

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

BETWEEN

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

-AND-

54 SHEPHERD ROAD INC. AND 60 SHEPHERD ROAD INC.

Respondents

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*

**APPLICATION RECORD
(Application returnable October 24, 2019)**

SimpsonWigle LAW LLP
1 Hunter Street East
Suite 200
Hamilton, ON L8N 3W1

David J. Jackson
LSUC No. AO15656R

Tel: (905) 528-8411
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Lawyers for the Applicant

TO: SEE SERVICE LIST

SERVICE LIST

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<p>Hi-Rise Capital Ltd. 200 Adelaide Street West Suite 400 Toronto, ON M5H 1W7</p>	<p>Community Trust Company 2350 Matheson Boulevard East Mississauga, ON L4W 5G9</p>
<p>Canada Revenue Agency % Department of Justice The Exchange Tower 130 King Street West Suite 3400 Toronto, ON M5X 1K6</p> <p>Diane Winters Diane.Winters@justice.gc.ca</p> <p>Peter Zevenhuizen Peter.Zevenhuizen@justice.gc.ca</p> <p>Tel: (416) 973-3172 Fax: (416) 973-0810</p>	<p>Her Majesty the Queen in Right of the Province of Ontario as represented by The Ministry of Finance 33 King Street West 6th Floor Oshawa, ON L1H 1A1</p> <p>Kevin J. O'Hara Kevin.Ohara@ontario.ca</p> <p>Tel: (905) 433-6934 Fax: (905) 436-4510</p>

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CV-19-00628680 - 00CL
Court File No.

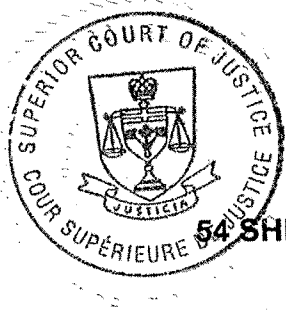
**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

BETWEEN

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

-AND-



54 SHEPHERD ROAD INC. AND 60 SHEPHERD ROAD INC.

Respondents

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*

NOTICE OF APPLICATION

TO THE RESPONDENTS

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

THIS APPLICATION will come on for a hearing on **Thursday, the 24th day of October, 2019 at 10:00 a.m., at 330 University Avenue, Toronto, Ontario.**

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

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not

have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

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

Dated: October 7, 2019

Issued by *[Signature]*
Local Registrar - A. Stanojevic.

Address of Court: 330 University Ave
9th Floor
Toronto, ON
M5G 1R7

TO: SEE SERVICE LIST

SERVICE LIST

<p>McCarthy Tétrault LLP P.O. Box 48 Toronto-Dominion Bank Tower Toronto, ON M5K 1E6</p> <p>Geoff R. Hall Tel: (416) 601-7856 Fax: (416) 868-0673 gHall@mccarthy.ca</p> <p>Lawyers for 54 Shepherd Road Inc. and 60 Shepherd Road Inc.</p>	<p>msi Spergel Inc. 21 King Street West Suite 1602 Hamilton, ON L8P 4W7</p> <p>Trevor Pringle Tel: (905) 527-2227 Fax: (905) 527-6670 tpringle@spergel.ca</p> <p>Proposed Receiver</p>
<p>Hi-Rise Capital Ltd. 200 Adelaide Street West Suite 400 Toronto, ON M5H 1W7</p>	<p>Community Trust Company 2350 Matheson Boulevard East Mississauga, ON L4W 5G9</p>
<p>Canada Revenue Agency % Department of Justice The Exchange Tower 130 King Street West Suite 3400 Toronto, ON M5X 1K6</p> <p>Diane Winters Diane.Winters@justice.gc.ca</p> <p>Peter Zevenhuizen Peter.Zevenhuizen@justice.gc.ca</p> <p>Tel: (416) 973-3172 Fax: (416) 973-0810</p>	<p>Her Majesty the Queen in Right of the Province of Ontario as represented by The Ministry of Finance 33 King Street West 6th Floor Oshawa, ON L1H 1A1</p> <p>Kevin J. O'Hara Kevin.Ohara@ontario.ca</p> <p>Tel: (905) 433-6934 Fax: (905) 436-4510</p>

APPLICATION

1. THE APPLICANT, FIRSTONTARIO CREDIT UNION LIMITED (“FIRSTONTARIO”) MAKES APPLICATION FOR:

- (a) An order, if necessary, abridging the time for service and filing of this Notice of Application and the Application Record herein and validating service and directing any further service of this Notice of Application and Application Record be dispensed with such that this Application is properly returnable on October 24, 2019;
- (b) An Order substantially in the form of the draft Order attached hereto as Schedule “A” appointing msi Spergel Inc. (“Spergel”) (21 King Street West, Suite 1602, Hamilton, Ontario, attention Mr. Trevor Pringle), a licensed bankruptcy trustee, as receiver (“Receiver”) pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and/or Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended, without security, of all of the assets, undertakings and properties of 54 Shepherd Road Inc. and 60 Shepherd Road Inc. (collectively the “Debtor”), including, without limitation, the real property municipally known as 54 and 60 Shepherd Road, Oakville, Ontario and more particularly described as:

PIN	24813 – 0401 LT
DESCRIPTION	PT LT 16, CON 3 TRAF SDS; PT LT 16, CON 3 TRANS SDS, PT RDAL BTN LTS 15 & 16, CON 3 TRAF SDS, AS CLOSED BY BYLAW 608 AS IN 702148 DESIGNATED AS PT 1 20R20836; TOWN OF OAKVILLE

(hereinafter referred to as the “Property”)

- (c) Costs of this Application on a full indemnity basis; and
- (d) Such further and other relief as this Honourable Court should deem just.

2. THE GROUNDS FOR THE APPLICATION ARE:

BACKGROUND

- (a) FirstOntario is a Credit Union incorporated pursuant to the laws of the Province of Ontario with a commercial branch at 4021 Upper Middle Road, Burlington, Ontario L7R 3X5.
- (b) 60 Shepherd Road Inc. is a corporation incorporated pursuant to the laws of the Province of Ontario with offices located at 170 University Avenue, Suite 903, Toronto, Ontario and 200 Adelaide Street West, Suite 401, Toronto, Ontario. The sole shareholder of the company is Neilas Inc. and its sole office and director is Jim Neilas also known as Dimitrios Neilas.
- (c) 54 Shepherd Road Inc. is a corporation incorporated pursuant to the laws of the Province of Ontario with offices located at 170 University Avenue, Suite 903, Toronto, Ontario and 200 Adelaide Street West, Suite 401, Toronto, Ontario. The sole shareholder of the company is Neilas Inc. and its sole office and director is Jim Neilas also known as Dimitrios Neilas.

LOAN FACILITIES

- (d) 54 Shepherd Road Inc. and 60 Shepherd Road Inc. are currently indebted to FirstOntario with respect to a loan facility in the principal amount of \$2,500,000.00 ("Mortgage Loan"), made pursuant to a Commitment Letter dated February 17, 2015 as renewed (collectively "Commitment Letter"). The maturity date of the Mortgage Loan is October 17, 2019.
- (e) The Mortgage Loan was for the purpose of refinancing an existing loan against the Property.
- (f) The Mortgage Loan required monthly installment payments of interest only

SECURITY

- (g) As security for its obligations to FirstOntario, including, without limitation, its obligations with respect to the Mortgage Loan, the Debtor provided first in priority security in favour of FirstOntario (collectively, the “Security”) including:
- i. a Charge/Mortgage from the Debtor registered against the Real Property on April 7, 2017 as Instrument No HR1257414;
 - ii. a Business Loan General Security Agreement dated March 19, 2015 between FirstOntario and 60 Shepherd Road Inc.;
 - iii. an Assignment of Rents – General from 60 Shepherd Road Inc. registered against the Real Property on April 7, 2015 as Instrument No. HR1257416;
 - iv. a Business Loan General Security Agreement dated March 19, 2015 between FirstOntario and 54 Shepherd Road Inc.;
 - v. an Assignment of Rents – General from 54 Shepherd Road Inc. registered against the Real Property on April 7, 2015 as Instrument No. HR1257415.
- (collectively the “Security”).
- (h) The obligations of the Debtor to FirstOntario, including with respect to the Mortgage Loan were guaranteed respectively by Neilas Inc. and Jim Neilas.

DESCRIPTION OF THE REAL PROPERTY, DEBTOR AND ITS BUSINESS

- (i) The Real Property has a site area of approximately 1.374 acres, consists of two parcels of lands (54 and 60 Shepherd Road) and the Debtor proposed to develop the Real Property with a high-rise, mixed residential/commercial use property also having condominium ownership. The commercial component, which was to be on the first floor, was to contain an area of approximately 5,468 to 6,082 square feet. The residential component was to consist of two 10 story structures containing approximately 201 units. Parking was to accommodate 273 vehicles with 261 parking spaces below grade and 12 parking spaces at grade level.
- (j) The Real Property has been the subject of various environmental assessments. With respect to its proposed development, the Real Property required substantial environmental remediation. The Real Property remains vacant property but with substantial below grade excavation having been concluded. The environmental remediation concluded to date, and additional work that may be required, from an environmental perspective, with respect to the Real Property being suitable for its proposed purposes is unknown.
- (k) The Debtor contemplated delivering a new site plan to the Municipality to increase the density at the Real Property to allow for an increase in the number of condominium units to be built. This is expected to take 18 to 24 months and thereafter construction would begin.
- (l) At one point, the Debtor was considering transitioning from condominium units to rental units.

EVENTS OF DEFAULT

- (m) The Debtor is in breach of the terms and conditions of the Commitment Letter.

- (n) Pursuant to the Mortgage Instrument No HR1257414 and its Standard Charge Terms, the Debtor was to:
- i. pay outstanding accrued interest on the 7th day of each and every month; and
 - ii. was to pay municipal property taxes as they fell due.
- (o) The Debtor last made a monthly interest payment on April 7, 2019.
- (p) The Debtor is in breach of payment of municipal property taxes with respect to each of 54 and 60 Shepherd Road, Oakville, Ontario including arrears for 2017, 2018 and 2019.
- (q) By reason of the nonpayment of monthly installment interest payments and the nonpayment of property taxes, the Debtor is in breach of the Mortgage Loan and FirstOntario is entitled to enforce its Security.
- (r) On September 12, 2019, FirstOntario made due demand upon the Debtor for payment of the outstanding Mortgage Loan.
- (s) On September 12, 2019, FirstOntario delivered Notice of Intention to Enforce Security to each of 54 Shepherd Road Inc. and 60 Shepherd Road Inc. pursuant to Section 244 of the *Bankruptcy and Insolvency Act*.

OTHER REGISTERED SECURED CREDITORS

- (t) The only party having a registered security interest against 54 Shepherd Road Inc. or 60 Shepherd Road Inc. pursuant to the provisions of the *Personal Property Security Act* is FirstOntario.

- (u) FirstOntario on the one hand and Hi-Rise Capital Ltd. and Community Trust Company on the other hand are registered mortgagees with respect of the Real Property. The mortgages held by Hi-Rise Capital Ltd. and Community Trust Company were transferred to them by Hi-Rise Capital Ltd.
- (v) The hereinafter described mortgages initially held by Hi-Rise Capital Ltd. (now held by Hi-Rise Capital Ltd. and Community Trust Company) predated FirstOntario's Mortgage:
 - i. Instrument No. HR1080407 registered February 5, 2013 in the amount of \$15,000,000.00;
 - ii. Instrument No. HR1100541 registered May 16, 2013 in the amount of \$8,000,000.00.
- (w) The aforesaid Hi-Rise Capital Ltd. mortgage (\$15,000,000.00) registered as Instrument No. HR1080407 and Hi-Rise Capital Ltd. mortgage (\$8,000,000.00) registered as Instrument No. HR1100541 were by Subordination and Standstill agreements between FirstOntario and Hi-Rise Capital Ltd. dated March 19, 2015, subordinated and postponed to the Mortgage Loan and FirstOntario's Mortgage.

HI-RISE CAPITAL LTD. AND COMMUNITY TRUST COMPANY

- (x) With respect to the mortgage held by Hi Rise Capital Ltd. and Community Trust Company, Hi-Rise Capital Ltd. holds a proportionate share of 47.228% with respect to the mortgage and Community Trust Company holds 52.772%.
- (y) Community Trust Company holds its proportionate share of mortgage Instrument No. HR1100541 for the benefit of various and numerous RSP plans, RIF plans and LIRA plans.

- (z) Mortgage Instrument No. HR1100541 held by Hi-Rise Capital Ltd. and Community Trust Company secures repayment of funds borrowed or invested to pay expenses which have been incurred to date with respect to the Development including predevelopment costs and soft costs for consultants and architects relating to such things as zoning and environmental and in this instance with respect to environmental remediation at the property.
- (aa) All or a portion of the aforesaid expenses were funded by numerous unrelated individual investors (Syndicated Investors) and Community Trust Company holds its proportionate share in mortgage Instrument No. HR1100541 as Trustee and Mortgage Administrator for the benefit of the Syndicated Investor.

FORBEARANCE

- (bb) Commencing at or about the end of April 2019, beginning of May 2019, FirstOntario have been in communication, from time to time, with the Debtor and in some instances in conjunction with its lawyer, with respect to, among other things, the Debtor's breach of the Mortgage Loan and Security by reason of the nonpayment of monthly interest installments and property taxes.
- (cc) The Debtor proposed a forbearance arrangement which would not provide for the immediate payment of arrears of interest or property taxes but rather the potential delivery of additional collateral security to secure payment of the same.
- (dd) The Debtor advised FirstOntario that by reason of the registered interest of the Syndicated Investors and the nature of the Syndicated Investors that the Debtor was unable to obtain additional financing including construction

financing with respect to the development of the Real Property (the "Development").

- (ee) The Debtor advised FirstOntario that it proposed to restructure the Syndicated Investors' financing on a basis which would allow the Debtor to obtain further financing and that the proposed restructuring would be in the best interest of the Syndicated Investors as opposed to FirstOntario realizing on its Security.
- (ff) The Debtor advised FirstOntario that a development company related to the Debtor, namely Adelaide Street Loft Inc. ("Adelaide Street") was, with respect to a real estate development on Adelaide Street in Toronto, encountering similar development/financing issues as the Debtor by reason of Adelaide Street having similarly financed its development through Syndicated Investors who were of the nature that had provided financing to the Debtor.
- (gg) The Debtor advised FirstOntario that Adelaide Street had made application to Court pursuant to the *Trustee Act* with respect to it restructuring its Syndicated Investors' financing and in that regard FirstOntario was provided with a copy of the Order of Justice Hainey dated March 21, 2019 in Ontario Superior Court of Justice (Commercial List) Court File No. CV-19-616261-00CL.
- (hh) The Debtor requested FirstOntario to forbear from enforcing its Security to allow the Debtor to commence and conclude a similar restructuring as with respect to Adelaide Street; however, the Debtor would not be bringing such restructuring application until it was satisfied that the Adelaide Street property would be restructured further to a positive vote in that regard by its Syndicated Investors.
- (ii) The Debtor's proposal that FirstOntario forbear on the basis that the Debtor provide additional collateral security to secure payment of the Mortgage Loan was not acceptable to FirstOntario.

- (jj) By letter dated July 3, 2019, FirstOntario advised the Debtor that it required property taxes and arrears of interest to be placed in good standing by August 19, 2019 as otherwise FirstOntario would proceed to make demand on the Mortgage Loan and proceed to enforce its security. FirstOntario further advised that if property taxes and arrears of interest were paid as aforesaid, it would consider renewing the Mortgage Loan for a period beyond its maturity date of October 7, 2019.
- (kk) By August 19, 2019 no payments have been made by the Debtor on account of arrears of interest or property taxes.
- (ll) By email dated August 20, 2019, the Debtor's lawyer advised that the Adelaide Street restructuring proceeding was delayed but was progressing and that a vote by its Syndicated Investors, relative to the restructuring, would take place no later than September 30, 2019.
- (mm) By letter dated August 29, 2019, FirstOntario advised the Debtor of the terms and conditions upon which it was prepared to forbear, which terms and conditions, included among other things, the immediate payment of 2017 and 2018 property taxes upon the execution of a forbearance agreement, with 2019 arrears of property taxes to be paid on a monthly basis in order to be brought into good standing by March 31, 2020. FirstOntario further indicated that if all other terms and conditions of the forbearance agreement were complied with, it would extend the maturity date of the Mortgage Loan to October 7, 2020. FirstOntario required agreement from the Debtor with respect to the terms and conditions of the proposed forbearance agreement by September 5, 2019.
- (nn) On September 5, 2019, the Debtor advised that it was not prepared to agree to the terms and conditions of the forbearance agreement proposed by FirstOntario including payment of arrears of property taxes and arrears of interest and requested that FirstOntario wait until the completion of a vote with respect to the restructuring of the Adelaide Street project which vote

was apparently to be held on September 25, 2019 and then further consider its position.

- (oo) The Debtor's request was not acceptable to FirstOntario and FirstOntario made due demand on the Debtor for payment of the Mortgage Loan and issued notices pursuant to Section 244 of the BIA on September 12, 2019.
- (pp) FirstOntario has no knowledge if the vote on the restructuring of the Adelaide Street property has been held.

APPOINTMENT OF A RECEIVER

- (qq) FirstOntario has been attempting for an extended period of time to have the Mortgage Loan brought into good standing by way of payment of arrears of property taxes and interest. This has not occurred. FirstOntario is not prepared to delay further and is not prepared to renew the Mortgage Loan beyond its maturity date of October 7, 2019.
- (rr) As at October 4, 2019, the Debtor is indebted to FirstOntario with respect to the Mortgage Loan as follows:

Principal	\$2,500,000.00
Accrued interest to October 4, 2019	84,264.65
Administrative fee for nonpayment of monthly installment (4 x \$40.00 and 1 x \$50.00)	210.00
Administrative collection fee	250.00
TOTAL	\$2,584,724.65

Interest continues to accrue from October 4, 2019 on the aforesaid principal amount at FirstOntario Credit Union Prime Rate of Interest plus 3% per annum, as it varies from time to time (presently 6.95% per annum, calculated monthly), to the date of payment.

- (ss) As of October 2, 2019, FirstOntario has incurred legal expense in the amount of \$15,087.33, inclusive of HST and disbursements, with respect to the enforcement of the Mortgage Loan. Pursuant to the terms of its Security, FirstOntario is entitled to be fully indemnified by the Debtor with respect to payment of the aforesaid legal expense.
- (tt) Pursuant to its mortgage security and general security agreements, FirstOntario is entitled to appoint a receiver if there has been breached in terms and conditions of the Mortgage Loan and Security. FirstOntario considers it reasonable and prudent to begin the enforcement of its security in order to recover the Mortgage Loan and it is within FirstOntario's rights under its Security to do so.
- (uu) A receiver is necessary for the protection of the Debtor's estate, interest of FirstOntario, the Syndicated Investors and potentially other stakeholders. FirstOntario believes the appointment of a receiver would enhance the prospect of recovery by FirstOntario and the protection of stakeholders.
- (vv) A Court-Appointed Receiver would be best placed to realize upon the Real Property that is the subject of FirstOntario's Security.
- (ww) In the circumstances, it is just and equitable that a receiver be appointed.
- (xx) FirstOntario proposes that msi Spergel Inc. ("Spergel") be appointed as receiver of the assets, undertaking and properties of the Debtor, including the Real Property.
- (yy) Spergel is an experienced, licensed Trustee in Bankruptcy and has consented to act as receiver, without security, of the assets, undertaking and properties of the Debtor, including the Real Property, and all proceeds thereof.

- (zz) Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1984 c.B-3, as amended.
- (aaa) Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended.
- (bbb) Rules 1.04, 2.03, 3.02(1), 14.05(3)(g) and (h), 16.04(1) and 38 of the *Rules of Civil Procedure*.
- (ccc) Such further and other grounds as counsel may advise and as this Honourable Court may allow.

3. **THE FOLLOWING DOCUMENTATION EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:**

- (a) The Affidavit of Virginia Selemidis, sworn October 4, 2019 and the exhibits attached thereto;
- (b) The Consent of msi Spergel Inc. to act as receiver of the Debtor; and
- (c) Such further evidence as counsel may advise and as this Honourable Court may permit.

DATE OF ISSUE: October 7, 2019

SimpsonWigle LAW LLP
1 Hunter Street East
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Hamilton, ON L8N 3W1

David J. Jackson
LSUC No. AO15656R

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

Lawyers for the Applicant

SCHEDULE "A"

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) THURSDAY, THE 24TH
JUSTICE) DAY OF OCTOBER, 2019

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

-AND-

54 SHEPHERD ROAD INC. AND 60 SHEPHERD ROAD INC.

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing msi Spergel Inc. as receiver, (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 54 Shepherd Road Inc. and 60 Shepherd Road Inc. (collectively the "Debtor"), acquired for, or used in relation to a business carried on by the Debtor, including, without limitation, the real property municipally known as 54 and 60 Shepherd Road, Oakville, Ontario and more particularly described as:

PIN	24813 - 0401 LT
DESCRIPTION	PT LT 16, CON 3 TRAF SDS; PT LT 16, CON 3 TRANS SDS, PT RDAL BTN LTS 15 & 16, CON 3 TRAF SDS, AS CLOSED BY BYLAW 608 AS IN 702148 DESIGNATED AS PT 1 20R20836; TOWN OF OAKVILLE

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Court File No. ¶

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Plaintiff
- and -
DEFENDANT

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was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Virginia Selemidis sworn October 4, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for the Debtor or for any other person on the service list, although duly served as appears from the affidavits of service and on reading the consent of msi Spergel Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, msi Spergel Inc. s hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, including, without limitation, the real property municipally known as 54 and 60 Shepherd Road, Oakville, Ontario and more particularly described as

PIN	24813 - 0401 LT
DESCRIPTION	PT LT 16, CON 3 TRAF SDS; PT LT 16, CON 3 TRANS SDS, PT RDAL BTN LTS 15 & 16, CON 3 TRAF SDS, AS CLOSED BY BYLAW 608 AS IN 702148 DESIGNATED AS PT 1 20R20836; TOWN OF OAKVILLE

(collectively hereinafter referred to as the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting

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the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

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- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

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

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

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

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

(i) without the approval of this Court in respect of any transaction not exceeding \$25,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and

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

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

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

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

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

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

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

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

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this

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Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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

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

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with any and all access codes, account names and account numbers that may be required to gain access to the information.

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NO PROCEEDINGS AGAINST THE RECEIVER

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

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NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

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CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in

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section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the

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Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at

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the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

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FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

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SERVICE AND NOTICE

24. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL www.spergel.ca/54and60ShepherdRoadInc.

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

GENERAL

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

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

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

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of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

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

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

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SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "Receiver") of the assets, undertakings and properties of 54 Shepherd Road Inc. and 60 Shepherd Road Inc. (collectively the "Debtor"), acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, including, without limitation, the real property municipally known as 54 and 60 Shepherd Road, Oakville, Ontario and more particularly described as:

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PIN	24813 - 0401 LT
DESCRIPTION	PT LT 16, CON 3 TRAF SDS; PT LT 16, CON 3 TRANS SDS, PT RDAL BTN LTS 15 & 16, CON 3 TRAF SDS, AS CLOSED BY BYLAW 608 AS IN 702148 DESIGNATED AS PT 1 20R20836; TOWN OF OAKVILLE

(collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 24th day of October, 2019 (the "Order") made in an application having Court file number CV-19-.....-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver

Court File No.

FIRSTONTARIO CREDIT UNION LIMITED
Applicant

- AND -

54 SHEPHERD ROAD INC. ET AL
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial Court)

PROCEEDINGS COMMENCED AT TORONTO

NOTICE OF APPLICATION

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

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

BETWEEN

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

-AND-

54 SHEPHERD ROAD INC. AND 60 SHEPHERD ROAD INC.

Respondents

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*

AFFIDAVIT OF VIRGINIA SELEMIDIS

I, **VIRGINIA SELEMIDIS**, of the City of Burlington, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am Senior Portfolio Manager, Commercial Services for the Applicant, FirstOntario Credit Union Limited ("FirstOntario").
2. FirstOntario is a secured creditor of the Respondents, 54 Shepherd Road Inc. and 60 Shepherd Road Inc. (collectively the "Debtor") and I am responsible for FirstOntario's recovery initiatives relating to the Debtor. As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.

