Paul Joseph Demarco, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires July 6, 2019.

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

Properties

PIN 17171 - 0009 LT **Interest/Estate** Fee Simple
Description PT LT 75 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON; PT LT 76 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON (BTN HUNTER ST, MACNAB ST, JACKSON ST & JAMES ST) AS IN HA59712; CITY OF HAMILTON
Address 98 JAMES ST S
HAMILTON

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 2203284 ONTARIO INC.
Address for Service 93 Skyway Avenue
Unit 104
Toronto ON M9W 6N6

I, Luigi Santaguida, 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 SANTAGUIDA, MARYLOU
Address for Service 14 St. Maragret's Drive
Toronto ON M4N 3E5

Provisions

Principal \$701,583.00 **Currency** CDN
Calculation Period
Balance Due Date On Demand
Interest Rate 5.0% per annum
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor

Additional Provisions

This Charge is collateral security securing a bond issued by the Chargee in favour of Terrasan 327 Royal York Rd. Limited with respect to vacating a lien registered as Instrument No. AT4183314 in favour of Limen Group Ltd. from the property described in PIN 07617-0050 LT; interest hereunder shall begin to accrue one day before an event of a default by the Chargor under this Charge.

Signed By

Kevin Bruce Milburn 1000-120 Adelaide St. W. acting for Chargor Signed 2016 04 11
Toronto (s)
M5H 3V1

Tel 416-363-2211
Fax 416-363-0645

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

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

SCHNEIDER RUGGIERO LLP

1000-120 Adelaide St. W.
Toronto
M5H 3V1

2016 04 11

Tel 416-363-2211

Fax 416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee \$62.85

Total Paid \$62.85

File Number

Chargor Client File Number 36508/BM

EXHIBIT “O”

This is Exhibit "O" referred to in the
affidavit of Sergiu Casmin
sworn before me, this 9th
day of June 2017

A COMMISSIONER FOR TAKING AFFIDAVITS

Paul Joseph Demarco, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires July 6, 2019.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

BETWEEN

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

-AND-

2203284 ONTARIO INC.

Respondent

APPLICATION UNDER Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and Rule 14.05(3)(g) and (h) of the *Rules of Civil Procedure*

CONSENT TO ACT

The undersigned, msi Spergel Inc. ("Spergel"), hereby consents to the appointment of Spergel as receiver, without security, of all of the assets, undertakings and properties of 2203284 Ontario Inc., including property municipally known as 98 James Street South, Hamilton, Ontario and more particularly described as:

PIN	17171 – 0009 LT
DESCRIPTION	PT LT 75 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON; PT LT 76 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON (BTN HUNTER ST, MACNAB ST, JACKSON ST & JAMES ST) AS IN HA59712; CITY OF HAMILTON

(the "Property") pursuant to the provisions of subsection 243(1) of the Bankruptcy and Insolvency Act, R.S.O. 1990, c. C.43, as amended, and the terms of an order substantially in the form filed in the above proceeding.

DATED at Hamilton, Ontario, this 7th day of June, 2017.

msi Spergel Inc.

Per:

A handwritten signature in black ink, appearing to be 'T. Pringle', written over a horizontal line.

Name: Trevor Pringle

Title: Senior Vice-President

I have authority to bind the corporation

DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Applicant

- AND -

2203284 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial Court)

PROCEEDINGS COMMENCED AT TORONTO

APPLICATION RECORD

SimpsonWigle LAW LLP
1 Hunter Street East
Suite 200
P.O. Box 990
Hamilton, Ontario, L8N 3R1

DAVID J. H. JACKSON
LSUC NO. AO15656-R

Tel: (905) 528-8411
Fax: (905) 528-9008

Lawyers for the Applicant