THE PURPOSE OF THE APPLICATION

3. The Affidavit is made in support of an application by FirstOntario for an order, among other things, appointing msi Spergel Inc. ("Spergel") (21 King Street West, Suite 1602, Hamilton, Ontario, attention Mr. Trevor Pringle), a licensed bankruptcy trustee, as receiver ("Receiver") pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and/or Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended, without security, of all of the assets, undertakings and properties of the Debtor, including, without limitation, the real property municipally known as 54 and 60 Shepherd Road, Oakville, Ontario (the "Real Property") and more particularly described as:

PIN	24813 – 0401 LT
DESCRIPTION	PT LT 16, CON 3 TRAF SDS; PT LT 16, CON 3 TRANS SDS, PT RDAL BTN LTS 15 & 16, CON 3 TRAF SDS, AS CLOSED BY BYLAW 608 AS IN 702148 DESIGNATED AS PT 1 20R20836; TOWN OF OAKVILLE

4. The Real Property was previously:

PIN	24813 – 0286 LT
DESCRIPTION	PT LT 16, CON 3 TRAF SDS; PT RDAL BTN LTS 15 & 16, CON 3 TRAF SDS, AS CLOSED BY BYLAW 608; AS IN 702148; TOWN OF OAKVILLE
ADDRESS	54 SHEPHERD ROAD OAKVILLE

PIN	24813 – 0245 LT
DESCRIPTION	PT LT 16, CON 3 TRAF SDS; AS IN 732417; TOWN OF OAKVILLE
ADDRESS	60 SHEPHERD ROAD OAKVILLE

BACKGROUND

5. FirstOntario is a Credit Union incorporated pursuant to the laws of the Province of Ontario with a commercial branch at 4021 Upper Middle Road, Burlington, Ontario, L7R 3X5.
6. 60 Shepherd Road Inc. is a corporation incorporated pursuant to the laws of the Province of Ontario with offices located at 170 University Avenue, Suite 903, Toronto, Ontario and 200 Adelaide Street West, Suite 401, Toronto, Ontario. The sole shareholder of the company is Neilas Inc. and its sole office and director is Jim Neilas also known as Dimitrios Neilas. Attached hereto and marked collectively as **Exhibit "A"** to this my Affidavit is a copy of the Certificate and Articles of Incorporation and Articles of Amendment of 60 Shepherd Road Inc. and also a Certificate of Incumbency with respect to the corporation.
7. 54 Shepherd Road Inc. is a corporation incorporated pursuant to the laws of the Province of Ontario with offices located at 170 University Avenue, Suite 903, Toronto, Ontario and 200 Adelaide Street West, Suite 401, Toronto, Ontario. The sole shareholder of the company is Neilas Inc. and its sole office and director is Jim Neilas also known as Dimitrios Neilas. Attached hereto and marked collectively as **Exhibit "B"** to this my Affidavit is a copy of the Certificate and Articles of Incorporation and Articles of Amendment of 54 Shepherd Road Inc. and also a Certificate of Incumbency with respect to the corporation.

LOAN FACILITIES

8. 54 Shepherd Road Inc. and 60 Shepherd Road Inc. are currently indebted to FirstOntario with respect to a loan facility in the principal amount of \$2,500,000.00 ("Mortgage Loan"), made pursuant to a Commitment Letter dated February 17, 2015 as renewed (collectively "Commitment Letter"). The maturity date of the Mortgage Loan is October 17, 2019. Attached hereto and marked collectively as **Exhibit "C"** to this my Affidavit is a copy of the Commitment Letter.

9. The Mortgage Loan was for the purpose of refinancing an existing loan against the Property.
10. The Mortgage Loan required monthly installment payments of interest only.

SECURITY

11. As security for its obligations to FirstOntario, including, without limitation, its obligations with respect to the Mortgage Loan, the Debtor provided security in favour of FirstOntario (collectively, the "Security") including:
 - (a) a Charge/Mortgage from the Debtor registered against the Real Property on April 7, 2017 as Instrument No HR1257414. Attached hereto and marked collectively as **Exhibit "D"** to this my Affidavit are copies of the Charge/Mortgage Instrument No HR1257414, Standard Charge Terms and Acknowledgement of Acceptance of Standard Charge Terms ("FirstOntario's Mortgage").
 - (b) a Business Loan General Security Agreement dated March 19, 2015 between FirstOntario and 60 Shepherd Road Inc. Attached hereto and marked as **Exhibit "E"** to this my Affidavit is a copy of the Business Loan General Security Agreement dated March 19, 2015 between FirstOntario and 60 Shepherd Road Inc.
 - (c) an Assignment of Rents – General from 60 Shepherd Road Inc. registered against the Real Property on April 7, 2015 as Instrument No. HR1257416. Attached hereto and marked as **Exhibit "F"** to this my Affidavit is a copy of the Assignment of Rents – General from 60 Shepherd Road Inc. registered as Instrument No. HR1257416.

- (d) a Business Loan General Security Agreement dated March 19, 2015 between FirstOntario and 54 Shepherd Road Inc. Attached hereto and marked as **Exhibit "G"** to this my Affidavit is a copy of the Business Loan General Security Agreement dated March 19, 2015 between FirstOntario and 60 Shepherd Road Inc.
 - (e) an Assignment of Rents – General from 54 Shepherd Road Inc. registered against the Real Property on April 7, 2015 as Instrument No. HR1257415. Attached hereto and marked as **Exhibit "H"** to this my Affidavit is a copy of the Assignment of Rents – General from 54 Shepherd Road Inc. registered as Instrument No. HR1257415.
12. The obligations of the Debtor to FirstOntario, including with respect to the Mortgage Loan were guaranteed respectively by Neilas Inc. and Jim Neilas. Attached hereto and marked collectively as **Exhibit "I"** to this my Affidavit are copies of the aforesaid Guarantees dated March 19, 2015.

DESCRIPTION OF THE REAL PROPERTY, DEBTOR AND ITS BUSINESS

13. Based upon credit information in the files of FirstOntario which I understand was completed from information provided to FirstOntario by Jim Neilas, and based upon my review of appraisal information, I believe that the Real Property has a site area of approximately 1.374 acres, consists of two parcels of lands (54 and 60 Shepherd Road) and the Debtor proposed to develop the Real Property with a high-rise, mixed residential/commercial use property also having condominium ownership. The commercial component, which was to be on the first floor, was to contain an area of approximately 5,468 to 6,082 square feet. The residential component was to consist of two 10 story structures containing approximately 201 units. Parking was to accommodate 273 vehicles with 261 parking spaces below grade and 12 parking spaces at grade level.

14. Based upon the same information as described in paragraph 14, I believe that the Real Property has been the subject of various environmental assessments. With respect to its proposed development, the Real Property required substantial environmental remediation. The Real Property remains vacant property but with substantial below grade excavation having been concluded. FirstOntario is not aware of the environmental remediation concluded to date, and additional work that may be required, from an environmental perspective, with respect to the Real Property being suitable for its proposed purposes.
15. Based upon the same information as described in paragraph 14 and also based upon information provided to me from Jim Neilas, I believe that the Debtor intends to deliver a new site plan to the Municipality to increase the density at the Real Property to allow for an increase in the number of condominium units to be built. This is expected to take 18 to 24 months and thereafter construction would begin. At one point, the Debtor was considering transitioning from condominium units to rental units.

EVENTS OF DEFAULT

16. The Debtor is in breach of the terms and conditions of the Commitment Letter.
17. Pursuant to the Mortgage Instrument No HR1257414 and its Standard Charge Terms, the Debtor was to:
 - (a) pay outstanding accrued interest on the 7th day of each and every month; and
 - (b) was to pay municipal property taxes as they fell due.
18. The Debtor last made a monthly interest payment on April 7, 2019.

19. The Debtor is in breach of payment of municipal property taxes with respect to each of 54 and 60 Shepherd Road, Oakville, Ontario including arrears for 2017, 2018 and 2019. Attached hereto and marked collectively as **Exhibit "J"** to this my Affidavit are copies of Tax Certificates issued August 28, 2019 with respect to 60 Shepherd Road, Oakville, Ontario and 54 Shepherd Road, Oakville, Ontario (incorrectly shown to be 62 and 58 Shepherd Road) indicating arrears of taxes respectively in the amount of \$132,986.05 and \$145,682.08.
20. By reason of the nonpayment of monthly installment interest payments and the nonpayment of property taxes, the Debtor is in breach of the Mortgage Loan and FirstOntario is entitled to enforce its Security.
21. On September 12, 2019, FirstOntario caused its lawyers, SimpsonWigle LAW LLP, to make due demand upon the Debtor for payment of the outstanding Mortgage Loan. Attached hereto and marked as **Exhibit "K"** to this my Affidavit is a copy of the September 12, 2019 demand letter.
22. On September 12, 2019, the Mortgage Loan was outstanding as follows:

Principal	\$2,500,000.00
Accrued interest to September 12, 2019	73,792.43
Administrative fee for nonpayment of monthly installment (4 x \$40.00)	160.00
Administrative collection fee	250.00
Account Overdraft	20.77
Legal Enforcement Expense (inclusive of disbursements and HST)	7,340.00
TOTAL	\$2,581,563.20

Interest continues to accrue from September 12, 2019 on the aforesaid principal amount and legal enforcement expense at FirstOntario Credit Union Prime Rate

of Interest plus 3% per annum, as it varies from time to time (presently 6.95% per annum, calculated monthly), to the date of payment.

23. I am also advised by David John Hopkins Jackson, partner in the law firm of SimpsonWigle LAW LLP, and do verily believe, that on September 12, 2019, SimpsonWigle LAW LLP delivered Notice of Intention to Enforce Security to each of 54 Shepherd Road Inc. and 60 Shepherd Road Inc. pursuant to Section 244 of the *Bankruptcy and Insolvency Act*. Attached hereto and marked collectively as **Exhibit "L"** to this my Affidavit are copies of the said Section 244 BIA Notices delivered by SimpsonWigle LAW LLP to 54 Shepherd Road Inc. and 60 Shepherd Road Inc.

OTHER REGISTERED SECURED CREDITORS

24. A copy of the *Personal Property Security Act* search results for 54 Shepherd Road Inc., with currency to October 2, 2019 is attached as **Exhibit "M"** to this my Affidavit. The search result shows only a registration against 54 Shepherd Road Inc. in favour of FirstOntario.
25. A copy of the *Personal Property Security Act* search results for 60 Shepherd Road Inc., with currency to October 2, 2019 is attached as **Exhibit "N"** to this my Affidavit. The search result shows only a registration against 60 Shepherd Road Inc. in favour of FirstOntario.
26. Regardless of existing registrations, I also attach herewith "Acknowledgements and Subordination re PPSA" agreements from Hi-Rise Capital Ltd. in favour of FirstOntario wherein it subordinated and postponed all of its rights, title and interest in and to any personal property of 54 Shepherd Road Inc. and 60 Shepherd Road Inc. to the General Security Agreements of FirstOntario. Attached hereto and

marked collectively as **Exhibit "O"** to this my Affidavit are copies of the Acknowledgement and Subordination re PPSA agreements.

27. A copy of the Parcel Registry with respect to the Real Property that is subject to the mortgage of FirstOntario is attached as **Exhibit "P"** to this my Affidavit. The Parcel Registry reflects that only FirstOntario on the one hand and Hi-Rise Capital Ltd. and Community Trust Company on the other hand are registered mortgagees with respect of the Real Property. The mortgages held by Hi-Rise Capital Ltd. and Community Trust Company were transferred to them by Hi-Rise Capital Ltd.
28. The hereinafter described mortgages initially held by Hi-Rise Capital Ltd. (now held by Hi-Rise Capital Ltd. and Community Trust Company) predated FirstOntario's Mortgage:
 - (a) Instrument No. HR1080407 registered February 5, 2013 in the amount of \$15,000,000.00;
 - (b) Instrument No. HR1100541 registered May 16, 2013 in the amount of \$8,000,000.00.
29. The aforesaid Hi-Rise Capital Ltd. mortgage (\$15,000,000.00) registered as Instrument No. HR1080407 and Hi-Rise Capital Ltd. mortgage (\$8,000,000.00) registered as Instrument No. HR1100541 were by Subordination and Standstill agreements between FirstOntario and Hi-Rise Capital Ltd. dated March 19, 2015, subordinated and postponed to the Mortgage Loan and FirstOntario's Mortgage. Attached hereto and marked collectively as **Exhibit "Q"** to this my Affidavit are copies of the aforesaid Subordination and Standstill agreements, Postponement of Interest registered April 7, 2015 as Instrument No. HR1257436 and April 7, 2015 as Instrument HR1257437.

HI-RISE CAPITAL LTD. AND COMMUNITY TRUST COMPANY

30. I caused SimpsonWigle LAW LLP to conclude corporate searches with the Ministry of Government Services, Province of Ontario with respect to Hi-Rise Capital Ltd. and Community Trust Company. Attached hereto and marked collectively as **Exhibit "R"** to this my Affidavit are copies of the aforesaid searches issued respectively September 11, 2019 and September 30, 2019.
31. I am advised by David John Hopkins Jackson and do verily believe that it appears from the Parcel Register of the Real Property and from registered Notices that the principal amount of mortgage registered February 5, 2013 as Instrument No. HR1080407 in favour of Hi-Rise Capital Ltd. was increased from time to time and is presently in the principal amount of \$35,000,000.00 as appears from Notice registered as Instrument No. HR1316802 on November 20, 2015. It appears that mortgage in favour of Hi-Rise Capital Ltd. registered May 16, 2013 as Instrument No. HR1100541 was decreased from the principal amount of \$8,000,000.00 to the principal amount of \$3,500,000.00.
32. It appears that Hi-Rise Capital Ltd. mortgage registered February 5, 2013 as Instrument No. HR1080408 was transferred from time to time between Hi-Rise Capital Ltd. and Community Trust Company to amend their respective proportionate share of the subject mortgage. It appears that the last transfer in that regard was registered on May 24, 2017 as Instrument No. HR1456616 and that such transfer discloses that Hi-Rise Capital Ltd. holds a proportionate share of 47.228% with respect to the mortgage and Community Trust Company holds 52.772% with respect to the mortgage.
33. I am advised by David John Hopkins Jackson and do verily believe, that it is apparent from instrument registered against the aforesaid parcel that Community Trust Company holds its proportionate share of mortgage Instrument No. HR1100541 for the benefit of various and numerous RSP plans, RIF plans and LIRA plans.

34. It appears to me from my communications with Jim Neilas and from a review of the internal documents of FirstOntario that mortgage Instrument No. HR1100541 held by Hi-Rise Capital Ltd. and Community Trust Company secures repayment of funds borrowed or invested to pay expenses which have been incurred to date with respect to the Development including predevelopment costs and soft costs for consultants and architects relating to such things as zoning and environmental and in this instance with respect to environmental remediation at the property.
35. I also understand from my communications from Jim Neilas that all or a portion of the aforesaid expenses were funded by numerous unrelated individual investors (Syndicated Investors) and that Community Trust Company holds its proportionate share in mortgage Instrument No. HR1100541 as Trustee and Mortgage Administrator for the benefit of the Syndicated Investors.

FORBEARANCE

36. Commencing at or about the end of April, beginning of May 2019, I have been in communication, from time to time, with Jim Neilas and in some instances in conjunction with his lawyer.
37. My communications with Mr. Neilas were with, among other things, the Debtor's breach of the Mortgage Loan and security by reason of the nonpayment of monthly interest installments and property taxes.
38. Mr. Neilas proposed a forbearance arrangement which would not provide for the immediate payment of arrears of interest or property taxes but rather the potential delivery of additional collateral security to secure payment of the same.
39. Mr. Neilas advised me that by reason of the registered interest of the Syndicated Investors and the nature of the Syndicated Investors that the Debtor was unable to obtain additional financing including construction financing with respect to the development of the Real Property (the "Development").

40. Mr. Neilas advised me that the Debtor proposed to restructure the Syndicated Investors' financing on a basis which would allow the Debtor to obtain further financing. Mr. Neilas advised that the proposed restructuring would be in the best interest of the Syndicated Investors as opposed to FirstOntario realizing on its Security.
41. Mr. Neilas advised me that a development company related to the Debtor, namely Adelaide Street Loft Inc. ("Adelaide Street") was, with respect to a real estate development on Adelaide Street in Toronto, encountering similar development/financing issues as the Debtor by reason of Adelaide Street having similarly financed its development through Syndicated Investors who were of the nature that had provided financing to the Debtor.
42. Mr. Neilas advised that Adelaide Street had made application to Court pursuant to the *Trustee Act* with respect to it restructuring its Syndicated Investors' financing and in that regard FirstOntario was provided with a copy of the Order of Justice Hainey dated March 21, 2019 in Ontario Superior Court of Justice (Commercial List) Court File No. CV-19-616261-00CL. Attached hereto and marked as **Exhibit "S"** to this my Affidavit is a copy of the Order of Justice Hainey dated March 21, 2019.
43. Jim Neilas requested FirstOntario to forbear from enforcing its Security to allow the Debtor to commence and conclude a similar restructuring as with respect to Adelaide Street; however, Mr. Neilas advised that the Debtor would not be bringing such restructuring application until it was satisfied that the Adelaide Street property would be restructured further to a positive vote in that regard by its Syndicated Investors.
44. The Debtor's proposal that FirstOntario forbear on the basis that the Debtor provide additional collateral security to secure payment of the Mortgage Loan was not acceptable to FirstOntario. By letter dated July 3, 2019, SimpsonWigle LAW LLP, lawyers for FirstOntario, advised the Debtor's lawyers, McCarthy Tetrault LLP

(attention Geoff R. Hall), FirstOntario advised the Debtor that it required property taxes and arrears of interest to be placed in good standing by August 19, 2019 as otherwise FirstOntario would proceed to make demand on the Mortgage Loan and proceed to enforce its security. FirstOntario further advised that if property taxes and arrears of interest were paid as aforesaid, it would consider renewing the Mortgage Loan for a period beyond its maturity date of October 7, 2019.

45. By August 19, 2019 no payments have been made by the Debtor on account of arrears of interest or property taxes.
46. By email dated August 20, 2019, lawyer Hall advised that the Adelaide Street restructuring proceeding was delayed but was progressing and that a vote by its Syndicated Investors, relative to the restructuring, would take place no later than September 30, 2019.
47. By letter dated August 29, 2019, David John Hopkins Jackson advised Mr. Hall of the terms and conditions upon which FirstOntario was prepared to forbear, which terms and conditions, included among other things, the immediate payment of 2017 and 2018 property taxes upon the execution of a forbearance agreement, with 2019 arrears of property taxes to be paid on a monthly basis in order to be brought into good standing by March 31, 2020. FirstOntario further indicated that if all other terms and conditions of the forbearance agreement were complied with, it would extend the maturity date of the Mortgage Loan to October 7, 2020. FirstOntario required agreement from the Debtor with respect to the terms and conditions of the proposed forbearance agreement by September 5, 2019.
48. On September 5, 2019, Mr. Hall advised that the Debtor was not prepared to agree to the terms and conditions of the forbearance agreement proposed by FirstOntario including payment of arrears of property taxes and arrears of interest and requested that FirstOntario wait until the completion of a vote with respect to the restructuring of the Adelaide Street project which vote was apparently to be held on September 25, 2019 and then further consider its position.

49. Mr. Hall's request on behalf of the Debtor was not acceptable to FirstOntario and as set out above at paragraphs 21 and 22, FirstOntario made due demand on the Debtor for payment of the Mortgage Loan and issued notices pursuant to Section 244 of the BIA on September 12, 2019.
50. I have no knowledge if the vote on the restructuring of the Adelaide Street property has been held.

APPOINTMENT OF A RECEIVER

51. FirstOntario has been attempting for an extended period of time to have the Mortgage Loan brought into good standing by way of payment of arrears of property taxes and interest. This has not occurred. FirstOntario is not prepared to delay further and is not prepared to renew the Mortgage Loan beyond its maturity date of October 7, 2019.
52. As at October 4, 2019, the Debtor is indebted to FirstOntario with respect to the Mortgage Loan as follows:

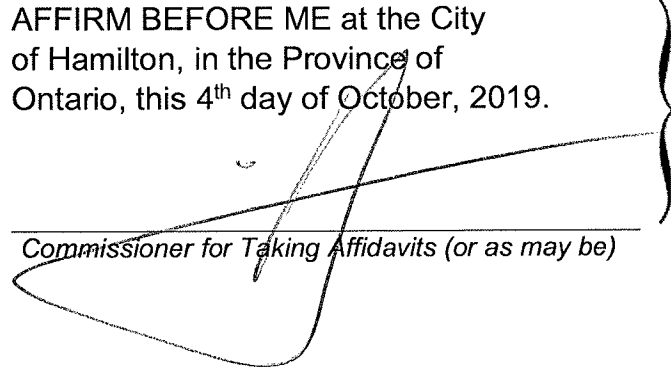
Principal	\$2,500,000.00
Accrued interest to October 4, 2019	84,264.65
Administrative fee for nonpayment of monthly installment (4 x \$40.00 and 1 x \$50.00)	210.00
Administrative collection fee	250.00
TOTAL	\$2,584,724.65

Interest continues to accrue from October 4, 2019 on the aforesaid principal amount at FirstOntario Credit Union Prime Rate of Interest plus 3% per annum, as it varies from time to time (presently 6.95% per annum, calculated monthly), to the date of payment.

53. As of October 2, 2019, FirstOntario has incurred legal expense in the amount of \$15,087.33, inclusive of HST and disbursements, with respect to the enforcement of the Mortgage Loan. Pursuant to the terms of its Security, FirstOntario is entitled to be fully indemnified by the Debtor with respect to payment of the aforesaid legal expense.
54. Pursuant to its mortgage security and general security agreements, FirstOntario is entitled to appoint a receiver if there has been breached in terms and conditions of the Mortgage Loan and Security. FirstOntario considers it reasonable and prudent to begin the enforcement of its security in order to recover the Mortgage Loan and it is within FirstOntario's rights under its Security to do so.
55. A receiver is necessary for the protection of the Debtor's estate, interest of FirstOntario, the Syndicated Investors and potentially other stakeholders. FirstOntario believes the appointment of a receiver would enhance the prospect of recovery by FirstOntario and the protection of stakeholders.
56. A Court-Appointed Receiver would be best placed to realize upon the Real Property that is the subject of FirstOntario's Security.
57. In the circumstances, I believe that it is just and equitable that a receiver be appointed.
58. FirstOntario proposes that msi Spergel Inc. ("Spergel") be appointed as receiver of the assets, undertaking and properties of the Debtor, including the Real Property.
59. Spergel is an experienced, licensed Trustee in Bankruptcy and has consented to act as receiver, without security, of the assets, undertaking and properties of the Debtor, including the Real Property, and all proceeds thereof. Attached hereto and marked as **Exhibit "T"** to this my Affidavit is a copy of the Consent of Spergel.

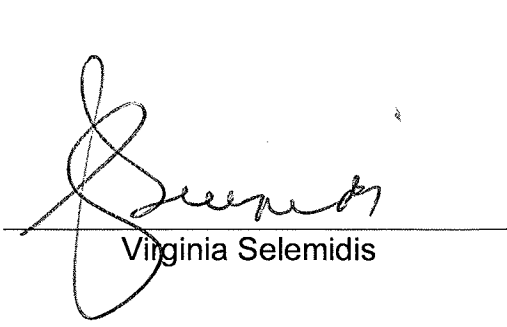
60. I make this Affidavit in support of the relief sought in the within Application and for no other or improper purpose.

AFFIRM BEFORE ME at the City of Hamilton, in the Province of Ontario, this 4th day of October, 2019.



A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is highly cursive and loops around the line.

Commissioner for Taking Affidavits (or as may be)



A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to read 'Virginia Selemidis'.

Virginia Selemidis

This is Exhibit A referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019.

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

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FORM 1

FORMULE NUMÉRO 1

BUSINESS CORPORATIONS ACT

LOI SUR LES COMPAGNIES

ARTICLES OF INCORPORATION
STATUTS CONSTITUTIFS

1. The name of the corporation is: *Dénomination sociale de la compagnie:*
NEILAS (60 SHEPHERD ROAD) INC.
2. The address of the registered office is: *Adresse du siège social:*
170 UNIVERSITY AVENUE Suite 903
(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)
(Rue et numéro, ou numéro de la R.R. et, s'il s'agit édifice à bureau, numéro du bureau)
TORONTO ONTARIO
CANADA M5H 3B3
(Name of Municipality or Post Office) (Postal Code/Code postal)
(Nom de la municipalité ou du bureau de poste)
3. Number (or minimum and maximum number) of directors is: *Nombre (ou nombres minimal et maximal) d'administrateurs:*
Minimum 1 Maximum 10
4. The first director(s) is/are: *Premier(s) administrateur(s):*
First name, initials and surname *Resident Canadian State Yes or No*
Prénom, initiales et nom de famille Résident Canadien Oui/Non
Address for service, giving Street & No. *Domicile élu, y compris la rue et le*
or R.R. No., Municipality and Postal Code *numéro, le numéro de la R.R., ou le nom*
de la municipalité et le code postal
- * JIM YES
NEILAS
170 UNIVERSITY AVENUE Suite 903
TORONTO ONTARIO
CANADA M5H 3B3

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-
5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.

NONE

6. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:

- (a) An unlimited number of Class A shares without nominal or par value;
- (b) An unlimited number of Class B shares without nominal or par value;
- (c) An unlimited number of common shares without nominal or par value;

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

1. Class A Shares

The Class A Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

(a) Subject to the provisions of the Business Corporations Act, a holder of Class A Shares shall be entitled to require the Corporation to redeem at any time, all or any of the Class A Shares registered in the name of such holder on the books of the Corporation by tendering to the Corporation at its registered office a share certificate representing the Class A Shares which the registered holder desires to have the Corporation redeem together with a request in writing specifying (i) that the registered holder desires to have the Class A Shares represented by such certificate redeemed by the Corporation and (ii) the business day (in this paragraph (a) referred to as the "Redemption Date") on which the holder desires to have the Corporation redeem such Class A Shares. Upon receipt of a share certificate representing the Class A Shares which the registered holder desires to have the Corporation redeem together with such a request, the Corporation shall on the Redemption Date redeem such Class A Shares by paying to such registered holder an amount equal to the Redemption Amount, as hereinafter defined, of the Class A Shares being redeemed together with all dividends declared thereon and unpaid (the "Redemption Price"). Such payment shall be made by the issuance of a non-interest bearing demand promissory note of the Corporation in favour of the holder of the Class A Shares in the amount equal to the Redemption Price ("the Retraction Promissory Note") in respect of the Class A Shares being redeemed. The said Class A Shares shall be redeemed on the Redemption Date and from and after the Redemption Date such shares shall cease to be entitled to dividends and the holder thereof shall not be entitled to exercise any of the rights of holders of Class A Shares in respect thereof, unless payment of the Redemption Price by means of the Retraction Promissory Note is not made on the Redemption Date, in which event the rights of the holder of the said shares shall remain unaffected.

(b) Subject to the provisions of the Business Corporations Act, the Corporation may redeem, upon giving notice as hereinafter provided, the whole or any part of the Class A Shares on payment for each share to be redeemed of the Redemption Amount thereof, as hereinafter defined, together with all dividends declared thereon and unpaid (the "Redemption Price"). The aggregate amount in respect of the Class A Shares so redeemed shall be paid by the issuance of a non-interest bearing demand Promissory Note of the Corporation in favour of the holder of the Class A Shares so redeemed (the "Redemption Promissory Note"). In case a part only of the then outstanding Class A Shares is at any time to be redeemed, the shares so to

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or, if the directors so determine, may be redeemed prorata, disregarding fractions, and the directors may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares. The Corporation shall provide to each person who is a registered holder of Class A Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Class A Shares. Such notice shall set out the Redemption Price and the date of redemption ("Redemption Date"). On the Redemption Date, the Corporation shall issue the Redemption Promissory Note to or to the order of the holder of the Class A Shares to be redeemed on presentation and surrender at the head office of the Corporation (or at such other place as the Corporation may agree) of the certificates representing such Class A Shares called for redemption. Such Class A Shares shall, effective upon the issuance of the Redemption Promissory Note, be redeemed. From and after the Redemption Date the holder of the Class A Shares so redeemed shall not be entitled to exercise any of the rights of a shareholder unless payment of the Redemption Price shall not be made upon presentation of certificates in accordance with the foregoing provision, in which case the rights of the holder shall remain unaffected.

(c) The "Redemption Amount" for each Class A share shall be \$1.00.

(d) The Corporation shall have the right at its option at any time and from time to time to purchase the whole or any part of the Class A Shares at the lowest price at which, in the opinions of the directors, such shares are obtainable, but not exceeding the Redemption Amount thereof, together with all dividends declared thereon and unpaid.

(e) The holders of the Class A Shares shall in each fiscal year of the Corporation in the discretion of the directors, without preference or priority over any dividends that may be declared in the discretion of the directors on the Class B Shares but always in preference and priority to any payment of dividends on the Common Shares for such year, be entitled, out of the moneys of the Corporation properly applicable to the payment of dividends, to non-cumulative dividends at a rate as declared by the directors from time to time, but in any event not exceeding a percentage rate per annum of the Redemption Amount for such shares equal to three-quarters (3/4) of the Prime rate as established by the Corporation's banker on the date of incorporation of the Corporation as adjusted on each successive anniversary thereof; the holders of Class A Shares shall not be entitled to any dividends other than or in excess of the non-cumulative dividends at a rate as declared by the directors from time to time as set forth above, provided that in the event of the failure on the part of the

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-
- 7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

Corporation to redeem any Class A Shares after a request for Redemption is made by a holder of Class A Shares in accordance with the provisions of subsection (a) above, any such holder of Class A Shares shall be entitled to receive cumulative dividends at the aforesaid maximum percentage rate calculated from the Redemption Date as defined in the said subsection and the Redemption Amount in respect of such shares shall be increased for all purposes by the amount of any such undeclared or unpaid cumulative dividends.

(f) No dividends or other distributions shall be paid to holders of any shares of the Corporation which would result in the Corporation having insufficient net assets to redeem all of the issued and outstanding Class A Shares at their Redemption Amount.

(g) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Class A Shares shall be entitled to receive, *pari passu* with the holders of any Class B Shares but before any distribution of any part of the assets of the Corporation among the holders of any Common Shares, an amount equal to the Redemption Amount for each Class A Share together with all dividends declared thereon and unpaid and no more.

(h) The holders of the Class A Shares shall be entitled to one (1) vote for each Class A Share held at all meetings of shareholders.

(i) Subject to the provisions of the Business Corporations Act, and the terms hereof, any of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case or changes may be made in the rights, privileges, restrictions and conditions attaching to the said Class A Shares by articles of amendment, but no such alteration, amendment, repeal, suspension or change shall be adopted until approved by special resolution submitted to a special meeting of the holders of the Class A Shares of the Corporation duly called for the purpose of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast, or consented to in writing by each holder of Class A Shares of the Corporation entitled to vote at such a meeting or his attorney authorized in writing.

2. Class B Shares

The Class B Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- (a) Subject to the provisions of the Business Corporations Act, a

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série.*

holder of Class B Shares shall be entitled to require the Corporation to redeem at any time, all or any of the Class B Shares registered in the name of such holder on the books of the Corporation by tendering to the Corporation at its registered office a share certificate representing the Class B Shares which the registered holder desires to have the Corporation redeem together with a request in writing specifying (i) that the registered holder desires to have the Class B Shares represented by such certificate redeemed by the Corporation and (ii) the business day (in this paragraph (a) referred to as the "Redemption Date") on which the holder desires to have the Corporation redeem such Class B Shares. Upon receipt of a share certificate representing the Class B Shares which the registered holder desires to have the Corporation redeem together with such a request, the Corporation shall on the Redemption Date redeem such Class B Shares by paying to such registered holder an amount equal to the Redemption Amount or Adjusted Redemption Amount, as hereinafter defined, of the Class B Shares being redeemed together with all dividends declared thereon and unpaid (the "Redemption Price"). Such payment shall be made by the issuance of a non-interest bearing demand promissory note of the Corporation in favour of the holder of the Class B Shares in the amount equal to the Redemption Price ("the Retraction Promissory Note") in respect of the Class B Shares being redeemed. The said Class B Shares shall be redeemed on the Redemption Date and from and after the Redemption Date such shares shall cease to be entitled to dividends and the holder thereof shall not be entitled to exercise any of the rights of holders of Class B Shares in respect thereof, unless payment of the Redemption Price by means of the Retraction Promissory Note is not made on the Redemption Date, in which event the rights of the holder of the said shares remain unaffected.

(b) Subject to the provisions of the Business Corporations Act, the Corporation may redeem, upon giving notice as hereinafter provided, the whole or any part of the Class B Shares on payment for each share to be redeemed of the Redemption Amount or Adjusted Redemption Amount thereof, as hereinafter defined, together with all dividends declared thereon and unpaid (the "Redemption Price"). The aggregate amount in respect of the Class B Shares so redeemed shall be paid by the issuance of a non-interest bearing demand Promissory Note of the Corporation in favour of the holder of the Class B Shares so redeemed (the "Redemption Promissory Note"). In case a part only of the then outstanding Class B Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or, if the directors so determine, may be redeemed prorata, disregarding fractions, and the directors may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares. The Corporation shall provide to each person who is a registered holder of Class B Shares to be

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

redeemed a notice in writing of the intention of the Corporation to redeem such Class B Shares. Such notice shall set out the Redemption Price and the date of redemption ("Redemption Date"). On the Redemption Date, the Corporation shall issue the Redemption Promissory Note to or to the order of the holder of the Class B Shares to be redeemed on presentation and surrender at the head office of the Corporation (or at such other place as the Corporation may agree) of the certificates representing such Class B Shares called for redemption. Such Class B Shares shall, effective upon the issuance of the Redemption Promissory Note, be redeemed. From and after the Redemption Date the holder of the Class B Shares so redeemed shall not be entitled to exercise any of the rights of a shareholder unless payment of the Redemption Price shall not be made upon presentation of certificates in accordance with the foregoing provision, in which case the rights of the holder shall remain unaffected.

(c) The "Redemption Amount" for each Class B Share shall be One (\$1.00) Dollar, provided that if at any time the Minister of National Revenue or any other taxing authority asserts that any property or any aliquot portion thereof for which any such Class B Share was issued or any share of the Corporation which was changed into any such Class B Share had a fair market value at the time of such issuance or change of other than the Redemption Amount, then the Board of Directors of the Corporation shall confer and may by resolution determine an adjusted redemption price for the Class B Shares. Upon such determination being confirmed by resolution of a majority of the holders of Class B Shares, the redemption price shall automatically be adjusted nunc pro tunc to be such adjusted redemption price (the "Adjusted Redemption Amount") so determined and confirmed. If any Class B Share is redeemed under subparagraph (a) or (b) prior to any such adjustment as described above resulting in the Adjusted Redemption Amount of such Class B Share being in excess of the Redemption Amount, the amount of such excess, together with interest thereon calculated from the date of redemption of such Class B Shares at a rate per annum which is equal to the prime rate from time to time charged by the Corporation's bank, in respect of each Class B Share so redeemed shall be a debt of the Corporation payable on demand to the former holder of each such Class B Share so redeemed. If any Class B Share is redeemed under subparagraph (a) or (b) prior to any such adjustment as described above resulting in the Adjusted Redemption Amount of such Class B Share being less than the Redemption Amount, the amount of such difference together with interest thereon calculated from the date of redemption at a rate per annum which is equal to the prime rate from time to time charged by the Corporation's bank, in respect of each Class B Share so redeemed shall be a debt of the former holder of each such Class B Share so redeemed payable on demand to the Corporation.

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

(d) The Corporation shall have the right at its option at any time and from time to time to purchase the whole or any part of the Class B Shares at the lowest price at which, in the opinions of the directors, such shares are obtainable, but not exceeding the Redemption Amount or Adjusted Redemption Amount thereof, together with all dividends declared thereon and unpaid.

(e) The holders of the Class B Shares shall in each fiscal year of the Corporation in the discretion of the directors, without preference or priority over any non-cumulative dividends that may be declared in the discretion of the directors on the Class A Shares but always in preference and priority to any payment of dividends on the Common Shares for such year, be entitled, out of the moneys of the Corporation properly applicable to the payment of dividends, to non-cumulative dividends at a rate as declared by the directors from time to time, but in any event not exceeding a percentage rate per annum of the Redemption Amount for such shares equal to three-quarters (3/4) of the Prime rate as established by the Corporation's banker on the date of incorporation of the Corporation as adjusted on each successive anniversary thereof; the holders of Class B Shares shall not be entitled to any dividends other than or in excess of the non-cumulative dividends at a rate as declared by the directors from time to time as set forth above, provided that in the event of the failure on the part of the Corporation to redeem any Class B Shares after a request for Redemption is made by a holder of Class B Shares in accordance with the provisions of subsection (a) above, any such holder of Class B Shares shall be entitled to receive cumulative dividends at the aforesaid maximum percentage rate calculated from the Redemption Date as defined in the said subsection and the Redemption Amount in respect of such shares shall be increased for all purposes by the amount of any such undeclared or unpaid cumulative dividends.

(f) No dividends or other distributions shall be paid to holders of any shares of the Corporation which would result in the Corporation having insufficient net assets to redeem all of the issued and outstanding Class B Shares at their Redemption Amount or Adjusted Redemption Amount, as the case may be.

(g) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Class B Shares shall be entitled to receive, pari passu with the holders of any Class A Shares but before any distribution of any part of the assets of the Corporation among the holders of any Common Shares, an amount equal to the Redemption Amount or Adjusted Redemption Amount, as the case may be, for

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

each Class B Share together with all dividends declared thereon and unpaid and no more.

(h) The holders of the Class B Shares shall not be entitled as such (except as hereinafter specifically provided and except as otherwise provided by the Business Corporations Act (Ontario) to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting, provided that in the event of the failure on the part of the Corporation to redeem any Class B Shares after a request for Redemption is made by a holder of Class B Shares in accordance with the provisions of subsection (a) above, any such holder of Class B Shares shall be entitled to one (1) vote for each Class B Share at all meetings of shareholders taking place after the Redemption Date as defined in the said subsection; the holders of the Class B Shares shall, however, be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation under Section 237 of the Business Corporations Act (Ontario) or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business under subsection 184(3) of the Business Corporations Act (Ontario).

(i) Subject to the provisions of the Business Corporations Act, and the terms hereof, any of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case or changes may be made in the rights, privileges, restrictions and conditions attaching to the said Class B Shares by articles of amendment, but no such alteration, amendment, repeal, suspension or change shall be adopted until approved by special resolution submitted to a special meeting of the holders of the Class B Shares of the Corporation duly called for the purpose of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast, or consented to in writing by each holder of Class B Shares of the Corporation entitled to vote at such a meeting or his attorney authorized in writing.

3. Common Shares

The Common Shares have attached thereto the following rights, privileges, restrictions and conditions:

(a) The holders of the Common Shares shall in each fiscal year of the Corporation in the discretion of the directors, subject to the prior rights of the holders of Class A Shares and Class B Shares for such year, be entitled, out of the moneys of the Corporation properly applicable to the payment of dividends, to dividends at such rate as may be declared by

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

the directors from time to time.

(b) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares shall be entitled to receive, subject to the prior rights of the holders of any Class A Shares and Class B Shares, the remaining property of the Corporation.

(c) The holders of the Common Shares shall be entitled to one (1) vote for each Common Share held at all meetings of shareholders.

(d) Subject to the provisions of the Business Corporations Act, and the terms hereof, any of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case or changes may be made in the rights, privileges, restrictions and conditions attaching to the said Common Shares by articles of amendment, but no such alteration, amendment, repeal, suspension or change shall be adopted until approved by special resolution submitted to a special meeting of the holders of the Common Shares of the Corporation duly called for the purpose of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast, or consented to in writing by each holder of Common Shares of the Corporation entitled to vote at such a meeting or his attorney authorized in writing.

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8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

Unless provided otherwise in a unanimous shareholder agreement of the Corporation, within which the shareholders may determine additional restrictions on transfers in lieu of or in addition to the following, no shares from the share capital of the Corporation shall be transferred without the prior consent of the board of directors.

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9. Other provisions, (if any, are):
Autres dispositions, s'il y a lieu:

The right to transfer securities, other than non-convertible debt securities, of the Corporation shall be restricted in that no securities, other than non-convertible debt securities, of the Corporation shall be transferred without the express sanction of the directors of the Corporation, to be signified by a resolution passed by the board of directors.

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10. The names and addresses of the incorporators are
Nom et adresse des fondateurs

First name, initials and last name
or corporate name

*Prénom, initiale et nom de
famille ou dénomination sociale*

Full address for service or address of registered office or of principal place of business
giving street & No. or R.R. No., municipality and postal code
*Domicile élu, adresse du siège social au adresse de l'établissement principal, y compris
la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal*

* JIM NEILAS

170 UNIVERSITY AVENUE Suite 903

TORONTO ONTARIO
CANADA M5H 3B3

Name of Corporation NEILAS (60 SHEPHERD ROAD) INC.	Ontario Corporation Number 2184680
	Request ID 10666865

**ELECTRONIC INCORPORATION
TERMS AND CONDITIONS**

The following are the terms and conditions for the electronic filing of Articles of Incorporation under the Ontario Business Corporations Act (OBCA) with the Ministry of Consumer and Business Services (MCBS), Companies and Personal Property Security Branch. Agreement to these terms and conditions by at least one of the incorporators listed in article 10 of the Articles of Incorporation is a mandatory requirement for electronic incorporation.

- 1) The applicant is required to obtain an Ontario biased or weighted NUANS search report for the proposed name. The applicant must provide the NUANS name searched, the NUANS reservation number and the date of the NUANS report. The NUANS report must be kept in electronic or paper format at the corporation's registered office address.
- 2) All first directors who are not incorporators, must sign a consent in the prescribed form. The original consent must be kept at the corporation's registered office address.
- 3) A Corporation acquiring a name identical to that of another corporation must indicate that due diligence has been exercised in verifying that the Corporation meets the requirements of Subsection 6(1) of Regulation 62 made under the OBCA. Otherwise, the Corporation is required to obtain a legal opinion on legal letterhead signed by a lawyer qualified to practise in Ontario that clearly indicates that the corporations involved comply with Subsection 6(2) of that Regulation by referring to each clause specifically. The original of this legal opinion must be kept at the Corporation's registered office address. The applicant must complete the electronic version of this legal opinion provided by one of the two Primary Service Providers under contract with the Ministry.
- 4) The date of the Certificate of Incorporation will be the date the articles are updated to the ONBIS electronic public record database. Articles submitted electronically outside MCBS, Companies and Personal Property Security Branch, ONBIS access hours, will receive an endorsement date effective the next business day when the system resumes operation, if the submitted Articles of Incorporation meet all requirements for electronic incorporation. Articles of Incorporation submitted during system difficulties will receive an endorsement date effective the date the articles are updated to the ONBIS system.
- 5) The electronic Articles of Incorporation must be in the format approved by the Ministry and submitted through one of the two Primary Service Providers under contract with the Ministry.
- 6) Upon receipt of the Certificate of Incorporation issued by the ONBIS system, a duplicate copy of the Articles of Incorporation with the Ontario Corporation Number and the Certificate of Incorporation must be kept in paper or electronic format. The Ministry will print and microfilm copies of the Certificate of Incorporation, the Articles of Incorporation and any other documentation submitted electronically. These will be considered the true original filed copies.
- 7) The sole responsibility for correctness and completeness of the Articles of Incorporation, and for compliance with the OBCA and all regulations made under it, lies with the incorporator(s) and/or their legal advisor(s), if any.

The incorporator(s) have read the above Terms and Conditions and they understand and agree to them.

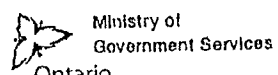
I am an incorporator or I am duly authorized to represent and bind the incorporator(s).

First Name
JIM

Last Name
NEILAS

For Ministry Use Only
À l'usage exclusif du ministère

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Ministère des
Services gouvernementaux

2184680

**Ontario
CERTIFICATE**
This is to certify that these articles
are effective on

CERTIFICAT
Ceci certifie que les présents statuts
entrent en vigueur le

SEPTEMBER 18 SEPTEMBRE, 2012

Director / Directeur
Business Corporations Act / Loi sur les sociétés par actions

Form 3
Business
Corporations
Act

Formule 3
Loi sur les
sociétés par
actions

**ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION**

- 1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT):

N	E	I	L	A	S		(	6	0		S	H	E	P	H	E	R	D		R	O	A	D	)		I	N	C	.

- 2. The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT):

6	0		S	H	E	P	H	E	R	D		R	O	A	D		I	N	C	.									

- 3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :
2008/09/12

(Year, Month, Day)
(année, mois, jour)

- 4. Complete only if there is a change in the number of directors or the minimum / maximum number of directors.
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: minimum and maximum number of directors is/are;
Nombre d'administrateurs : nombres minimum et maximum d'administrateurs :

Number minimum and maximum
Nombre minimum et maximum
 or

- 5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :
The Articles of the Corporation are hereby amended to change the name of the Corporation to 60 SHEPHERD ROAD INC.

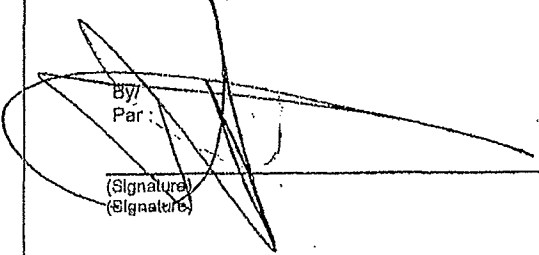
- 6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
- 7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2012, 09, 18
 (Year, Month, Day)
 (année, mois, jour)

These articles are signed in duplicate.
 Les présents statuts sont signés en double exemplaire.

NEILAS (60 SHEPHERD ROAD) INC.

(Print name of corporation from Article 1 on page 1)
 (Veuillez écrire le nom de la société de l'article un à la page une).

By/
 Par : 

(Signature)
 (Signature)

President

(Description of Office)
 (Fonction)

CERTIFICATE OF INCUMBENCY

I, Jim Neilas, President of 60 Shepherd Road Inc. (hereinafter called the "Corporation") do hereby certify that:

- 1. The following have been duly elected or appointed and qualified as directors of the Corporation and are the directors of the Corporation:

Name

Signature

- 1. Jim Neilas

- 2. The following persons are the officers of the Corporation and hold the respective offices in the Corporation set out opposite their names:

Name

Office Held

Signature

- 1. Jim Neilas

President / Secretary

- 3. The following persons are the shareholders of the Corporation and hold the following shares in the capital of the Corporation:

Shareholder Name

Number of Shares Held

Class of Shares Held

- 1. Neilas Inc.

1

Common

DATED this 14 day of March, 2015.

(c/s)

Jim Neilas
President

SOLICITOR'S CERTIFICATE

The undersigned solicitor certifies that:

- 1. I am the solicitor for the Corporation.
- 2. I have reviewed the minute books and other corporate records of the Corporation and the information set out in the above certificate of incumbency is true and correct as of the date hereof; and
- 3. The signatures of the directors and officers of the Corporation set out above are the genuine signatures of such directors and officers, respectively and the information contained herein is accurate.

DATED this 19 day of March, 2015.

Barry M. Polisuk

This is Exhibit B referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 20.19.

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

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10666906

2184682

FORM 1

FORMULE NUMÉRO 1

BUSINESS CORPORATIONS ACT

LOI SUR LES COMPAGNIES

ARTICLES OF INCORPORATION
STATUTS CONSTITUTIFS

1. The name of the corporation is: *Dénomination sociale de la compagnie:*
NEILAS (54 SHEPHERD ROAD) INC.
2. The address of the registered office is: *Adresse du siège social:*
170 UNIVERSITY AVENUE Suite 903
*(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)
(Rue et numéro, ou numéro de la R.R. et, s'il s'agit édifice à bureau, numéro du bureau)*
TORONTO ONTARIO
CANADA M5H 3B3
*(Name of Municipality or Post Office) (Postal Code/Code postal)
(Nom de la municipalité ou du bureau de poste)*
3. Number (or minimum and maximum number) of directors is: *Nombre (ou nombres minimal et maximal) d'administrateurs:*
Minimum 1 Maximum 10
4. The first director(s) is/are: *Premier(s) administrateur(s):*
First name, initials and surname *Resident Canadian State Yes or No*
Prénom, initiales et nom de famille Résident Canadien Oui/Non
Address for service, giving Street & No. *Domicile élu, y compris la rue et le*
or R.R. No., Municipality and Postal Code *numéro, le numéro de la R.R., ou le nom*
de la municipalité et le code postal
- * JIM YES
NEILAS
170 UNIVERSITY AVENUE Suite 903
TORONTO ONTARIO
CANADA M5H 3B3

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5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.

NONE

6. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:

- (a) An unlimited number of Class A shares without nominal or par value;
- (b) An unlimited number of Class B shares without nominal or par value;
- (c) An unlimited number of common shares without nominal or par value;

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

1. Class A Shares

The Class A Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

(a) Subject to the provisions of the Business Corporations Act, a holder of Class A Shares shall be entitled to require the Corporation to redeem at any time, all or any of the Class A Shares registered in the name of such holder on the books of the Corporation by tendering to the Corporation at its registered office a share certificate representing the Class A Shares which the registered holder desires to have the Corporation redeem together with a request in writing specifying (i) that the registered holder desires to have the Class A Shares represented by such certificate redeemed by the Corporation and (ii) the business day (in this paragraph (a) referred to as the "Redemption Date") on which the holder desires to have the Corporation redeem such Class A Shares. Upon receipt of a share certificate representing the Class A Shares which the registered holder desires to have the Corporation redeem together with such a request, the Corporation shall on the Redemption Date redeem such Class A Shares by paying to such registered holder an amount equal to the Redemption Amount, as hereinafter defined, of the Class A Shares being redeemed together with all dividends declared thereon and unpaid (the "Redemption Price"). Such payment shall be made by the issuance of a non-interest bearing demand promissory note of the Corporation in favour of the holder of the Class A Shares in the amount equal to the Redemption Price ("the Retraction Promissory Note") in respect of the Class A Shares being redeemed. The said Class A Shares shall be redeemed on the Redemption Date and from and after the Redemption Date such shares shall cease to be entitled to dividends and the holder thereof shall not be entitled to exercise any of the rights of holders of Class A Shares in respect thereof, unless payment of the Redemption Price by means of the Retraction Promissory Note is not made on the Redemption Date, in which event the rights of the holder of the said shares shall remain unaffected.

(b) Subject to the provisions of the Business Corporations Act, the Corporation may redeem, upon giving notice as hereinafter provided, the whole or any part of the Class A Shares on payment for each share to be redeemed of the Redemption Amount thereof, as hereinafter defined, together with all dividends declared thereon and unpaid (the "Redemption Price"). The aggregate amount in respect of the Class A Shares so redeemed shall be paid by the issuance of a non-interest bearing demand Promissory Note of the Corporation in favour of the holder of the Class A Shares so redeemed (the "Redemption Promissory Note"). In case a part only of the then outstanding Class A Shares is at any time to be redeemed, the shares so to

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- 7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or, if the directors so determine, may be redeemed prorata, disregarding fractions, and the directors may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares. The Corporation shall provide to each person who is a registered holder of Class A Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Class A Shares. Such notice shall set out the Redemption Price and the date of redemption ("Redemption Date"). On the Redemption Date, the Corporation shall issue the Redemption Promissory Note to or to the order of the holder of the Class A Shares to be redeemed on presentation and surrender at the head office of the Corporation (or at such other place as the Corporation may agree) of the certificates representing such Class A Shares called for redemption. Such Class A Shares shall, effective upon the issuance of the Redemption Promissory Note, be redeemed. From and after the Redemption Date the holder of the Class A Shares so redeemed shall not be entitled to exercise any of the rights of a shareholder unless payment of the Redemption Price shall not be made upon presentation of certificates in accordance with the foregoing provision, in which case the rights of the holder shall remain unaffected.

(c) The "Redemption Amount" for each Class A share shall be \$1.00.

(d) The Corporation shall have the right at its option at any time and from time to time to purchase the whole or any part of the Class A Shares at the lowest price at which, in the opinions of the directors, such shares are obtainable, but not exceeding the Redemption Amount thereof, together with all dividends declared thereon and unpaid.

(e) The holders of the Class A Shares shall in each fiscal year of the Corporation in the discretion of the directors, without preference or priority over any dividends that may be declared in the discretion of the directors on the Class B Shares but always in preference and priority to any payment of dividends on the Common Shares for such year, be entitled, out of the moneys of the Corporation properly applicable to the payment of dividends, to non-cumulative dividends at a rate as declared by the directors from time to time, but in any event not exceeding a percentage rate per annum of the Redemption Amount for such shares equal to three-quarters (3/4) of the Prime rate as established by the Corporation's banker on the date of incorporation of the Corporation as adjusted on each successive anniversary thereof; the holders of Class A Shares shall not be entitled to any dividends other than or in excess of the non-cumulative dividends at a rate as declared by the directors from time to time as set forth above, provided that in the event of the failure on the part of the

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2184682

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

Corporation to redeem any Class A Shares after a request for Redemption is made by a holder of Class A Shares in accordance with the provisions of subsection (a) above, any such holder of Class A Shares shall be entitled to receive cumulative dividends at the aforesaid maximum percentage rate calculated from the Redemption Date as defined in the said subsection and the Redemption Amount in respect of such shares shall be increased for all purposes by the amount of any such undeclared or unpaid cumulative dividends.

(f) No dividends or other distributions shall be paid to holders of any shares of the Corporation which would result in the Corporation having insufficient net assets to redeem all of the issued and outstanding Class A Shares at their Redemption Amount.

(g) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Class A Shares shall be entitled to receive, pari passu with the holders of any Class B Shares but before any distribution of any part of the assets of the Corporation among the holders of any Common Shares, an amount equal to the Redemption Amount for each Class A Share together with all dividends declared thereon and unpaid and no more.

(h) The holders of the Class A Shares shall be entitled to one (1) vote for each Class A Share held at all meetings of shareholders.

(i) Subject to the provisions of the Business Corporations Act, and the terms hereof, any of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case or changes may be made in the rights, privileges, restrictions and conditions attaching to the said Class A Shares by articles of amendment, but no such alteration, amendment, repeal, suspension or change shall be adopted until approved by special resolution submitted to a special meeting of the holders of the Class A Shares of the Corporation duly called for the purpose of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast, or consented to in writing by each holder of Class A Shares of the Corporation entitled to vote at such a meeting or his attorney authorized in writing.

2. Class B Shares

The Class B Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- (a) Subject to the provisions of the Business Corporations Act, a

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

holder of Class B Shares shall be entitled to require the Corporation to redeem at any time, all or any of the Class B Shares registered in the name of such holder on the books of the Corporation by tendering to the Corporation at its registered office a share certificate representing the Class B Shares which the registered holder desires to have the Corporation redeem together with a request in writing specifying (i) that the registered holder desires to have the Class B Shares represented by such certificate redeemed by the Corporation and (ii) the business day (in this paragraph (a) referred to as the "Redemption Date") on which the holder desires to have the Corporation redeem such Class B Shares. Upon receipt of a share certificate representing the Class B Shares which the registered holder desires to have the Corporation redeem together with such a request, the Corporation shall on the Redemption Date redeem such Class B Shares by paying to such registered holder an amount equal to the Redemption Amount or Adjusted Redemption Amount, as hereinafter defined, of the Class B Shares being redeemed together with all dividends declared thereon and unpaid (the "Redemption Price"). Such payment shall be made by the issuance of a non-interest bearing demand promissory note of the Corporation in favour of the holder of the Class B Shares in the amount equal to the Redemption Price ("the Retraction Promissory Note") in respect of the Class B Shares being redeemed. The said Class B Shares shall be redeemed on the Redemption Date and from and after the Redemption Date such shares shall cease to be entitled to dividends and the holder thereof shall not be entitled to exercise any of the rights of holders of Class B Shares in respect thereof, unless payment of the Redemption Price by means of the Retraction Promissory Note is not made on the Redemption Date, in which event the rights of the holder of the said shares remain unaffected.

(b) Subject to the provisions of the Business Corporations Act, the Corporation may redeem, upon giving notice as hereinafter provided, the whole or any part of the Class B Shares on payment for each share to be redeemed of the Redemption Amount or Adjusted Redemption Amount thereof, as hereinafter defined, together with all dividends declared thereon and unpaid (the "Redemption Price"). The aggregate amount in respect of the Class B Shares so redeemed shall be paid by the issuance of a non-interest bearing demand Promissory Note of the Corporation in favour of the holder of the Class B Shares so redeemed (the "Redemption Promissory Note"). In case a part only of the then outstanding Class B Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or, if the directors so determine, may be redeemed prorata, disregarding fractions, and the directors may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares. The Corporation shall provide to each person who is a registered holder of Class B Shares to be

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- 7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

redeemed a notice in writing of the intention of the Corporation to redeem such Class B Shares. Such notice shall set out the Redemption Price and the date of redemption ("Redemption Date"). On the Redemption Date, the Corporation shall issue the Redemption Promissory Note to or to the order of the holder of the Class B Shares to be redeemed on presentation and surrender at the head office of the Corporation (or at such other place as the Corporation may agree) of the certificates representing such Class B Shares called for redemption. Such Class B Shares shall, effective upon the issuance of the Redemption Promissory Note, be redeemed. From and after the Redemption Date the holder of the Class B Shares so redeemed shall not be entitled to exercise any of the rights of a shareholder unless payment of the Redemption Price shall not be made upon presentation of certificates in accordance with the foregoing provision, in which case the rights of the holder shall remain unaffected.

(c) The "Redemption Amount" for each Class B Share shall be One (\$1.00) Dollar, provided that if at any time the Minister of National Revenue or any other taxing authority asserts that any property or any aliquot portion thereof for which any such Class B Share was issued or any share of the Corporation which was changed into any such Class B Share had a fair market value at the time of such issuance or change of other than the Redemption Amount, then the Board of Directors of the Corporation shall confer and may by resolution determine an adjusted redemption price for the Class B Shares. Upon such determination being confirmed by resolution of a majority of the holders of Class B Shares, the redemption price shall automatically be adjusted nunc pro tunc to be such adjusted redemption price (the "Adjusted Redemption Amount") so determined and confirmed. If any Class B Share is redeemed under subparagraph (a) or (b) prior to any such adjustment as described above resulting in the Adjusted Redemption Amount of such Class B Share being in excess of the Redemption Amount, the amount of such excess, together with interest thereon calculated from the date of redemption of such Class B Shares at a rate per annum which is equal to the prime rate from time to time charged by the Corporation's bank, in respect of each Class B Share so redeemed shall be a debt of the Corporation payable on demand to the former holder of each such Class B Share so redeemed. If any Class B Share is redeemed under subparagraph (a) or (b) prior to any such adjustment as described above resulting in the Adjusted Redemption Amount of such Class B Share being less than the Redemption Amount, the amount of such difference together with interest thereon calculated from the date of redemption at a rate per annum which is equal to the prime rate from time to time charged by the Corporation's bank, in respect of each Class B Share so redeemed shall be a debt of the former holder of each such Class B Share so redeemed payable on demand to the Corporation.

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

(d) The Corporation shall have the right at its option at any time and from time to time to purchase the whole or any part of the Class B Shares at the lowest price at which, in the opinions of the directors, such shares are obtainable, but not exceeding the Redemption Amount or Adjusted Redemption Amount thereof, together with all dividends declared thereon and unpaid.

(e) The holders of the Class B Shares shall in each fiscal year of the Corporation in the discretion of the directors, without preference or priority over any non-cumulative dividends that may be declared in the discretion of the directors on the Class A Shares but always in preference and priority to any payment of dividends on the Common Shares for such year, be entitled, out of the moneys of the Corporation properly applicable to the payment of dividends, to non-cumulative dividends at a rate as declared by the directors from time to time, but in any event not exceeding a percentage rate per annum of the Redemption Amount for such shares equal to three-quarters (3/4) of the Prime rate as established by the Corporation's banker on the date of incorporation of the Corporation as adjusted on each successive anniversary thereof; the holders of Class B Shares shall not be entitled to any dividends other than or in excess of the non-cumulative dividends at a rate as declared by the directors from time to time as set forth above, provided that in the event of the failure on the part of the Corporation to redeem any Class B Shares after a request for Redemption is made by a holder of Class B Shares in accordance with the provisions of subsection (a) above, any such holder of Class B Shares shall be entitled to receive cumulative dividends at the aforesaid maximum percentage rate calculated from the Redemption Date as defined in the said subsection and the Redemption Amount in respect of such shares shall be increased for all purposes by the amount of any such undeclared or unpaid cumulative dividends.

(f) No dividends or other distributions shall be paid to holders of any shares of the Corporation which would result in the Corporation having insufficient net assets to redeem all of the issued and outstanding Class B Shares at their Redemption Amount or Adjusted Redemption Amount, as the case may be.

(g) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Class B Shares shall be entitled to receive, *pari passu* with the holders of any Class A Shares but before any distribution of any part of the assets of the Corporation among the holders of any Common Shares, an amount equal to the Redemption Amount or Adjusted Redemption Amount, as the case may be, for

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- 7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

each Class B Share together with all dividends declared thereon and unpaid and no more.

(h) The holders of the Class B Shares shall not be entitled as such (except as hereinafter specifically provided and except as otherwise provided by the Business Corporations Act (Ontario) to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting, provided that in the event of the failure on the part of the Corporation to redeem any Class B Shares after a request for Redemption is made by a holder of Class B Shares in accordance with the provisions of subsection (a) above, any such holder of Class B Shares shall be entitled to one (1) vote for each Class B Share at all meetings of shareholders taking place after the Redemption Date as defined in the said subsection; the holders of the Class B Shares shall, however, be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation under Section 237 of the Business Corporations Act (Ontario) or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business under subsection 184(3) of the Business Corporations Act (Ontario).

(i) Subject to the provisions of the Business Corporations Act, and the terms hereof, any of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case or changes may be made in the rights, privileges, restrictions and conditions attaching to the said Class B Shares by articles of amendment, but no such alteration, amendment, repeal, suspension or change shall be adopted until approved by special resolution submitted to a special meeting of the holders of the Class B Shares of the Corporation duly called for the purpose of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast, or consented to in writing by each holder of Class B Shares of the Corporation entitled to vote at such a meeting or his attorney authorized in writing.

3. Common Shares

The Common Shares have attached thereto the following rights, privileges, restrictions and conditions:

(a) The holders of the Common Shares shall in each fiscal year of the Corporation in the discretion of the directors, subject to the prior rights of the holders of Class A Shares and Class B Shares for such year, be entitled, out of the moneys of the Corporation properly applicable to the payment of dividends, to dividends at such rate as may be declared by

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- 7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

the directors from time to time.

(b) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares shall be entitled to receive, subject to the prior rights of the holders of any Class A Shares and Class B Shares, the remaining property of the Corporation.

(c) The holders of the Common Shares shall be entitled to one (1) vote for each Common Share held at all meetings of shareholders.

(d) Subject to the provisions of the Business Corporations Act, and the terms hereof, any of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case or changes may be made in the rights, privileges, restrictions and conditions attaching to the said Common Shares by articles of amendment, but no such alteration, amendment, repeal, suspension or change shall be adopted until approved by special resolution submitted to a special meeting of the holders of the Common Shares of the Corporation duly called for the purpose of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast, or consented to in writing by each holder of Common Shares of the Corporation entitled to vote at such a meeting or his attorney authorized in writing.

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8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

Unless provided otherwise in a unanimous shareholder agreement of the Corporation, within which the shareholders may determine additional restrictions on transfers in lieu of or in addition to the following, no shares from the share capital of the Corporation shall be transferred without the prior consent of the board of directors.

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9. Other provisions, (if any, are):
Autres dispositions, s'il y a lieu:

The right to transfer securities, other than non-convertible debt securities, of the Corporation shall be restricted in that no securities, other than non-convertible debt securities, of the Corporation shall be transferred without the express sanction of the directors of the Corporation, to be signified by a resolution passed by the board of directors.

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10. The names and addresses of the incorporators are
Nom et adresse des fondateurs

First name, initials and last name
or corporate name

*Prénom, initiale et nom de
famille ou dénomination sociale*

Full address for service or address of registered office or of principal place of business
giving street & No. or R.R. No., municipality and postal code
*Domicile élu, adresse du siège social au adresse de l'établissement principal, y compris
la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal*

* JIM NEILAS

170 UNIVERSITY AVENUE Suite 903

TORONTO ONTARIO
CANADA M5H 3B3

Name of Corporation NEILAS (54 SHEPHERD ROAD) INC.	Ontario Corporation Number 2184682
	Request ID 10666906

ELECTRONIC INCORPORATION TERMS AND CONDITIONS

The following are the terms and conditions for the electronic filing of Articles of Incorporation under the Ontario Business Corporations Act (OBCA) with the Ministry of Consumer and Business Services (MCBS), Companies and Personal Property Security Branch. Agreement to these terms and conditions by at least one of the incorporators listed in article 10 of the Articles of Incorporation is a mandatory requirement for electronic incorporation.

- 1) The applicant is required to obtain an Ontario biased or weighted NUANS search report for the proposed name. The applicant must provide the NUANS name searched, the NUANS reservation number and the date of the NUANS report. The NUANS report must be kept in electronic or paper format at the corporation's registered office address.
- 2) All first directors who are not incorporators, must sign a consent in the prescribed form. The original consent must be kept at the corporation's registered office address.
- 3) A Corporation acquiring a name identical to that of another corporation must indicate that due diligence has been exercised in verifying that the Corporation meets the requirements of Subsection 6(1) of Regulation 62 made under the OBCA. Otherwise, the Corporation is required to obtain a legal opinion on legal letterhead signed by a lawyer qualified to practise in Ontario that clearly indicates that the corporations involved comply with Subsection 6(2) of that Regulation by referring to each clause specifically. The original of this legal opinion must be kept at the Corporation's registered office address. The applicant must complete the electronic version of this legal opinion provided by one of the two Primary Service Providers under contract with the Ministry.
- 4) The date of the Certificate of Incorporation will be the date the articles are updated to the ONBIS electronic public record database. Articles submitted electronically outside MCBS, Companies and Personal Property Security Branch, ONBIS access hours, will receive an endorsement date effective the next business day when the system resumes operation, if the submitted Articles of Incorporation meet all requirements for electronic incorporation. Articles of Incorporation submitted during system difficulties will receive an endorsement date effective the date the articles are updated to the ONBIS system.
- 5) The electronic Articles of Incorporation must be in the format approved by the Ministry and submitted through one of the two Primary Service Providers under contract with the Ministry.
- 6) Upon receipt of the Certificate of Incorporation issued by the ONBIS system, a duplicate copy of the Articles of Incorporation with the Ontario Corporation Number and the Certificate of Incorporation must be kept in paper or electronic format. The Ministry will print and microfilm copies of the Certificate of Incorporation, the Articles of Incorporation and any other documentation submitted electronically. These will be considered the true original filed copies.
- 7) The sole responsibility for correctness and completeness of the Articles of Incorporation, and for compliance with the OBCA and all regulations made under it, lies with the incorporator(s) and/or their legal advisor(s), if any.

The incorporator(s) have read the above Terms and Conditions and they understand and agree to them.

I am an incorporator or I am duly authorized to represent and bind the incorporator(s).

First Name
JIM

Last Name
NEILAS

For Ministry Use Only
À l'usage exclusif du ministère



Ministry of
Government Services

Ministère des
Services gouvernementaux

CERTIFICATE
This is to certify that these articles
are effective on

CERTIFICAT
Ceci certifie que les présents statuts
entrent en vigueur le

Ontario Corporation Number
Numéro de la société en Ontario

2184682

SEPTEMBER 18 SEPTEMBRE, 2012

Director / Directrice

Business Corporations Act / Loi sur les sociétés par actions

Form 3
Business
Corporations
Act

Formule 3
Loi sur les
sociétés par
actions

**ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION**

- The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT):

N	E	I	L	A	S		(	5	4		S	H	E	P	H	E	R	D		R	O	A	D	)		I	N	C	.

- The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT):

5	4		S	H	E	P	H	E	R	D		R	O	A	D		I	N	C	.									

- Date of incorporation/amalgamation:
Date de la constitution ou de la fusion:

2008/09/12

(Year, Month, Day)
(année, mois, jour)

- Complete only if there is a change in the number of directors or the minimum / maximum number of directors.
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: minimum and maximum number of directors is/are:
Nombre d'administrateurs: nombres minimum et maximum d'administrateurs:

Number minimum and maximum
Nombre minimum et maximum

or

- The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante:
The Articles of the Corporation are hereby amended to change the name of the Corporation to 54 SHEPHERD ROAD INC.

- 6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
- 7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2012, 09, 18

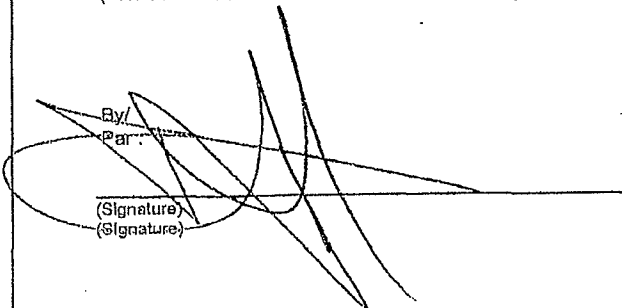
(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

NEILAS (54 SHEPHERD ROAD) INC.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrire le nom de la société de l'article un à la page une).

By/ Par: _____
 (Signature) (Signature)



President

(Description of Office)
(Fonction)

CERTIFICATE OF INCUMBENCY

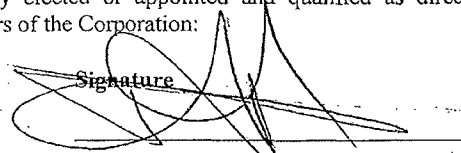
I, Jim Neilas, President of 54 Shepherd Road Inc. (hereinafter called the "Corporation") do hereby certify that:

- 1. The following have been duly elected or appointed and qualified as directors of the Corporation and are the directors of the Corporation:

Name

- 1. Jim Neilas

Signature

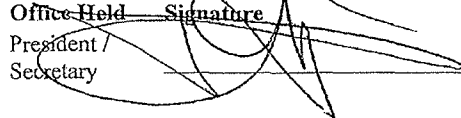


- 2. The following persons are the officers of the Corporation and hold the respective offices in the Corporation set out opposite their names:

Name

- 1. Jim Neilas

Office Held Signature
 President /
 Secretary



- 3. The following persons are the shareholders of the Corporation and hold the following shares in the capital of the Corporation:

Shareholder Name

Number of Shares Held

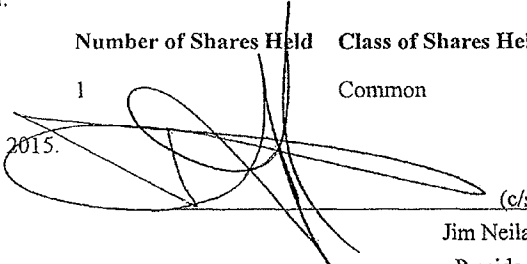
Class of Shares Held

- 1. Neilas Inc.

1

Common

DATED this 1st day of March, 2015.




(c/s)
 Jim Neilas
 President

SOLICITOR'S CERTIFICATE

The undersigned solicitor certifies that:

- 1. I am the solicitor for the Corporation.
- 2. I have reviewed the minute books and other corporate records of the Corporation and the information set out in the above certificate of incumbency is true and correct as of the date hereof; and
- 3. The signatures of the directors and officers of the Corporation set out above are the genuine signatures of such directors and officers, respectively and the information contained herein is accurate.

DATED this 1st day of March, 2015.



Barry M. Polisuk

This is Exhibit C referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019.

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

FirstOntario CREDIT UNION

February 17, 2015

Shepherd Road Co-Tenancy
c/o Gill McLachlin
The Downing Street Group
66 Aberfoyle Cres., Suite 500
Toronto, Ontario
M8X 2W4

Dear Mr. Nellas:

RE: Financing for 54 & 60 Shepherd Rd. Oakville, ON (the "PROPERTY")

FirstOntario Credit Union Limited (the "Lender") is pleased to provide the Borrower described below with the following outline of the terms and conditions under which we will provide the financing described herein ("Financing Offer").

1. LOAN DETAILS

54 Shepherd Road Inc. and 60 Shepherd Road Inc.

A. Borrower: ~~Shepherd Road Co-Tenancy~~

B. Guarantor(s):
Guarantee and Postponement of Claim in the amount of \$2,500,000.00 to be signed by Jim Nellas
Guarantee and Postponement of Claim in the amount of \$2,500,000.00 to be signed by Nellas Inc.

C. Credit Facility:
The Lender agrees to provide and the Borrower agrees to borrow the following credit facility ("Credit Facility").

Facility #1	Amount
Business Variable Loan	\$2,500,000

D. Purpose: Funds will be used for the following purpose(s):
Refinance the subject property to payout the existing mortgage and VTB.

Any other use of the funds will require the approval of the Lender prior to disbursement. The Borrower represents and warrants that no portion of the Credit Facility will be used for the supply of any services or for any erection, installation, addition, removal, construction, renovation, alteration, or repair to any Property or to any building, structure or works thereon not approved by the Lender. In the event that a claim for lien is subsequently made under the Construction Lien Act and not vacated within 30 days, the Lender may, in addition to any other remedies available to it and in its unfettered discretion, accelerate the maturity date of the Credit Facility upon ten day's notice to the Borrower.

Real Property: The security documents, where required (as hereinafter defined), shall be registered against land and premises municipally known as 54 & 60 Shepherd Rd. Oakville, ON (legal description to be obtained), in first priority and all other prior encumbrances (except for the Permitted Encumbrances as hereinafter defined) shall be discharged unless otherwise provided for herein.

E. Draw Down:
Upon completion of the Security Documentation required pursuant to Section 2 herein and compliance with the conditions precedent to funds providing for in Section 3 and special conditions provide for in Section 5 herein. Advance date to be targeted as ~~June 30th, 2014~~ or early to be determined via solicitor review. **March 15, 2015**

F. Repayment: Interest only payments monthly in arrears.

G. Prepayment: Repayable in full at any time

H. Term: Up to 18 months.

I. Amortization Period: N/A

J. Assignment and Participation:
The Lender may, from time to time, assign or syndicate its interests in the Credit Facility in whole or in part to others. The Borrower shall co-operate with any syndication but shall not be liable for any costs incurred with respect thereto, except reasonable legal fees incurred prior to the initial advance hereunder.

K. Interest Rate: Minimum Lending Rate (MLR) + 2.50% (MLR is 4.00% as of February 17, 2014)

L. Costs and Expenses:
All costs and expenses in connection with the matters contemplated by this Financing Offer are to be paid by the Borrower, whether or not funds are advanced, the Security Documents are completed or the Financing Offer is cancelled.

- M. Fees: The Borrower shall pay the following fees to the Lender:
- A. Commitment fee of \$25,000.00 is considered earned by issuance of this Commitment Letter.
 - B. Late reporting fee of \$500 per month for each month the required reporting is not provided, subject to escalation should a material breach (as determined by the Lender, in its sole discretion) occur.
 - C. Annual Review or Renewal Fee - \$500
 - D. \$250 discharge fee for each discharge provided

In addition to the aforementioned, the Borrower agrees to pay all costs, fees and expenses in connection with the transaction contemplated by this Financing Offer, including without limitation:

- a. Engineering, environmental assessment, appraisal, credit information, inspection, architectural project monitoring, cost consultancy, survey and any and all other professional and advisory costs as may be reasonably required by the Lender; and
- b. Registration, recording and filing fees, taxes, legal fees and the like with regard to all documents required by the Lender's solicitors to be registered, recorded or filed.

Such fees and costs may, at the option of the Lender, be deducted from any advance of the Credit Facility.

2. SECURITY

The present and future indebtedness and liability of the Borrower to the Lender shall be secured by the following security (the "Security Documents"), evidenced by documents in form satisfactory to the Lender and its legal counsel and registered or recorded as required by the Lender, to be provided prior to any advances or avails being made under the Credit Facility:

- A. A mortgage which is to be a first ranking mortgage and charge on the Property securing an amount of \$2,500,000.
- B. A first ranking General Assignment of Rents for the Property.
- C. Floating Rate Business Loan Agreement in the amount of \$2,500,000
- D. General Security Agreement representing a first position fixed and floating charge over the Property and its associated assets (and a subordinate fixed and floating charge over all of the assets and undertakings of the Borrower subsequent only to presently existing charges).
- E. Guarantee and Postponement of Claim in favour of the Lender in the amount of \$2,500,000 by Mr. Jim Nellis.
- F. Guarantee and Postponement of Claim in favour of the Lender in the amount of \$2,500,000 by Nellis Inc.
- G. Environmental Indemnification signed by the Borrower and Guarantor executed on the Credit Unions standard form.
- H. Postponement and Subordination of all shareholder's and non-arm's length creditor's, to include a postponement of the right to receive any payments of both principal and interest under the said loans, except as otherwise contemplated within the Financing Offer.
- I. Assignment of all insurance policies with respect to the Property and the Borrower's rights therein and all proceeds and benefits therefrom in favour of the Lender.
- J. Any other documentation necessary in the opinion of the Lender and its legal counsel to complete this transaction.

3. CONDITIONS PRECEDENT TO FUNDING

Those customarily found in the Lender's Security Documents and any additional conditions appropriate in the context of the proposed transaction and in any event, to include without limitation, the following:

- A. Compliance with and/or fulfillment of all terms and conditions contained in the commitment letter.
- B. Satisfactory review of an acceptable AACI Appraisal report containing a current market value of the Real Property and to be addressed to the Lender at a minimum value of \$5,000,000. (Held)
- C. Satisfactory review of all existing Environmental Site Assessments for the Property. (Held)
- D. Satisfactory review of a detailed personal net worth statement for the Guarantor(s) together with evidence of holdings and valuations. (Held)
- E. Satisfactory confirmation of ownership of shares of the Borrower.
- F. Satisfactory opinion from the solicitor for the Lender indicating, among other things, the validity, enforceability and priority of all Security and the state of title of the Property.
- G. All taxes, assessments, duties, utility charges and other levies and charges affecting the Property, other than amounts which are not yet due and payable, shall have been paid prior to each advance of the Credit Facility, failing which, they shall be paid from the proceeds of any advance.
- H. At the Lender's option, the Borrower shall be required to provide title insurance to the Lender. The costs of the title insurance shall be at the borrower's expense.

4. GENERAL CONDITIONS/COVENANTS

Until all debts and liabilities due and owing under the Credit Facility have been discharged in full and the commitment to provide the Credit Facility has been withdrawn by the Lender, the following terms and conditions, will apply in respect of the Credit Facility:

- A. The Borrower to provide the Lender with externally prepared year-end financial statements within 120 days of each fiscal year end date.
- B. The Guarantor is to provide updated net worth statements as reasonably requested.
- C. The Borrower acknowledges that dividends and bonuses will only be paid and capital withdrawals from the corporation will only be made from cash flow after satisfaction of the Debt Service Coverage as defined herein.
- D. The Lender shall be provided with receipted tax bill within 90 days of the calendar year end. If not received, then the Lender will be entitled to obtain a Tax Certificate at the Borrower's expense.

5. SPECIAL CONDITIONS/COVENANTS

- A. The obligation of the Lender to make advances or avallment under the Credit Facility is subject to the prior condition that the Credit Facility is fully syndicated and the Lender and other syndicate partners complete a Loan Participation and Servicing Agreement between themselves in a form and substance acceptable to the Lender.
- B. The occurrence of an event of default under the Borrower's and/or Guarantor(s)' credit facilities with any lender (as that term is defined in such lender's loan documentation) constitutes a concurrent default under such credit facility.
- C. The Guarantor(s) hereby undertake(s) to inject funds into the operations of the Borrower as required to ensure sufficient funds are available to meet all of the Borrower's obligations to the Lender, including without limitation, the monthly payment obligations and the Debt Service Coverage requirement as provided for in Section 4. General Conditions herein.

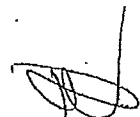
6. PERMITTED ENCUMBRANCES

The title to the Property shall be subject only to:

- a. Property taxes not yet due and payable, utility easements and other similar rights which, in the Lender's opinion, will not, in the aggregate materially and adversely impair the marketability of the Property or the use of the Property for the purpose for which it is held and minor irregularities and defects in title approved by the Lender; and
- b. Any permitted encumbrances will require the written authorization of the Lender to be provided in their sole discretion, supported by a full postponement and subordination and subject to the appropriate stand-still agreements.

7. TERMINATION

In the event the Borrower is in default for any reason whatsoever under the terms of this Financing Offer or it does not fulfill the conditions for disbursement of the Credit Facility in accordance with the terms and conditions contained herein or in any other agreement or document relating to this Financing Offer, no later than five (5) business days prior to the advance of the funds under the Credit Facility, or if any information or document supplied by the Borrower is found to be incomplete or inaccurate in a material respect or if for any reason the Borrower does not accept all or a part of the proceeds of the Credit Facility when the Lender makes the same available, the parties to this Financing Offer hereby acknowledge that the Lender shall be entitled, at its discretion, to cancel its obligations under this Financing Offer and retain the Commitment Fee as liquidated damages and in such event, this Financing Offer shall thereafter, subject as hereinafter provided, be null and of no further effect, without any further recourse by either party against the other. In addition, notwithstanding the forfeiture of the Commitment Fee, the Borrower and Guarantors (if any) shall remain liable and be required to pay and reimburse the Lender all fees, costs and expenses as set out herein and incurred by the Lender whether or not the Credit Facility is proceeded with. The aforesaid covenants and agreements with respect to the Commitment Fee and the Borrower's and Guarantors' (if any) obligation to pay and reimburse the above mentioned amounts are enforceable by the Lender notwithstanding the termination of this Financing Offer, each of such covenants and agreements having an independent existence from this Financing Offer.



8. NO MERGER

It is understood and agreed that the execution and delivery of the Security Documents shall in no way merge or extinguish this Financing Offer or the terms or conditions hereof which shall continue in full force and effect while any or all of the Security Documents remain outstanding. In the event of any inconsistency or conflict between any provision or provisions of this Financing Offer and the provision or provisions of the Security Documents or any other documentation, such provision or provisions of the Financing Offer shall prevail. A provision or provisions contained in the Security Documents which is not contained in the Financing Offer shall not be considered to be inconsistent or in conflict with the Financing Offer.

In the event of the Borrower falling to pay any amount when due or being in breach of any covenant, condition or term of the Financing Offer or the Security, or if any representation made by the Borrower or its/their agents, or any information provided by it/them is found to be untrue or incorrect, or if any Event of Default as defined in the Security occurs, or if in the sole opinion of the Lender, a material adverse change occurs relating to the Borrower, the Guarantor, the Property, or the risk associated with the Credit Facility, the Borrower shall, at the option of the Lender, be in default of its obligations to the Lender and the Lender may cease or delay further funding or may exercise any and/or all remedies available to it at law or in equity. Further, the Lender may, at its option, on notice to the Borrower, declare the principal and interest on the Loan and any other amount due under the Financing Offer forthwith due and payable, whereupon the same shall be and become immediately due and payable in full. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.

This Financing Offer shall be governed by and construed under the laws of the Province of Ontario.

9. CREDIT REPORTING AND PERSONAL INFORMATION

If a corporation, the Borrower(s) and/or Guarantor(s) hereby consent to the Lender obtaining from any credit reporting agency or from any person such information as the Lender may require at any time, and consents to the disclosure at any time of any information concerning the undersigned to any credit grantor with whom the undersigned has financial relations or to any direct reporting agency.

If an individual, the Borrower(s) and/or Guarantor(s) hereby,

- A. Authorize and consent to the disclosure of any Personal Information (as defined herein) to the Lender by any holder of such information requested to provide it to the Lender for the purposes of the Lender's possible or actual provision of credit to Borrower(s) and/or Guarantor(s);
- B. Consent to the collection, use and disclosure of Personal Information by the Lender for the purpose of credit risk assessment and management, included by not limited to: credit scoring, portfolio analysis, reporting fraud prevention and claim recovery; the provision of credit to the Borrower; the management of the Lender's on-going relationship with the borrower(s); and to comply with any legal and regulatory requirements;

- C. Acknowledge that the Lender may disclose information about the undersigned, regardless of when or how the information was collected, to related companies, its service providers; its agents, contractors, lawyers and external advisors; payment system operators; credit reporting agencies; rating agencies; other financial institutions and credit providers; government and other regulatory bodies; and any individuals or organizations that (i) the Borrower(s) and/or Guarantor(s) provide as references, (ii) who act on behalf of the Borrower(s) and/or Guarantor(s) provide as references, (iii) who act on behalf of the Borrower(s) and/or Guarantor(s), or (iii) who have been engaged to provide services to the Borrower(s) and/or Guarantor(s).
- D. All Personal Information disclosed to the Lender has been done in accordance with all applicable laws pertaining to the Personal Information in question, and specifically, where applicable, consent by the individual(s) whose Personal Information is provided has been obtained for the collection, use and disclosure by the Lender for purposes associated with the possible or actual provision of credit to the Borrower(s) and/or Guarantor(s).

"Personal Information" is any information that relates to an individual or allows an individual to be identified but does not include information about an individual that has been aggregated with other information and from which the individual cannot be identified.

10. COUNTERPARTS

This Financing Offer may be executed in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

This letter is delivered to you with the understanding that neither it nor its substance shall be disclosed except to members of the Board of Directors, Advisors, Employees, Counsel and Accountants of the Borrower who are involved in consideration of this matter or as may be completed to be disclosed in a judicial or administrative proceeding or as otherwise required by law.

Yours very truly,

FIRST ONTARIO CREDIT UNION LIMITED

Per:



Mark Perkins
Director, Commercial Services



If the terms and conditions of this Discussion Paper are acceptable, please indicate by signing below and returning this letter together with the Application Fee, outlined herein, by February 28, 2015 following which date this discussion paper will be considered null and void.

Accepted on the terms and conditions herein provided this 27th day of February, 2015.

BORROWER:
Shepherd Road Co-Tenancy
Per:

Name:
Title:
 I / We have authority to bind the Corporation

54 Shepherd Road Inc.
Per:

Name:
Title:
 I / We have authority to bind the Corporation

60 Shepherd Road Inc.
Per:

Name:
Title:
 I / We have authority to bind the Corporation

GUARANTOR(S):

Jim Nellas

Nellas Inc.
Per:

Name:
Title:
 I / We have authority to bind the Corporation

FirstOntario

CREDIT UNION

March 3, 2015

54 Shepherd Road Inc. & 60 Shepherd Road Inc.
Oakville, ON

Attention: Mr. Jim Neilas

Dear: Mr. Neilas

We would like to take this time to explain to you new aspects of our Collateral Charge forms.

An interest rate of 24% is now stated in the Mortgage document. Our charge no longer refers to the actual **Variable Rate Business Loan Agreement**, which you have signed. This rate of 24% is not the rate of interest charged on the loan but merely a ceiling that will allow FirstOntario Credit Union Limited to accommodate you through periods of fluctuating interest rates. Your actual repayment term and the applicable interest rate are indicated on the specific mortgage, which has been signed by **54 Shepherd Road Inc. & 60 Shepherd Road Inc.**

Should you require another loan in the future, this document may also be reused as security. However, at any time when your borrowings from FirstOntario Credit Union are at a NIL balance and there are no outstanding loans under which you could become liable to FirstOntario Credit Union Limited, you are entitled to a discharge of this mortgage upon payment of the normal discharge fee, at your request.

If you have any further questions relating to the above please do not hesitate to call me.

Yours truly,

FirstOntario Credit Union Limited



Mark Perkins
Director, Commercial Services
Mark.perkins@firstontario.com



October 11 2018

RENEWAL AGREEMENT

PRIVATE AND CONFIDENTIAL

54 Shepherd Road Inc. and 60 Shepherd Road Inc.
C/O Jim Neilas
The Downing Street Group
56 Aberfoyle Cres, Suite 500
Toronto, ON
M8X 2W4

Attention: Jim Neilas

Dear Mr. Neilas

RE: Financing to 54 Shepherd Road Inc. and 60 Shepherd Road Inc. (the "**Borrower**") – Secured by Mortgage No. HR1257414 (the "**Mortgage**") registered against the Property municipally known as 54 & 60 Shepherd Road, Oakville, ON (the "**Property**") pursuant to a Commitment Letter dated February 17 2015 (the "**Existing Commitment Letter**")

Mortgage Account No. 745931

Maturity Date Of Mortgage: October 7th, 2018

Approximate Balance to Maturity Date: \$2,499,615
(Assuming all intervening payments are made in full when due)

FirstOntario Credit Union Limited (the "**Lender**") will be pleased to grant an extension of the credit facility noted above and other Credit Facilities (if applicable), subject to the renewal conditions set out below in this document, and on the renewal terms in the below table which are selected by you.

The terms of this Renewal Agreement supersede and replace the terms of the Existing Commitment Letter with respect to all credit facilities provided by the Lender to the Borrower. However, all Security and other Financing Documents in place shall remain unchanged and in full force and effect, except as expressly amended by the terms of this Renewal Agreement.

BORROWER TO SELECT RENEWAL TERMS IN TABLE 1:

TABLE 1						
Term (months)	Interest Rate (per annum)	Payment Type	Monthly Payments	New Maturity Date	Renewal Fee	Borrower to Initial Selection
12 – Open	6.35%	Interest Only	Interest Only	October 7 2019	\$5,000.00	—

(Please sign your initials above in the appropriate column to make your selection)

Prime is currently 3.7% per annum as at October 11 2018

OFFER EXPIRY DATE:

This Renewal Agreement must be executed by all parties and received at our office on or before October 23 2018, failing which, Facility No. 745931 will automatically renew for a period of 12 months (open) at a rate of Prime + 3% .

DEFINITIONS AND SCHEDULES

The attached Schedules are incorporated into this agreement by reference. Schedule "A" contains definitions of capitalized terms used and not otherwise defined in this agreement. Unless otherwise provided, all dollar amounts are in Canadian currency and all accounting terms used in this agreement shall be interpreted in accordance with GAAP.

1. LOAN RENEWAL DETAILS

A. Borrower: 54 Shepherd Road Inc. and 60 Shepherd Road Inc.

B. Guarantor(s): Jim Neilas
Neilas Inc.

"**Financing Party**" means either of the Borrower or the Guarantor (if any); and
"**Financing Parties**" means collectively the Borrower and the Guarantor (if any).

C. Credit Facilities: The Lender agrees to continue to provide and the Borrower agrees to continue to borrow the sums corresponding with the following credit facilities (the "**Credit Facilities**", or individually a "**Credit Facility**"):

Facility #1: 745931 **Balance:** See Table 1

D. Term: Facility #1: See New Maturity Date in Table 1, unless demand is made sooner

Events of Default: See Schedule "A"

E. Interest Rate: Facility #1: See Table 1

- "**Prime**" means the annual rate of interest announced by the Lender through its offices from time to time as the rate then in effect for determining interest rates on loans made in Canadian currency. The Prime rate shall be adjusted automatically by the Lender without the necessity of any notice to the Borrower upon each change to such rate.
- Interest will be calculated monthly, compounded monthly and will accrue daily on the outstanding principal on the basis of the actual number of days elapsed and a year of 365 days.

F. Amortization: The amortization period remaining under Facility #1 is N/A.

G. Repayment: **Facility #1 – Monthly Interest Only**

Prior to demand, the Borrower shall make payments of interest only, payable monthly in arrears, with the first such payment to be made on the 7th day of

the month next following the first advance made to the Borrower under the Credit Facilities, with subsequent payments to be made on the same day of each month thereafter, or on such other day of the month as may be agreed to between the Borrower and the Lender.]

Legal Interest Rate – The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this agreement in excess of what is permitted by law.

Time and Place of Payment – Amounts payable by the Borrower hereunder shall be paid at such place as the Lender may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this agreement are payable both before and after any or all of default, maturity date, demand and judgment.

Order of Repayment – At the Lender's Discretion, each payment under the Credit Facilities shall be applied first in satisfaction of any outstanding costs, expenses and fees payable to the Lender in accordance with the Long Form Renewal Agreement; then interest accrued, then reduction of outstanding principal.

H. Prepayment:

Facility #1

Open: Open for repayment in full or in part at any time without notice or bonus.

I. Fees:

The Borrower shall pay the following fees to the Lender in connection with the Facilities provided:

1. **Renewal Fee:** See: See New Maturity Date in Table 1.
2. **Late Reporting Fee:** Late Reporting Fee of \$500.00 per month shall be payable for each month any item of required reporting is not provided. Should late reporting occur for consecutive months, the late reporting fee shall double in amount for each such consecutive month, at the sole discretion of the Lender. The Lender may waive any Late Reporting Fee, at its sole discretion, without prejudice to the Lender's right to charge and collect Late Reporting Fees for any subsequent occurrence of Late Reporting.
3. **Annual Review Fee:** Annual Review Administration Fee of \$500;
4. **Discharge Fee:** Discharge Fee of \$500.00 for each document registered to discharge, partially discharge, or postpone security, or any consent required to be signed or registered in relation to the Security, plus all related legal fees incurred by the Lender.
5. **Amendment Fee:** A lump sum Amendment Fee shall be payable for amendments to the Renewal Agreement or Security requested by the Borrower. The amount of such fee is to be determined in the sole discretion

of the Lender, depending on the nature and complexity of each request, and is to be in addition to any professional fees or disbursements incurred to complete such amendment.

6. **Late Payment Fee:** A Late Payment Fee of \$250.00 per occurrence to be charged at the sole discretion of the Lender.
7. **Fee for Breach of Terms:** In addition to all other fees contemplated herein, in the event that the Borrower is in breach of any covenant, condition or term of the Renewal Agreement or other Financing Documents, or if any representation made by a Financing Party, or any information provided by it/them is found to be untrue or incorrect, each such occurrence may be subject to a fee, to be determined by the Lender in its sole discretion, without prejudice or waiver of the Lender's other rights or remedies.

J. Costs and Expenses:

The Borrower shall pay all professional fees and other expenses incurred in connection with the matters contemplated by the Renewal Agreement and all other Financing Documents, including but not limited to the following:

- (a) legal fees and disbursements in connection with preparation, execution, delivery, registration, amendment and enforcement of the Security and all documents required by the Lender's solicitor, and all legal fees and disbursements incurred in relation to amendments to the terms of the Financing Documents, or legal advice obtained by the Lender, acting reasonably, with regard to the breach or enforcement of the Financing Documents;
- (b) engineering, environmental assessment, appraisal, credit information, inspection, architectural project monitoring, cost consultancy, survey, insurance consulting, 3rd party reports, and any and all other professional and advisory costs as may be reasonably required by the Lender; and
- (c) the Lender's cost of obtaining title insurance for all new Security relating to real property, including construction and subsequent advances endorsements as necessary.

The Financing Parties agree to jointly and severally indemnify the Lender for all fees, costs and expenses incurred by the Lender in relation to this Renewal Agreement, before and after default, and notwithstanding full or partial repayment of the Credit Facilities or discharge of any part or all of the Security.

K. Overdue Payments

Any amount that is not paid when due hereunder unless interest for such amount is otherwise set out herein, shall, at the sole and absolute discretion of the Lender, bear interest until paid at the rate of Prime plus 6% per annum, computed daily and compounded monthly (the "**Overdue Rate**"), which shall accrue and be payable both before and after default, maturity, demand and judgment.

L. Third Party Determination:

Will this account be used on behalf of a third party? No

M. Real Property:

All Security to be registered against real property shall be registered in the priority as set out below, and all other prior encumbrances (except for the Permitted Encumbrances as hereinafter defined) shall be discharged unless otherwise provided for herein.

See Schedule A for further terms in relation to the registration of collateral mortgages, including the interest rate to be included on such registrations.

2. SECURITY

The present and future indebtedness and liability of the Borrower to the Lender shall be secured by the following security (the "**Security**"), evidenced by documents that have been, or will be, provided to the Lender and its legal counsel and registered or recorded as required by the Lender (being "**Financing Documents**", which term is further defined in Schedule "A"):

- A. A mortgage which is to be a first ranking mortgage and charge on the Property securing an amount of \$2,500,000.
- B. A first ranking General Assignment of Rents for the Property.
- C. Floating Rate Business Loan Agreement in the amount of \$2,500,000
- D. General Security Agreement representing a first position fixed and floating charge over the Property and its associated assets (*and a subordinate fixed and floating charge over all of the assets and undertakings of the Borrower subsequent only to presently existing charges*).
- E. Guarantee and Postponement of Claim in favour of the Lender in the amount of \$2,500,000 by Mr. Jim Neilas.
- F. Guarantee and Postponement of Claim in favour of the Lender in the amount of \$2,500,000 by Neilas Inc.
- G. Environmental Indemnification signed by the Borrower and Guarantor executed on the Credit Unions standard form.
- H. Postponement and Subordination of all shareholder's and non-arm's length creditor's, to include a postponement of the right to receive any payments of both principal and interest under the said loans, except as otherwise contemplated within the Financing Offer.
- I. Assignment of all insurance policies with respect to the Property and the Borrower's rights therein and all proceeds and benefits therefrom in favour of the Lender.
- J. Any other documentation necessary in the opinion of the Lender and its legal counsel to complete this transaction.

3. General Conditions and Covenants

- A. Property Insurance:** In addition to all insurance policies required herein, the Borrower shall maintain adequate insurance on all of its assets, undertakings, and business risks sufficient to substantially replace all of its assets in the event of a loss.
- B. Insufficient Insurance:** If the Borrower fails to take out and keep in force such minimum insurance as is required hereunder, then the Lender may, but is not be obliged to, take out and keep in force such insurance at the immediate sole cost and expense of the Borrower plus costs incurred, or use other means at its disposal under the terms of the Financing Documents.
- C. Syndication/Participation:** The obligation of the Lender to make advances or allow drawdowns or withdrawals under the Credit Facilities is subject to the prior condition that the Credit Facilities are fully syndicated and the Lender and other syndicate partners complete a Loan Participation and Servicing Agreement between themselves in a form and substance acceptable to the Lender.
- D. Other Requests of the Lender:** During the period of financing, the Borrower agrees to make best efforts to satisfy any reasonable request of the Lender pertaining to the Borrower's compliance with the terms and conditions of the Financing Documents.
- E. Property Taxes:** Property taxes on the property shall be paid and/or collected as follows:
- (a) **Proof of Payment:** Within 30 days of the execution of this Renewal Agreement, the Borrower shall provide proof of payment of, all taxes, assessments, duties, utility charges and other levies and charges affecting the Property.
 - (b) **Payment when Due:** The Borrower shall make payment of all property taxes owing, at all times on or before the applicable due date.
 - (c) **Property Tax Reserve:** If the Borrower defaults in paying any property tax installment when due, or is in default under any of the terms or conditions of the Financing Documents, or at any time at the Lender's option, the Lender may, at its sole option, establish a property tax reserve on the following terms:
 - (i) the Borrower shall begin to deposit with the Lender, on the date of each payment, 1/12 of the annual property taxes for the Property, as estimated by Lender, plus a 5% administrative fee for the collection and payment of property taxes;
 - (ii) the Borrower shall authorize the Lender to make payment to the relevant tax authorities;
 - (iii) the Borrower shall provide the Lender with all property tax bills immediately upon receipt;
 - (iv) if at any time the deposits are not sufficient to pay property taxes when due, the Borrower shall pay the deficiency to the Lender within 10 days of written demand thereof;
 - (v) if the Borrower fails to pay any deficiency of property taxes to the Lender as required, the Lender will not have any ongoing responsibility to pay the taxing authorities and any funds in the reserve account may be applied towards any amounts owing to the Lender; and
 - (vi) if the Borrower fails to pay any deficiency of property taxes to the Lender as required the Lender may, but is not obligated to, continue to make payment of property taxes to the taxing authorities by deducting such amounts (plus the a 5% administrative fee) from any advance to the Borrower under the Credit Facilities, by automatically debiting the amount from any account of the Financing Parties with the Lender, by adding the amount of any such payment to the balance outstanding on the Credit Facilities (including additions to the balance beyond

any maximum amount), or by collecting such amount with interest accrued as the Overdue Rate.

- F. **Construction Liens:** The Financing Parties shall be jointly and severally responsible to (a) ensure compliance with all respects of the *Construction Lien Act (Ontario)*, *Construction Act (Ontario)*, and other governmental requirements, and (b) to vacate all registered construction liens within 30 days of their registration against the title of the Property, at the expense of the Financing Parties.

4. REPORTING

- A. **Deliveries:** The Borrower shall provide the Lender with each of the following, on the terms and within the time periods set out below:

- (i) **Financial Statements** – Year-end financial statements, prepared by an external Chartered Professional Accountant (CPA), within 120 days of each fiscal year end date, as follows:

Company	Statement Level	Year-end
54 Shepherd Road Inc. and 60 Shepherd Road Inc.	Notice to Reader	December 31
Neilas Inc.	Notice to Reader	December 31

The Financing Parties hereby each irrevocably authorize and direct its accountant to deliver all financial statements to the Lender, and to otherwise communicate with the Lender with regard to their financial affairs.

- (ii) **Renewal of Insurance** – Confirmation of renewal of all insurance policies required pursuant to the Security, by delivery of an insurance certificate confirming such renewal no later than 15 days prior to the expiry of any such policy.
 - (iii) **Interim Statements** – The Lender reserves the right to request monthly interim, internally prepared operating statements, income statements, and balance sheets, to be delivered by the Borrower within 15 days of the end of any month in which it receives such request from the Lender.
 - (iv) **Property Taxes** – Annual confirmation that property taxes have been fully paid, by providing a copy of an interim billing statement or paid tax receipt within 90 days of each calendar year end. If satisfactory confirmation of the payment of property taxes is not received, then the Lender will be entitled to obtain a Tax Certificate at the Borrower’s expense.
 - (v) **Rent Rolls** – A monthly updated rent roll containing all relevant lease information (i.e. lease term, lease rate, renewals, expiries, defaults, arrears, etc.) for the Property.
 - (vi) **Leases** – Copies of all leases entered into with regard to the Property, within 15 days of signing of such leases.
 - (vii) Such other financial and operating statements and reports as and when the Lender may reasonably require.
- B. **Guarantor’s Net Worth Statements:** The Guarantor is to provide updated net worth statements as reasonably requested by the Lender, and not less than once annually.
 - C. **Notice of Breach:** The Borrower shall immediately report to the Lender, in writing, notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default

or a breach of any covenant, condition or term of the Renewal Agreement or other Financing Documents.

5. ADDITIONAL TERMS

COUNTERPARTS – This Renewal Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

CONFIDENTIALITY – This Renewal Agreement is delivered to you with the understanding that neither it nor its substance shall be disclosed except to members of the Board of Directors, advisors, employees, counsel and accountants of the Financing Parties who are involved in consideration of this matter or as may be required to be disclosed in a judicial or administrative proceeding or as otherwise required by law.

This credit renewal is conditional upon the receipt of the following:

- Audited Financial Statements for Shephard Road (54 Shepherd Road Inc. Trustees, a division of Neilas Inc., previously 54 Shepherd Road Inc. and 60 Shepherd Road Inc. Trustees, a division of Neilas Inc.) as at Dec. 31, 2017
- Accountant Prepared financial statements for Neilas Inc as at Dec 31, 2017
- Confirmation that property taxes for subject site are current.
- Current insurance endorsement confirming FirstOntario Credit Union as first loss payee
- Updated & executed personal net worth statement for Jim Neilas and
- Receipt of annual renewal fee of \$500.00

This Renewal Agreement is offered by FirstOntario Credit Union Limited on the terms and conditions herein provided on the date first mentioned above.

FIRSTONTARIO CREDIT UNION LIMITED

Per:

Michael Yamamoto
Senior Manager, Commercial Services

John Colella
Account Manager, Commercial Services

This Renewal Agreement is accepted by the undersigned on the terms and conditions herein provided this _____ day of _____, 2018.

BORROWER:

54 Shepherd Road Inc. and 60 Shepherd Road Inc.

Per: _____

Name: Jim Neilas

Title:

I/We have authority to bind the Corporation

GUARANTOR(S):

Neilas Inc.

Per: _____

Name: Jim Neilas

Title:

I/We have authority to bind the Corporation

Jim Neilas

SCHEDULE A
STANDARD TERMS AND CONDITIONS

1. **Definitions** – In addition to those terms defined within the Commitment Letter, the following definitions apply to the Commitment Letter and to this Schedule A:
- (a) **“Available Funds”** – means, with respect to the Borrower for any period of 12 months (or end of fiscal year), the sum of net income:
- Plus amortization;
 - Plus interest on long term debt;
 - Plus interest on capital leases;
 - Plus loss on disposal of assets;
 - Plus loss on debt write-offs/write-downs;
 - Plus repairs & maintenance expense that could be categorized as capital expenses (i.e. Non-recurring, renovations, etc.) †;
 - Plus any other expense, outside of the normal course of business†;
 - Less dividends†;
 - Less gain on sale of assets;
 - Less gain on debt write-offs/write-downs;
 - Less any return on preferred shares;
 - Less any other income, outside of the normal course of business;
 - Less non-financed capital expenditures†
- († At the discretion of the Lender)
- (b) **“Change of Control”** – means the effective sale or transfer of, or change in effective voting or other control of, any Person, or any written or verbal agreement pursuant to which the control of a Person is transferred from one Person to another, or the engagement to do any of the above.
- (c) **“Commitment Letter”** means the agreement between the Lender and the Financing Parties to which this Schedule A is attached, including if such document is a Long Form Renewal Agreement, and includes all schedules and amendments thereto.
- (d) **“Financing Documents”** – means, collectively, the application for financing, the Commitment Letter, Security documents and all other documents, instruments and agreements delivered in connection with the foregoing.
- (e) **“Insurance Consultant”** – means the professional insurance consulting company or agency retained by the Lender to provide recommendations for insurance requirements in relation to the Credit Facilities, and to review insurance policies provided by the Financing Parties.
- (f) **“Interest Act”** – means the *Interest Act*, R.S.C., 1985, c. I-15, as it may be amended or replaced from time to time, and any reference to any section of the *Interest Act* shall be a reference to such section as it has been amended or replaced from time to time.
- (g) **“Material Adverse Change”** – means (i) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of any Financing Party, (ii) a material impairment of the ability of any Financing Party to perform any of its obligations under any Financing Document, or (iii) a material adverse effect upon any substantial portion of the assets subject to Security in favour of the Lender or upon the legality, validity, binding effect, rank or enforceability of any Financing Document.
- (h) **“Permitted Encumbrances”** – means standard municipal development agreements, municipal or utility easements, and other similar rights which, in the Lender’s opinion, will not, in the aggregate, materially and adversely impair the marketability of the Property or the use of the Property for the purpose for which it is held, and minor irregularities and defects in title approved by the Lender. For greater certainty, any easement that would restrict use of the property must have prior approval of the Lender and its solicitors; such approval not to be unreasonably withheld.
- (i) **“Person”** – includes any individual, natural person, sole proprietorship, partnership, limited partnership, unincorporated association, syndicate or organization, any trust, body corporate, government agency, and a natural person in his or her capacity as trustee, executor, administrator, or other legal representative and any other form of organization or entity whatsoever.
- (j) **“Personal Information”** – is any information that relates to an individual or allows an individual to be identified but does not include information about an individual that has been aggregated with other information and from which the individual cannot be identified.
- (k) **“Property”** – in addition to any “Property” specifically identified in the Commitment Letter, includes any real property, or portion thereof, mortgaged or encumbered by the Security.

FirstOntario

B U S I N E S S

2. **Joint and Several Liability** – Where the Commitment Letter is signed by more than one party Borrower or Guarantor, their liability for all fees and obligations under the Commitment Letter and Financing Documents shall be joint and several. Periodic statements or other notices may be sent to any one Borrower on behalf of all. Any reference in the Commitment Letter to “Borrower” or “Guarantor” shall be construed as if to read “Borrower or any one of them” and “Guarantor or any one of them”, respectively.
3. **Deductions from Advances and Accounts** – The Financing Parties acknowledge that the Lender has at all times a lien against the accounts of the Lender owned by the Financing Parties, and against monies on deposit by the Financing Parties with the Lender. All amounts payable by the Borrower to the Lender, or collectable from the Guarantor by the Lender, pursuant to this Commitment Letter, including all costs, expenses and fees, may, at the option of the Lender:
 - (a) be deducted from any advance to the Borrower under any Credit Facilities; or
 - (b) be automatically debited, by mechanical, electronic or manual means, from any account of the Financing Parties with the Lender, and the Financing Parties hereby authorize and direct the Lender in this regard.
4. **Advances at the Option of the Lender** – Notwithstanding anything to the contrary contained in the Commitment Letter, the Lender may, in its discretion, make an advance under the Credit Facilities to pay to the Lender any unpaid interest, fees, costs or expenses which have become due under the terms of the Commitment Letter, including advances that result in the Borrower exceeding credit limit of any Credit Facilities.
5. **Increased Costs** – The Borrower shall reimburse the Lender for any additional cost or deduction in income arising as a result of (i) the imposition of, or increase in, taxes on payments due to the Lender hereunder (other than taxes on the overall net income of the Lender), (ii) the imposition of, or increase in, any reserve or other similar requirement, or (iii) the imposition of, or change in, any other condition affecting the Credit Facilities imposed by any applicable law or the interpretation thereof.
6. **Searches by Lender** – The Lender shall be entitled to obtain sub searches, tax certificates, and sheriff's certificates as to executions on record in respect of the Borrower and conduct Personal Property Security Act searches, as applicable, at the sole discretion of the Lender, with all costs to be borne by the Borrower.
7. **Reliance on Deliveries** – The Lender shall be entitled to rely on any report or certificate provided to the Lender by the Borrower by way of email or fax transmission as though it were an originally signed document. The Lender is further entitled to assume that any communication from the Borrower received by email or fax transmission is a reliable communication from the Borrower.
8. **Inspection and Information** – The Borrower shall permit the Lender or its representatives, from time to time, to (i) visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, (ii) collect information from any entity regarding any potential prior-ranking claims against the Borrower, and (iii) discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Lender or its representatives all such information, records or documentation requested by the Lender.
9. **No Merger** – It is understood and agreed that the execution and delivery of the Financing Documents shall in no way merge or extinguish the Commitment Letter or the terms or conditions hereof, which shall continue in full force and effect while any or all of the financing to the Borrower remains outstanding. In the event of any inconsistency or conflict between any provision or provisions of this Commitment Letter and the provisions of the Financing Documents or any other documentation, such provision or provisions of the Commitment Letter shall prevail. A provision contained in the Financing Documents which is not contained in the Commitment Letter shall not be considered to be inconsistent or in conflict with the Commitment Letter.
10. **Credit Reporting** – If any Financing Party is a corporation, it hereby consents to the Lender obtaining from any credit reporting agency or from any person such information as the Lender may require at any time, and consents to the disclosure at any time of any information concerning such Financing Party to any credit grantor with whom the Financing Party has financial relations or to any direct reporting agency.
11. **Collection/Disclosure of Personal Information** – If any Financing Party is an individual, they each hereby,
 - (a) Authorize and consent to the disclosure of any Personal Information (as defined herein) to the Lender by any holder of such information requested to provide it to the Lender for the purposes of the Lender's possible or actual provision of credit to Financing Parties;
 - (b) Consent to the collection, use and disclosure of Personal Information by the Lender for the purpose of credit risk assessment and management, including but not limited to, credit scoring, portfolio analysis, reporting fraud prevention and claim recovery; the provision of credit to the Borrower; the management of the Lender's on-going relationship with the Borrower(s); and to comply with any legal and regulatory requirements;
 - (c) Acknowledge that the Lender may disclose information about the undersigned, regardless of when or how the information was collected, to related companies, its service providers; its agents, contractors, lawyers and external advisors; payment system operators; credit reporting agencies; rating agencies; other financial institutions and credit providers; government and other regulatory bodies; and any individuals or organizations that (i) the Borrower and/or Guarantor provide as references, (ii) who act on behalf of the Borrower and/or Guarantor provide as references (iii) who act on behalf of the Borrower and/or Guarantor, or (iv) who have been engaged to provide services to the Borrower and/or Guarantor; and

- (d) Agree that all Personal Information disclosed to the Lender has been received by the Lender in accordance with all applicable laws pertaining to the Personal Information in question, and specifically, where applicable, consent by the individual(s) whose Personal Information is provided has been obtained for the collection, use and disclosure by the Lender for purposes associated with the possible or actual provision of credit to the Borrower and/or Guarantor.
12. **Anti-Money Laundering Disclosure** – The Financing Parties acknowledge that the Lender may be required to obtain, verify, or maintain information regarding the Financing Parties, their directors, officers, shareholders or other persons who exercise control over the Financing Parties. Each Financing Party agrees to provide without delay all information, including supporting documents and other evidence that the Lender, acting reasonably, could require to comply with government legislation or the Lender's internal policies implemented to protect against the laundering of proceeds of crime or financing of terrorist activities that apply to them.
13. **Evidence of Indebtedness** – The Lender shall maintain on the books of its unit of account, accounts and records evidencing the outstanding principal amount of all Credit Facilities of the Borrower together with any interest in respect thereof. The Lender shall maintain a record of the amount of the balance, each advance, and each payment of principal and interest on the account of the Credit Facilities. The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender.
14. **Assignment and Participation** – The Lender may, from time to time, assign or syndicate its interests in any Credit Facilities in whole or in part to others. The Borrower shall co-operate with any syndication but shall not be liable for any costs incurred with respect thereto, except reasonable legal fees incurred prior to the initial advance hereunder. The Borrower shall not assign, transfer or otherwise dispose of its rights or obligations under the Financing Documents except with the prior consent of the Lender, which may be arbitrarily withheld.
15. **Representations and Warranties** – Each of the Financing Parties hereby represents and warrants to the Lender, on an ongoing basis, the following:
- (a) If not an individual, it is a partnership, trust or corporation, as the case may be, duly constituted, validly existing and duly registered or qualified to carry on business in each jurisdiction where it is required by applicable laws to be so registered or qualified.
 - (b) The Financing Party has the full power and authority to borrow in the manner and the terms set out in the Commitment Letter, and the execution, delivery of the Commitment Letter and other Financing Documents have been duly authorized and constitute legal, valid and binding obligations enforceable in accordance with their respective terms.
 - (c) No event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of the Commitment Letter, other Financing Documents or Security given in connection therewith.
 - (d) The Financing Party is not in violation of any applicable law, which violation could lead to a Material Adverse Change.
 - (e) The Financing Party is in compliance with all terms and conditions of all insurance policies issued as required by the Commitment Letter.
 - (f) No Material Adverse Change exists and there are no circumstances or events that constitute or would constitute, with the lapse of time, the giving of notice or otherwise, a Material Adverse Change.
 - (g) All information provided by the Financing Party to the Lender (including all schedules, certificates, financial statements, reports, and notices) is complete and accurate and does not omit any material fact and, without limiting the generality of the foregoing, all financial statements delivered by the Financing Party to the Lender fairly present its financial condition as of the date of such financial statements and the results of its operations for the period covered by such financial statements, all in accordance with GAAP.
 - (h) There is no pending or threatened claim, action, prosecution or proceeding of any kind, including but not limited to non-compliance with environmental law or arising from the presence or release of any contaminant, against the Financing Party or its/his/her assets before any court or administrative agency which, if adversely determined, could lead to a Material Adverse Change.
 - (i) All of the remittances required to be made to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and Workers' Compensation dues are currently paid and up to date.
 - (j) In respect of properties and assets charged pursuant to the Financing Documents, the Financing Parties, or one or more of them, are the legal and beneficial owners, with good and marketable title in fee simple, free from all encumbrances save and except those approved by the Lender.
 - (k) The Financing Party is the rightful owner of all of its intellectual property with all right, title and interest in and to all of its intellectual property.
 - (l) No portion of the Credit Facilities will be used for the supply of any services or for any erection, installation, addition, removal, construction, renovation, alteration, or repair to any property or to any building, structure or works thereon, which has not been approved by the Lender.
16. **Covenants** – So long as any amounts remain outstanding and unpaid under this Commitment Letter, or so long as any Credit Facilities under this Commitment Letter remain in open, the Borrower will:

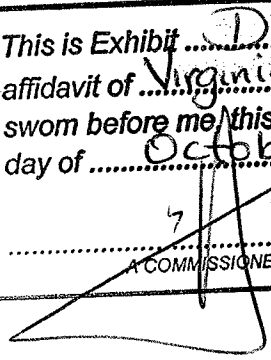
- (a) pay all sums of money when due by it under this the Commitment Letter and the other Financing Documents;
 - (b) maintain its account and membership with the Lender in good standing while any portion of the Credit Facilities remains outstanding or committed;
 - (c) cure all defects in the preparation, execution and delivery of the Commitment Letter or Financing Documents, as necessary, including defects discovered after their initial execution and delivery;
 - (d) execute and deliver such further documents or deliveries as may be required by the Lender, including additional or amended documents required after loan/advances have been made;
 - (e) perform and observe all terms, conditions, representations and covenants contained the Commitment Letter and Financing Documents;
 - (f) maintain in full force the Security contemplated by the Commitment Letter and Financing Documents;
 - (g) maintain in full force all policies of insurance required by the Commitment Letter and Financing Documents;
 - (h) not engage in any of the following actions/changes, unless with the express written consent of the Lender:
 - (i) a Change of Control, amalgamation, change of financial year end or jurisdiction, or amendment of organization documents;
 - (ii) disposition of property outside of the normal course of business;
 - (iii) altering or allowing changes to the title of any Property secured by the Security;
 - (iv) relocation of assets; or
 - (v) change or termination of material contacts.
 - (i) ensure that all of the remittances required to be made by the Borrower to the federal, provincial and municipal governments have been made, will be kept up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including Income Taxes, Employment Insurance and Canada Pension Plan), sales taxes (both Provincial and Federal), corporate income taxes, payroll taxes and worker's compensation dues will be paid and kept up to date;
 - (j) comply with all zoning, by-laws, restrictive covenants, and registered agreements affecting any Property secured by the Security;
 - (k) immediately advise the Lender of any claim for lien against the Property pursuant to the *Construction Lien Act* (Ontario) or *Construction Act* (Ontario);
 - (l) advise the Lender of any change in the amount or the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender; and
 - (m) immediately advise the Lender of any default by the Borrower(s) and/or Guarantor(s) with regard to credit facilities with any other lender.
17. **Events of Default** – Without limiting any other rights of the Lender under this Commitment Letter, and without prejudice to the Lender's right to make demand for repayment on any demand Credit Facility at any time, if any one or more "Event of Default" (as listed below) has occurred and is continuing, then, in such event, the ability of the Borrower to make further borrowings under any Credit Facility shall, at the Lender's option, immediately terminate and the Lender may, by written notice to the Borrower, declare the amounts outstanding under any such Credit Facility to be immediately due and payable. Upon receipt of such written notice, the Borrower shall immediately pay to the Lender all amounts outstanding under any Credit Facility and all other obligations of the Borrower to the Lender in connection with any such Credit Facility under this Commitment Letter. The following shall each constitute an "Event of Default":
- (a) Any Financing Party fails to pay, when due, any amount owing under or pursuant to the Commitment Letter;
 - (b) Any Financing Party fails to comply with or to perform its obligations under any provision of the Commitment Letter or any of the other Financing Documents;
 - (c) Any Financing Party is in default under any other agreement with the Lender or any third party for the granting of a loan or other financial assistance and such default remains unremedied after any cure period provided in such other agreement;
 - (d) Any representation or warranty made by any Financing Party herein or in any Financing Document is breached, false or misleading in any material respect, or becomes at any time false;
 - (e) Any schedule, certificate, financial statement, report, notice or other writing furnished by any Financing Party to the Lender in connection with the Credit Facilities is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified;
 - (f) Any Financing Party becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay its debts as they become due; or any Financing Party applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Financing Party or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for any Financing Party or for a substantial part of the property of such Financing Party; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of any Financing Party; or any Financing Party takes any action to authorize, or in furtherance of, any of the foregoing;

- (g) Any use of Credit Facility proceeds for any purpose other than specifically identified in the Commitment Letter;
- (h) Any Financing Party ceases or threatens to cease to carry on all or a substantial part of its business;
- (i) The occurrence of a Change of Control of any Financing Party from the date of the application of financing, without the written consent of the Lender;
- (j) Any provision of this Commitment Letter or any other Financing Document given in connection therewith becomes invalid or unenforceable for any reason whatsoever;
- (k) Any governmental or regulatory approvals or licenses which are material to the business of the Borrower are revoked or suspended for any reason whatsoever; and
- (l) The occurrence, in the opinion of the Lender, of a Material Adverse Change.

Nothing contained in the foregoing Events of Default section shall limit any right of the Lender under this Commitment Letter to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility made available under this Commitment Letter.

18. **Interest Rate** – Each of the Financing Parties acknowledges and agrees as follows: (i) that they understand the applicable rate of interest for each of the Facilities provided for in this Commitment Letter and are able to calculate each such rate of interest on a per annum basis using the rates or formulas provided for in this Commitment Letter, (ii) that the formula for each rate of interest provided in this Commitment Letter complies with and satisfies the disclosure obligations provided in section 4 of the *Interest Act*, and (iii) that they will not to assert, by way of defence or otherwise, that any fee or rate of interest under this Commitment Letter has not been adequately disclosed by the Lender, or that that any fee or rate of interest under this Commitment Letter does not comply with the *Interest Act*, and that the Lender is entitled to raise this provision as a complete bar to such defence. On written request of a Financing Party, the Lender will promptly calculate and deliver to such Financing Party the current rate of interest on any amount that remains outstanding and unpaid under this Commitment Letter. The Financing Party agrees that any error in the calculation of the rate of interest will not relieve any Financing Party of their obligations hereunder..
19. **Registration of Collateral Mortgages** – All collateral mortgages to be registered on title to real property will be registered with the interest rate included as 24% per annum. This rate of 24% per annum is merely a ceiling that will allow FirstOntario Credit Union Limited to accommodate the Borrower through periods of fluctuating interest rates. Notwithstanding the interest rate set out in any registered collateral mortgage, the interest rate(s) applicable to the Credit Facilities as set out in the Commitment Letter shall govern.
20. **Title Insurance** –The Lender shall obtain title insurance for all Security registered against real property, to be obtained at the expense of the Borrower, with endorsements for subsequent advances, variable interest rates, and construction as necessary and applicable.
21. **Variation** – No amendment to the Commitment Letter or any other Financing Document shall be effective unless in writing and signed by a duly authorized officer of the Lender. No term or condition of the Commitment Letter or any other Financing Document may be waived or varied orally or by way of the conduct of the parties.
22. **Time of the Essence** – Time shall be of the essence in this Commitment Letter and all Financing Documents.
23. **Entire Agreement** – This Credit Agreement, the Financing Documents and any other written agreement delivered pursuant to or referred to in this agreement constitute the whole and entire agreement between the parties in respect of the Credit Facilities. There are no verbal agreements, undertakings or representations in connection with the Financing Document or the Credit Facilities.
24. **Survival** – All terms, representations, warranties and covenants of the Commitment Letter shall survive the execution of the Financing Documents, and the registration of Security.
25. **Jurisdiction/Laws** – The Commitment Letter shall be governed and construed under the laws of the Province of Ontario.

This is Exhibit D referred to in the
affidavit of Virginia Selemidis
sworn before me this 4th
day of October 2019
.....
A COMMISSIONER FOR TAKING AFFIDAVITS



LRO # 20 Charge/Mortgage

Received as HR1257414 on 2015 04 07 at 09:36

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

yyyy mm dd Page 1 of 2

Properties

PIN 24813 - 0286 LT *Interest/Estate* Fee Simple
Description PT LT 16, CON 3 TRAF SDS; PT RDAL BTN LTS 15 & 16, CON 3 TRAF SDS, AS
 CLOSED BY BYLAW 608; AS IN 702148; TOWN OF OAKVILLE
Address 54 SHEPHERD ROAD
 OAKVILLE

PIN 24813 - 0245 LT *Interest/Estate* Fee Simple
Description PT LT 16, CON 3 TRAF SDS, AS IN 732417; TOWN OF OAKVILLE
Address 60 SHEPHERD ROAD
 OAKVILLE

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 54 SHEPHERD ROAD INC.
Address for Service 200 Adelaide St. West
 Suite 401
 Toronto, Ontario M5H 1W7

I, Jim Neilas, President, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Name 60 SHEPHERD ROAD INC.
Address for Service 200 Adelaide St. West
 Suite 401
 Toronto, Ontario M5H 1W7

I, Jim Neilas, 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 FIRSTONTARIO CREDIT UNION LIMITED
Address for Service 4021 Upper Middle Road
 Burlington, Ontario
 L7R 3X5

Statements

Schedule: See Schedules

LRO # 20 Charge/Mortgage

Received as HR1257414 on 2015 04 07 at 09:36

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

yyyy mm dd Page 2 of 2

Provisions

Principal \$ 2,500,000.00 Currency CDN
 Calculation Period monthly, not in advance
 Balance Due Date ON DEMAND
 Interest Rate 24% PER ANNUM
 Payments
 Interest Adjustment Date
 Payment Date
 First Payment Date
 Last Payment Date
 Standard Charge Terms 200027
 Insurance Amount full insurable value
 Guarantor See Additional Provisions

Additional Provisions

SEE SCHEDULE

GUARANTORS:

NEILAS INC.
Address for service: 200 Adelaide St. West, Suite 401, Toronto, Ontario M5H 1W7

DIMITRIOS NEILAS (AKA JIM NEILAS)
Address for service: 962 Royal York Road, Toronto, Ontario M8X 2E7

ADDITIONAL STATEMENTS:

Whereas legal title to PIN No. 24813-0245 (LT) is registered in favour of 60 SHEPHERD ROAD INC.
Whereas legal title to PIN No. 24813-0286 (LT) is registered in favour of 50 SHEPHERD ROAD INC.

NOW THEREFORE each of 60 Shepherd Road Inc. and 50 Shepherd Road Inc. is charging its entire legal and beneficial interests in each such property in favour of FirstOntario Credit Union Limited in accordance with the Schedule attached hereto, in support of the joint and several covenants and agreements contained therein.

Signed By

Vicki Pawlett 145 King Street West, Suite 2200 acting for Signed 2015 04 07
 Toronto
 M5H 4G2
 Chargeor(s)
 Tel 416-362-3711
 Fax 416-864-9223

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

Submitted By

MINDEN GROSS LLP 145 King Street West, Suite 2200 2015 04 07
 Toronto
 M5H 4G2
 Tel 416-362-3711
 Fax 416-864-9223

Fees/Taxes/Payment

Statutory Registration Fee \$60.00
 Total Paid \$60.00

File Number

Chargee Client File Number : 4093866

SCHEDULE TO CHARGE/MORTGAGE OF LAND

1. Payment Provisions

This Charge is given as continuing security for payment to the Chargee of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Chargor to the Chargee, all pursuant to the Commitment (as defined below) (such debts and liabilities being hereinafter called the "liabilities"), but the Chargor's liability hereunder being limited to the sum of TWO MILLION FIVE HUNDRED DOLLARS (\$2,500,000.00) with interest at the rate hereinafter set out;

The Chargor covenants to pay each and every liability to the Chargee punctually as the same falls due; provided that this Charge is void upon payment on demand of the ultimate balance of the liabilities and all promissory notes, bills of exchange, guarantees and any other instruments whatsoever from time to time representing the liabilities or any part thereof, not exceeding the principal sum of TWO MILLION FIVE HUNDRED DOLLARS (\$2,500,000.00) together with interest thereon at the rate of 24.00 per centum (24%) per annum as well after as before maturity and both before and after default and all other amounts payable the Chargor hereunder.

2. Survival of Commitment Letter

The Chargor acknowledges and agrees that the execution and delivery of this Charge, any collateral security and further assurances in support of this Charge shall in no way merge or extinguish the terms and provisions of the mortgage commitment letter given by the Chargee to the Chargor dated February 17, 2015 (the "Commitment"); and the terms and conditions contained in the Commitment shall continue in full force and effect; provided that in case of any inconsistency or conflict between any provision of the Commitment and any provision contained in any of the security documents ("Security Documents") or agreements which have been provided in support of the loan as evidenced by this Charge, such provisions as contained in the Commitment shall prevail. Any provision or provisions which are contained in any of the Security Documents which is not contained in the Commitment shall not be considered to be inconsistent or in conflict with the Commitment.

3. Permitted Encumbrances

The Chargor covenants and agrees that the title to the lands which are the subject matter of this Charge (the "Lands") shall be subject only to the Permitted Encumbrances as set out in both RIDER A and Section 6 of the Commitment, as well as to realty taxes not yet due and payable, utility easements and other similar rights which, in the Chargee's opinion, will not, in the aggregate, materially and adversely impair the marketability of the Lands or the use of the Lands for the purpose for which they are held and minor irregularities and defects in title approved by the Chargee.

4. Reporting

Until all debts and liabilities due and owing under the loan which is evidenced by this Charge (the "Loan") have been repaid in full, the Chargor covenants and agrees that the following terms and conditions will apply in respect of the Loan:

- (a) the Chargor to provide the Chargee with externally prepared year-end financial statements within 120 days of each fiscal year end date;
- (b) The Guarantor to provide updated net worth statements as reasonably requested;
- (c) The Chargor acknowledges that dividends and bonuses will only be paid and capital withdrawals from the Chargor will only be made from cash flow after satisfaction of any Debt Service Coverage as defined in the Commitment.

- (d) The Chargee shall be provided with receipted tax bills within 90 days of the calendar year end. If not received, the Chargee will be entitled to obtain a Tax Certificate at the Chargor's expense.

It is understood and agreed that any failure by the Chargor to comply with any of the above terms and conditions shall, at the option of the Chargee, entitle the Chargee to consider the Loan in default and the balance of the principal and interest secured herein shall immediately become due and payable.

5. Farm Debt Mediation Act

The Chargor represents and warrants that it is not a "farmer" within the meaning of the *Farm Debt Mediation Act*, S.C. 1997, c.21 [the "Act"], and covenants and agrees with the Chargee that, in the event that at any time during the term of this Charge the Chargor shall, at the option of the Chargee, become a "farmer" within the meaning of the Act, it shall forthwith provide written notice of this fact to the Chargee.

6. Standard Charge Terms

The Chargor and Chargee acknowledge, covenant and agree that Standard Charge Terms No. 200027 shall be amended as follows:

- (a) Re clause 9.(a)

The first sentence shall be deleted and replaced by the following:

"Provided that the Chargee may, on default of payment or in the performance of any covenant in this Charge contained or implied by law or statute, enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days' notice sell the said lands."

- (b) Re clause 11.(a)

The clause shall be deleted and replaced by the following:

"(a) Provided that in default of the payment of the interest hereby secured the principal hereby secured shall become payable at the option of the Chargee."

- (c) Re Section 10 – Additional Fees

This Section shall be amended so as to include the following:

"(c) \$250.00 discharge fee for each discharge provided; and

(f) Late reporting fee of \$500.00 per month for each month the required reporting is not provided, subject to escalation should a material breach (as determined by the Chargee, in its sole discretion) occur; and

(g) Annual Review Fee - \$500.00

- (d) Re Section 11 – Acceleration

This Section shall be amended so as to include the following:

"(e) Provided that the occurrence of either (i) an event of default under the Chargor's credit facilities with any lender (as that term is defined in such lender's documentation); or (ii) a demand being made under any of the Guarantor's credit facilities with any lender (as that term is defined in such lender's documentation) shall, at the option of the Chargee,

constitute a default under this Charge and the balance of the principal and interest shall immediately become due and payable at the option of the Chargee."

7. Family Law Act

The Chargor shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the Lands or any part thereof as a matrimonial home within the meaning of Part II of the Family Law Act (Ontario), (c) the ownership of the equity of redemption in the Lands or any part thereof, and (d) a shareholder of the Chargor obtaining rights to occupy the Lands or any part thereof by virtue of shareholding within the meaning of Section 18(2) of the Family Law Act (Ontario), or any successor provision thereof, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the Lands by virtue of Section 19 of the Family Law Act (Ontario) or any successor provision thereof. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) (c), and (d) above as the Chargee may from time to time request.

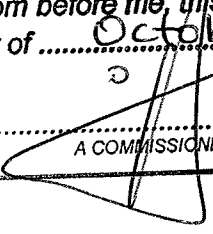
8. Due on Sale or Ownership Change

Notwithstanding anything contained to the contrary in Standard Charge Terms pertaining to this transaction, it is understood and agreed that in the event the Chargor:

- (e) sells, conveys, transfers, exchanges, assigns or otherwise disposes of, or enters into any agreement for sale, transfer, exchange or other disposition of, the Lands, or otherwise part with possession of the Lands, to a purchaser, grantee or transferee not approved, in writing by the Chargee, in its sole discretion, whether for valuable or nominal consideration; or
- (f) issues or sells, or permits the assignment or transfer by any means, including a transfer or deemed transfer by operation of law, of the legal or beneficial interest in all or any part of the Chargor's capital stock, whether for valuable or nominal consideration, resulting in a change of the Chargor's control, or there is otherwise a change in control of the Chargor, unless the entire transaction or series of transactions resulting in the change of control have been approved, in writing by the Chargee, in its sole discretion,

then at the option of the Chargee, the Chargor shall repay the unpaid principal balance of the Loan and all accrued interest thereon, together with any other monies owing under the Loan.

This is Exhibit E referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019



.....
A COMMISSIONER FOR TAKING AFFIDAVITS

**BUSINESS LOAN
GENERAL SECURITY AGREEMENT**

To: FIRSTONTARIO CREDIT UNION LIMITED (hereinafter called "Credit Union")

60 SHEPHERD ROAD INC.
(Hereinafter called the "Assignor")

hereby mortgages, charges and assigns to the Credit Union, as a general and continuing collateral security for payment of all existing and future indebtedness and liability of the Assignor and wheresoever and howsoever incurred and any ultimate unpaid balance thereof, all property of the kinds described in paragraph 2 below of which the Assignor is now or may hereafter become the owner.

1. DEFINITIONS

In this Agreement,

- (a) "PPSA" means the Personal Property Security Act (Ontario), and any Act that may be substituted therefor, as from time to time amended.
- (b) "Receivables" means all debts, accounts, claims, moneys and choses in action now due or hereafter to become due or owing to the Assignor, or any one of them.
- (c) "Inventory" means all goods now or hereafter forming part of the inventory of the Assignor or any one or more of them, including, without limiting the generality of the foregoing, goods held for sale or lease; goods furnished or to be furnished under contracts of service; goods which are raw materials or work in progress; goods used in or procured for packing; materials used or consumed in the business of the Assignor; ornaments; growing crops that become such within one year after the execution of this agreement; timber to be cut; oil, gas and other minerals to be extracted; and goods described in paragraph 9 below.
- (d) "Equipment" means all goods, exclusive of inventory or consumer goods, now or hereafter owned by the Assignor or any one or more of them, which are used or are intended for use in or about the business conducted by the Assignor or in the places referred to in paragraph 8 and including, without limiting the generality of the foregoing, machinery; fixtures; furniture; plant; vehicles of any sort or description; the property described in paragraph 10 below; and all accessories installed in or affixed, attached or appertaining to any of the foregoing.
- (e) "Documents of Title" shall have the meaning ascribed to it in the PPSA and shall include, without limiting the generality of the foregoing, all warehouse receipts and bills of lading whether negotiable or not.
- (f) "Chattel Paper", "goods" and "instrument" shall have the meanings respectively ascribed to them in the PPSA.

2. SECURITY INTEREST

As security for the payment and performance of all existing and future liabilities and indebtedness of the Assignor, or any one or more of them, to the Credit Union, howsoever arising, the Assignor hereby grants to the Credit Union a continuing security interest in the present and after acquired business undertaking of the Assignor and in all property of the following kinds now owned or hereafter acquired by the Assignor or by any one or more of them:

- (a) Inventory;
- (b) Equipment;
- (c) Receivables;
- (d) Chattel Paper;
- (e) Documents of Title;
- (f) All books and papers recording, evidencing or relating to the Receivables, Chattel Paper or Documents of Title, and all securities, bill, notes, instruments or other documents now or hereafter held by or on behalf of the Assignor or any one or more of them with respect to the said Receivables, Chattel Paper or Documents of Title;
- (g) All shares, stock, warrants, bonds, debentures, debenture stock or other securities including, without limiting the generality of the foregoing, the securities listed in paragraph 11 hereof, together with renewals thereof, substitutions therefor, accretions thereto and all rights and claims in respect thereof;
- (h) All proceeds and products of any or all the foregoing, including any compensation for Collateral damaged, expropriated, stolen or destroyed. The above named property, whether now owned or hereafter acquired, shall hereinafter be called the "Collateral".

3. WARRANTIES AND COVENANTS

- (a) Except for the security interest granted hereby by the Assignor or any one or more of them is (and as to collateral to be acquired after the date hereby, shall be) the owner of the Collateral free and clear of all liens, charges, claims, encumbrances, taxes or assessments.
- (b) The Assignor will not sell, offer to sell, transfer, or otherwise dispose of, pledge or mortgage the Collateral (other than Inventory which may be sold, leased, or otherwise disposed of in the ordinary course of Assignor's business), nor will the Assignor suffer to exist any other security interest in the Collateral in favour of any person other than the Credit Union without the prior written consent of the Credit Union. All proceeds of the Collateral whether or not arising in the ordinary course of Assignor's business, shall be received as trustee for the Credit Union and shall be forthwith paid over to the Credit Union.
- (c) The Assignor shall, during the currency of this Agreement, insure and keep insured the Collateral to its full insurable value for fire, theft and such other risks as the Credit Union may reasonably require, and will, at the request of the Credit Union, pay such further premium as is necessary to obtain an endorsement that the security interest of the Credit Union will not be invalidated by any breach of statutory condition. The proceeds in any insurance held pursuant to this paragraph shall be payable to the Credit Union and any proceeds of such insurance shall, at the option of the Credit Union, be applied to the replacement of the Collateral or towards repayment of any indebtedness of the Assignor or any one or more of them to the Credit Union. Should the Assignor neglect to maintain such insurance, the Credit Union may insure, and any premiums paid by the Credit Union together with interest thereon shall be payable by the Assignor to the Credit Union upon demand. The Assignor will deposit a certified copy of such insurance with the Credit Union on request, or obtain an insurance endorsement in favour of the Credit Union. Assignor will promptly give the Credit Union written notice of any loss or damage to all or any part of the Collateral.
- (d) The Assignor shall provide from time to time upon request from the Credit Union, written information relating to the Collateral or any part thereof, and the Assignor's financial or business affairs, and the Credit Union shall be entitled from time to time to inspect the tangible Collateral including, without limitation, the books and records referred to in paragraph 2(f) above wherever located and however stored. For such purpose the Credit Union shall have access to all places where the Collateral or any part thereof is located, and to all premises occupied by the Assignor, and to all mechanical or electronic, equipment devices and processes where any of them may be stored or from which any of them may be retrieved.
- (e) The Assignor is in compliance with all Environmental Laws in respect of the operation of its business and/or its assets (including the Collateral), has obtained all permits necessary under Environmental Laws ("Permits") to operate its business and own its assets, and has not received any notice of non-compliance with any Environmental Laws or Permits. The Assignor will continue to conduct its business and own and operate its assets in compliance with all Environmental Laws and Permits for the term of this agreement. The Assignor will immediately advise the Credit Union of: (i) any environmental issues that arise in respect of its business or assets that result in or may lead to non-compliance with Environmental Laws or Permits; and, (ii) any notice of non-compliance with Environmental Laws or Permits that it may receive, including any stop orders or orders for remediation or preventative steps. For the purposes of this agreement, "Environmental Laws" shall mean the Environmental Protection Act, R.S.O. 1990, c.E.19 and the Canadian Environmental Protection Act, R.S.C. 1985, c.16 or any successor legislation or any other applicable federal, provincial or local environmental, health or safety law, rules or regulations imposing liability or standards in connection with hazardous, toxic or dangerous waste, substance, materials, smoke, gas or particular matter.

4. EVENTS OF DEFAULT

Any or all of the liabilities or indebtedness of the Assignor or any one or more of them to the Credit Union shall, at the option of the Credit Union and notwithstanding any time or credit allowed by any instrument evidencing a liability, be immediately due and payable without notice or demand upon the occurrence of any of the following events (hereinafter referred to as "Event(s) of Default"):

- (a) Default in the payment or performance when due or payable of any liability of the Assignor of any one or more of them, or of any endorser, guarantor or surety for any liability of the Assignor or any one or more of them to the Credit Union;
- (b) Default by the Assignor of any obligation or covenant contained herein, or in any other agreement or document existing at any time between the Credit Union and Assignor or any of them;
- (c) Any warranty, representation or statement made by the Assignor or furnished to the Credit Union herein, or in the application for any loan, was untrue in any material respect when made or furnished;
- (d) Any loss, theft, damage or destruction of Collateral or of any part of it, or the making of any levy, seizure or attachment thereto or the appointment of a receiver of any part thereof;
- (e) If the Credit Union should at any time deem itself insecure, bearing in mind the extent of the liabilities secured hereby, the value of the Collateral and any other relevant considerations;
- (f) The death, dissolution, termination of existence, insolvency, business failure, or commencement of any proceedings under the Bankruptcy and Insolvency Act affecting the Assignor or any one or more of them;
- (g) The Assignor ceases or threatens to cease to carry on in the normal course the Assignor's business or any material part of such business;
- (h) Change of effective control of the Assignor, if a corporation;

5. REMEDIES

Upon any Event of Default and at any time thereafter the Credit Union, at its option may declare that all indebtedness and obligations secured by this agreement shall immediately become due and payable, and:

- (a) the Credit Union shall have all rights and remedies of a secured party under the PPSA;
- (b) the Credit Union shall be constituted to appoint in writing any person to be a receiver (which term shall include a receiver and manager) of the Collateral, including any rents and profits thereof, and may remove any receiver and appoint another in his stead. Such receiver so appointed shall have power to take possession of the Collateral and to carry on or concur in carrying on the business of the Assignor, and to sell or concur in selling the Collateral or any part thereof. Any such receiver shall (for purposes relating to responsibility for the receiver's acts or omissions) be deemed to be the agent of the Assignor. The Credit Union may from time to time fix the remuneration of such receiver. All moneys from time to time received by such receiver shall be paid by him first in discharge of all rents, taxes, rates, insurance premiums and outgoings affecting the Collateral, secondly in payment of his remuneration as received, thirdly in keeping in good standing any liens and charges on the Collateral prior to the security constituted by this Agreement, and fourthly in or toward payment of such parts of the indebtedness and liability of the Assignor to the Credit Union as to the Credit Union seems best, and any residue of such moneys so received shall be accounted for as required by law. The Credit Union in appointing or refraining from appointing such receiver shall not incur any liability to the receiver, the Assignor or otherwise;
- (c) the Credit Union may collect, realize, sell or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions at such time or times, and without notice to the Assignor, as may seem to it advisable. The Credit Union shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Collateral or any part thereof, and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Credit Union, the Assignor or any other person, firm or corporation in respect of the same. All moneys collected or received by the Assignor in respect of the Collateral shall be received as trustee for the Credit Union and shall be forthwith paid over to the Credit Union. All moneys collected or received by the Credit Union in respect of the Receivables or other Collateral may be applied on account of such parts of the indebtedness and liability of the Assignor as to the Credit Union seems best or, in the discretion of the Credit Union, may be released to the Assignor, all without prejudice to the liability of the Assignor or the Credit Union's right to hold and realize this security;
- (d) The Assignor(s) will remain liable to the Credit Union for payment of any and all indebtedness following realization of all or any part of the Collateral.

6. CHARGES AND EXPENSES

The Credit Union may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including advise and services) in or in connection with realizing, disposing of, retaining or collecting the Collateral or any part thereof. Such sums shall be a first charge on the proceeds of realization, disposition or collection. The Credit Union may at its option pay taxes, discharge any encumbrance or charge claimed (Whether validly or not) against the Collateral and pay any amount which, in the Credit Union's sole discretion, it may consider requisite to secure possession of the Collateral with or without litigation or compromise. The Credit Union may settle any litigation in respect of the Collateral or the possessions thereof, and may pay for insurance, repairs and maintenance to the Collateral, and any sum so paid by the Credit Union shall constitute indebtedness of the Assignor secured hereunder, which the Assignor shall repay on demand.

7. POSSESSION OF COLLATERAL

Until default, the Assignor may have possession of the Collateral and enjoy the same subject to the terms hereof. However, whether or not default has occurred, the Credit Union may at any time request that debtors on the Receivables be notified of the Credit Union's security interest. The Credit Union may from time to time confirm with such debtors the existence and amount of the Receivables. Until such notification is made, the Assignor shall continue to collect Receivables but shall hold the proceeds received from collection in trust for the Credit Union without commingling the same with other funds, and shall turn the same over to the Credit Union immediately upon receipt in the identical form received.

8. LOCATION OF COLLATERAL

Except for any property described in paragraph 11 hereof, the Collateral, insofar as it consists of tangible property is now and will hereafter be at the place or places, listed below. None of the Collateral shall be removed from such place or places without the written consent of the Credit Union. *(If space insufficient, attach a duly signed and witnessed schedule)*

60 Shepherd Road, Oakville, Ontario

9. SUPPLEMENTARY DESCRIPTION OF INVENTORY *(If space insufficient, attach a duly signed and witnessed schedule)*

10. SUPPLEMENTARY DESCRIPTION OF EQUIPMENT *(If space insufficient, attach a duly signed and witnessed schedule)*

11. SUPPLEMENTARY DESCRIPTION OF SECURITIES *(If space insufficient, attach a duly signed and witnessed schedule)*

12. FURTHER ASSURANCES CLAUSE

The Assignor will from time to time at its sole cost and expense, promptly and duly authorize, execute and deliver such further and other instruments and documents and take such further action, as the Credit Union may from time to time require for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by this Agreement, including without limitation, the filing of any financing statement or financing change statement under applicable legislation with respect to the security interest granted to the Credit Union hereunder.

13. ENTIRE AGREEMENT CLAUSE

The Credit Union has not made any representation or undertaken any obligation in connection with the subject matter of this Agreement other than as expressly set out in this Agreement, and in particular, nothing in this Agreement requires the Credit Union to make, renew or extend the time for payment of any loan or other financial accommodation to the Assignor or any one of them or any other person. This Agreement contains the entire agreement between the Credit Union and the Assignor with respect to the subject matter hereof.

14. GENERAL

- (a) This agreement shall be a continuing agreement in every respect.
- (b) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

(c) This Agreement shall cnuce to the benefit of and be binding upon the Credit Union and its successors and assigns and each Assignor and their respective heirs, executors, administrators, successors and permitted assigns. No Assignor will assign this Agreement without the Credit Union's prior written consent.

(d) The Assignor may terminate this Agreement by delivering written notice to the Credit Union at any time when the Assignor, or each of them, is not indebted or liable to the Credit Union. No remedy for the enforcement of the rights of the Credit Union hereunder shall be exclusive of or dependent on any other such remedy and any one or more of such remedies may from time to time be exercised independently or in combination. The security interest created or provided for by this Agreement is intended to attach (i) to existing Collateral, when this Agreement is signed by the Assignor (ii) to Collateral subsequently acquired by the Assignor, immediately upon the Assignor acquiring any rights on such Collateral. The parties confirm that they do not intend to postpone the attachment of any security interest created hereby and delivered to the Credit Union. For greater certainty it is declared that any and all future loans, advances or other value which the Credit Union may in its discretion make or extend to or for the account of the Assignor or of any one or more of them shall be secured by this Agreement.

(e) In construing the Agreement, the word "Assignor" and the personal pronouns "he" or "his" and any verb relating thereto shall be read and construed as the number and gender of the parties signing this Agreement may require.

(f) The Credit Union may increase, reduce, discontinue or otherwise vary the Assignor's credit facility, grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases, take and give up any Collateral, abstain from taking, perfecting or registering any security interest, mortgage, charge or assignment granted hereby and discharge and otherwise deal with the Assignor, debtors of the Assignor, sureties and others, and with the Collateral and other securities, as the Credit Union may see fit and without prejudice to the liability of the Assignor or the Credit Union's right to hold and realize this security.

(g) If more than one person or entity signs this Agreement as Assignor, the obligations of such persons or entities is to be joint and several.

(h) This General Security Agreement is in addition and without prejudice to any securities of any kind now or hereafter held by the Credit Union.

(i) The Assignor agrees to pay on demand the Credit Union's costs and expenses (including legal fees) in connection with the taking/discharging/registering of this Agreement and exercising any and all of its rights granted hereunder.

15. The Borrower hereby acknowledges receipt of a copy of this Agreement.

Signed, sealed and delivered this. 16 day of March, 2015..at Toronto, Ontario

TO BE COMPLETED BY SOLE PROPRIETOR OR PARTNERS

.....
Witness Signature of Assignor

.....
Witness Signature of Assignor

Middle Initial	Date of Birth Day, Month, Year	Gender (M/F)

TO BE COMPLETED BY INCORPORATED BUSINESS

66 SHERHERD ROAD INC.
 Per: _____
 Name: Jim Neilas
 Title: President
 I have authority to bind the corporation.

#2327332 v1 | 4093866

SCHEDULE "A"

Year/Make	Asset Type	Model	VIN
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This is Exhibit F referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

Properties

PIN 24813 - 0245 LT
Description PT LT 16, CON 3 TRAF SDS, AS IN 732417; TOWN OF OAKVILLE
Address 60 SHEPHERD ROAD
OAKVILLE

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 60 SHEPHERD ROAD INC.
Address for Service 200 Adelaide St. West
Suite 401
Toronto, Ontario M5H 1W7

I, Jim Neillas, 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 FIRSTONTARIO CREDIT UNION LIMITED
Address for Service 4021 Upper Middle Roa
Burlington, Ontario
L7R 3X5

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, HR1257414 registered on 2015/04/07 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Vicki Pawlett 145 King Street West, Suite 2200 acting for Signed 2015 04 07
Toronto Applicant(s)
M5H 4G2
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.

Vicki Pawlett 145 King Street West, Suite 2200 acting for Signed 2015 04 07
Toronto Party To(s)
M5H 4G2
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 2015 04 07
Toronto
M5H 4G2
Tel 416-362-3711
Fax 416-864-9223

LRO # 20 Notice Of Assignment Of Rents-General

Received as HR1257416 on 2015 04 07 at 09:36

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

yyyy mm dd Page 2 of 2

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Party To Client File Number : 4093866

This Agreement made as of the day of registration of the electronic instrument to which this agreement is attached as a schedule.

B E T W E E N:

60 SHEPHERD ROAD INC.

(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

FIRSTONTARIO CREDIT UNION LIMITED

(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS by a charge (the "Charge") registered on the same day as the electronic instrument to which this agreement is attached as a schedule, in the Halton Land Registry Office (No. 20) as the Instrument Number referred to in the electronic document to which this agreement is attached as a schedule, the Assignor did charge and mortgage unto the Assignee ALL AND SINGULAR those certain parcels or tracts of land and premises described in the electronic document to which this Assignment is attached (the "Property"), to secure the payment of the sum of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000.00) , interest and other monies as provided in the Charge;

AND WHEREAS as a condition for the making of the loan secured by the Charge the Assignor agreed to assign to the Assignee, its successors and assigns, as a further continuing and collateral security for the payment of the moneys secured by the Charge and observance and performance of the covenants therein contained, all rent, additional rent, and other monies payable as or on account thereof (collectively the "Rents") which now are or may at anytime hereafter be due, owing, or payable under the following (collectively the "Leases"):

- (a) every existing and future verbal or written lease or sublease of and agreement to lease or sublease, the whole or any portion of the Property;
- (b) every existing and future tenancy, agreement as to use or occupancy of and licence in respect of, the whole or any portion of the Property whether or not pursuant to any verbal or written lease, agreement or license;
- (c) every existing and future guarantee or indemnity of all or any of the obligations of any existing or future lessee, user, occupier or licensee of the whole or any portion of the Property;
- (d) every existing and future assignment and agreement to assume the obligations of any lessee, user, occupier or licensee of the whole or any portion of the Property; and
- (e) all revisions, alterations, modifications, changes, extensions, renewals, replacements or substitutions in respect of (a) to (d) above, if consented to by the Assignee in writing.

NOW THEREFORE in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which is hereby expressly acknowledged), the Assignor does hereby assign, transfer, grant, and set over unto the Assignee, its successors and assigns as and by way of a first, fixed and specific assignment, all of the Assignor's right, title and interest in and to the Rents and the full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce

payment thereof, at the sole option of the Assignee, in the name of the Assignor or the owner from time to time of the Property, or the Assignee.

THE ASSIGNOR COVENANTS, ACKNOWLEDGES AND AGREES AS FOLLOWS:

1. The Assignor has good right, full power and absolute authority to assign the Rents as a first assignment thereof and a first claim thereto, in the manner aforesaid, and has made no prior assignments or granted a security interest in any of the Rents, nor has it performed any act or executed any other instrument which might prevent the Assignee from operating under the terms and conditions of this Agreement or which would limit the Assignee in such operation.
2. There has been no default of a material nature which has not been remedied under any of the existing Leases by any of the parties thereto.
3. The Assignor will not, without the prior written consent of the Assignee:
 - (a) accept prepayment of the Rents or any part thereof in excess of the rent for the final month of the term of the Leases;
 - (b) do any act or thing or omit to do any act or thing having the effect of:
 - (i) terminating, cancelling or accepting the surrender of any of the Leases;
 - (ii) modifying, amending, extending or varying any of the Leases;
 - (iii) waiving, releasing, varying or abating the obligations of any party to pay the Rents or any part thereof;
 - (c) further assign, pledge, transfer, grant a security interest in, or otherwise encumber the Rents or any part thereof;
 - (d) permit any material default or breach of covenant by any lessee under the Leases; or
 - (e) enter into any Leases for any part of the Property that are not bona fide leases with lessees with whom the Assignor deals at arm's length. The terms of any future leases must 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 Property.

Any such purported waiver or prepayment or further assignment of any of the Rents without the Assignee's prior written consent will be null and void and of no force or effect.
4. The Assignor may demand, receive, collect and enjoy the Rents, but only as the same fall due and payable according to the terms of each of the Leases and not more than one month in advance (except for prepayment of the last month of the term if so provided in the lease, agreement or license), unless and until default has occurred or has been deemed to have occurred under the provisions of the Charge or this Agreement. If a default shall occur, the Assignee may deliver a written notice to any lessee directing it to pay the Rents to the Assignee and such notice shall be good and sufficient authority for so doing.
5. The Assignor will from time to time and at all times hereafter observe, perform and keep all covenants and agreements contained in the Leases on its part to be observed, performed or kept and will cause the lessees under such Leases to observe and perform their covenants, obligations and undertakings thereunder, and it is expressly understood and agreed that neither the execution of this Agreement nor the acceptance thereof by the Assignee, its agents, employees or

any other person for whom the Assignee is in law responsible (nor the collection of the Rents, nor any action taken by the Assignee in respect of the Rents) shall in any way render the Assignee, its agents, employees or any other person for whom the Assignee is in law responsible liable for the collection of any of the Rents or for the observance or performance of any of the covenants, terms, conditions or agreements contained in any of the Leases on the part of the lessor therein named to be observed, performed or kept or to subordinate any of the rights of the Assignee to any of the Leases.

6. The Assignee may, at its option, enter the Property by its officers, agents or employees for the purpose of demanding, collecting, suing for, recovering and receiving the Rents and operating and maintaining the Property. The Assignor hereby authorizes the Assignee generally to perform all such acts and do all things including, without limitation, the making of payments to encumbrancers whether prior or subsequent to the Charge and the payment of any expenses in connection with such operation and maintenance of the Property and any acts by way of enforcement of the covenants and exercise of the rights contained in the Leases or otherwise, as may in the opinion of the Assignee be necessary or advisable, which said acts and things may be performed or done in the name of the Assignor or in the name of the Assignee, as in the absolute discretion of the Assignee may seem proper or advisable. It is expressly understood and agreed that the Assignee shall be liable to account for only such moneys as may actually come into its hands by virtue of this Agreement less any proper collection charges. The Assignee may, after payment of all collection charges, and all expenses which the Assignee, in its absolute discretion shall deem advisable to pay for the proper operation and maintenance of the Property, credit the remainder of the moneys which it may receive in connection with the Property to the account of any amount or amounts due to the Assignee under the terms and provisions of the Charge and the manner of the application of such remainder and the item or items to which it shall at any time or from time to time be credited by the Assignee shall be in the absolute discretion of the Assignee and until such moneys have been so applied or credited same shall be deemed to form part of the security under the Charge and be subject to the Charge and held as additional security thereunder.
7. The Assignee shall not by virtue of this Agreement or the exercise by the Assignee of any of its rights hereunder or its receipt of any of the Rents pursuant to this Agreement be deemed a mortgagee in possession of the Property.
8. The Assignee may waive any default or breach of covenant by the lessees under Leases and shall not be bound to collect or recover any of the Rents, take any action or exercise any remedy or serve any notice upon the lessees under the Leases upon the happening of any default or breach of covenant by such lessees.
9. The giving of this Agreement is by way of additional and collateral security for the Charge and not in substitution for or in satisfaction thereof, and the Charge or any other security shall not be merged hereby and in case of default, proceedings may be taken under the Charge, any other security collateral thereto or this Agreement or any one or more of them at the option of the Assignee. Notwithstanding any variation of the terms of the Charge or any extension of time for payment of the moneys secured by the Charge, or any part thereof, or any renewal or extension of the loan secured by the Charge whether made with the original mortgagor named in the Charge or a subsequent owner of the Property, or any release of part or parts of the Property or any collateral security, the Rents hereby assigned shall continue as collateral security until all of such monies secured by the Charge shall be fully paid.
10. The within assignment to the Assignee of the Rents shall remain in full force and effect without regard to, and the obligations of the lessees under the Leases shall not be affected or impaired by:
 - (a) any amendment, modification, renewal or replacement of or addition or supplement to the Charge or the loan secured by the Charge or any other

security (which term shall include, without limitation, any guarantee or indemnity) provided to the Assignee; or

- (b) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement, the Charge or any other security (which term shall include, without limitation, any guarantee or indemnity) provided to the Assignee; or
 - (c) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement, the Charge or any other security (which term shall include, without limitation, any guarantee or indemnity) provided to the Assignee; or
 - (d) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor or any of the lessees under any of the Leases.
11. The Assignor shall reimburse, indemnify and hold harmless the Assignee for and from any and all expenses, losses, costs (including legal costs on a solicitor and client basis and all registration and renewal costs), fees, damages and liabilities whatsoever which the Assignee may suffer or incur by reason of or with respect to this Agreement, or the Rents, or the exercise, protection or defence of the rights or interest granted in this Agreement. All such costs, expenses, fees and liabilities when incurred shall be deemed to be owing and secured under the Charge.
 12. All Rents charged with respect to the Property or any part thereof will be lawful rents and in accordance with all applicable legislation and regulations in effect from time to time.
 13. Upon registration of a discharge of the Charge, this Agreement shall thereupon become and be of no force or effect. At such time as the Charge has been discharged, the Assignee will, upon the request of, and at the sole cost and expense of the Assignor, execute a re-assignment of the Rents to the Assignor.
 14. The Assignor shall from time to time forthwith on the Assignee's request do, make and execute all such financing statements, further assignments, documents, assurances, acts, matters and things as may be required by the Assignee of or with respect to the Rents or any part thereof or as may be required to give effect to this Agreement, and the Assignor hereby constitutes and appoints the Assignee the true and lawful Attorney of the Assignor irrevocably with full power of substitution to do, make and execute all such statements, assignments, documents, assurances, acts, matters or things with the right to use the name of the Assignor whenever and wherever it may be deemed necessary or expedient.
 15. The Assignor will from time to time at the reasonable request of the Assignee furnish to the Assignee a copy of a current rent roll of the building on the Property showing the basic terms of all the Leases and if requested to the Assignee, give the Assignee a specific assignment of the Rents thereunder in a form satisfactory to the Assignee.
 16. Time is of the essence of this Agreement. Whenever two or more persons are under a liability hereunder such liability shall be both joint and several.
 17. This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction in which the Property is situate and the laws of Canada applicable therein.
 18. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, successors in title and assigns.

19. The Assignor acknowledges and agrees that there is no agreement between the parties to postpone attachment of the security interest created hereby.

SIGNED, SEALED AND DELIVERED

60 SHEPHERD ROAD INC.

Per: 

Name: Jim Neilas

Title: President

I have authority to bind the corporation.

This is Exhibit G referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

**BUSINESS LOAN
GENERAL SECURITY AGREEMENT**

To: FIRSTONTARIO CREDIT UNION LIMITED (hereinafter called "Credit Union")

54 SHEPHERD ROAD INC.
(Hereinafter called the "Assignor")

hereby mortgages, charges and assigns to the Credit Union, as a general and continuing collateral security for payment of all existing and future indebtedness and liability of the Assignor and wheresoever and howsoever incurred and any ultimate unpaid balance thereof, all property of the kinds described in paragraph 2 below of which the Assignor is now or may hereafter become the owner.

1. DEFINITIONS

In this Agreement,

- (a) "PPSA" means the Personal Property Security Act (Ontario), and any Act that may be substituted therefor, as from time to time amended.
- (b) "Receivables" means all debts, accounts, claims, moneys and choses in action now due or hereafter to become due or owing to the Assignor, or any one of them.
- (c) "Inventory" means all goods now or hereafter forming part of the inventory of the Assignor or any one or more of them, including, without limiting the generality of the foregoing, goods held for sale or lease; goods furnished or to be furnished under contracts of service; goods which are raw materials or work in progress; goods used in or procured for packing; materials used or consumed in the business of the Assignor; emblements; growing crops that become such within one year after the execution of this agreement; timber to be cut; oil, gas and other minerals to be extracted; and goods described in paragraph 9 below.
- (d) "Equipment" means all goods, exclusive of inventory or consumer goods, now or hereafter owned by the Assignor or any one or more of them, which are used or are intended for use in or about the business conducted by the Assignor or in the places referred to in paragraph 8 and including, without limiting the generality of the foregoing, machinery; fixtures; furniture; plant; vehicles of any sort or description; the property described in paragraph 10 below; and all accessories installed in or affixed, attached or appertaining to any of the foregoing.
- (e) "Documents of Title" shall have the meaning ascribed to it in the PPSA and shall include, without limiting the generality of the foregoing, all warehouse receipts and bills of lading whether negotiable or not.
- (f) "Chattel Paper", "goods" and "instrument" shall have the meanings respectively ascribed to them in the PPSA.

2. SECURITY INTEREST

As security for the payment and performance of all existing and future liabilities and indebtedness of the Assignor, or any one or more of them, to the Credit Union, howsoever arising, the Assignor hereby grants to the Credit Union a continuing security interest in the present and after acquired business undertaking of the Assignor and in all property of the following kinds now owned or hereafter acquired by the Assignor or by any one or more of them:

- (a) Inventory;
- (b) Equipment;
- (c) Receivables;
- (d) Chattel Paper;
- (e) Documents of Title;
- (f) All books and papers recording, evidencing or relating to the Receivables, Chattel Paper or Documents of Title, and all securities, bill, notes, instruments or other documents now or hereafter held by or on behalf of the Assignor or any one or more of them with respect to the said Receivables, Chattel Paper or Documents of Title;
- (g) All shares, stock, warrants, bonds, debentures, debenture stock or other securities including, without limiting the generality of the foregoing, the securities listed in paragraph 11 hereof, together with renewals thereof, substitutions therefor, accretions thereto and all rights and claims in respect thereof;
- (h) All proceeds and products of any or all the foregoing, including any compensation for Collateral damaged, expropriated, stolen or destroyed. The above named property, whether now owned or hereafter acquired, shall hereinafter be called the "Collateral".

3. WARRANTIES AND COVENANTS

- (a) Except for the security interest granted hereby the Assignor or any one or more of them is (and as to collateral to be acquired after the date hereby, shall be) the owner of the Collateral free and clear of all liens, charges, claims, encumbrances, taxes or assessments.
- (b) The Assignor will not sell, offer to sell, transfer, or otherwise dispose of, pledge or mortgage the Collateral (other than Inventory which may be sold, leased, or otherwise disposed of in the ordinary course of Assignor's business), nor will the Assignor suffer to exist any other security interest in the Collateral in favour of any person other than the Credit Union without the prior written consent of the Credit Union. All proceeds of the Collateral whether or not arising in the ordinary course of Assignor's business, shall be received as trustee for the Credit Union and shall be forthwith paid over to the Credit Union.
- (c) The Assignor shall, during the currency of this Agreement, insure and keep insured the Collateral to its full insurable value for fire, theft and such other risks as the Credit Union may reasonably require, and will, at the request of the Credit Union, pay such further premium as is necessary to obtain an endorsement that the security interest of the Credit Union will not be invalidated by any breach of statutory condition. The proceeds in any insurance held pursuant to this paragraph shall be payable to the Credit Union and any proceeds of such insurance shall, at the option of the Credit Union, be applied to the replacement of the Collateral or towards repayment of any indebtedness of the Assignor or any one or more of them to the Credit Union. Should the Assignor neglect to maintain such insurance, the Credit Union may insure, and any premiums paid by the Credit Union together with interest thereon shall be payable by the Assignor to the Credit Union upon demand. The Assignor will deposit a certified copy of such insurance with the Credit Union on request, or obtain an insurance endorsement in favour of the Credit Union. Assignor will promptly give the Credit Union written notice of any loss or damage to all or any part of the Collateral.
- (d) The Assignor shall provide from time to time upon request from the Credit Union, written information relating to the Collateral or any part thereof, and the Assignor's financial or business affairs, and the Credit Union shall be entitled from time to time to inspect the tangible Collateral including, without limitation, the books and records referred to in paragraph 2(f) above wherever located and however stored. For such purpose the Credit Union shall have access to all places where the Collateral or any part thereof is located, and to all premises occupied by the Assignor, and to all mechanical or electronic, equipment devices and processes where any of them may be stored or from which any of them may be retrieved.
- (e) The Assignor is in compliance with all Environmental Laws in respect of the operation of its business and/or its assets (including the Collateral), has obtained all permits necessary under Environmental Laws ("Permits") to operate its business and own its assets, and has not received any notice of non-compliance with any Environmental Laws or Permits for the term of this agreement. The Assignor will continue to conduct its business and own and operate its assets in compliance with all Environmental Laws and Permits that it may receive, including any stop orders or orders for remediation or preventative steps. For the purposes of this agreement, "Environmental Laws" shall mean the Environmental Protection Act, R.S.O. 1990, c.E.19 and the Canadian Environmental Protection Act, R.S.C. 1985, c.16 or any successor legislation or any other applicable federal, provincial or local environmental, health or safety law, rules or regulations imposing liability or standards in connection with hazardous, toxic or dangerous waste, substance, materials, smoke, gas or particular matter.

4. EVENTS OF DEFAULT

Any or all of the liabilities or indebtedness of the Assignor or any one or more of them to the Credit Union shall, at the option of the Credit Union and notwithstanding any time or credit allowed by any instrument evidencing a liability, be immediately due and payable without notice or demand upon the occurrence of any of the following events (hereinafter referred to as "Event(s) of Default"):

- (a) Default in the payment or performance when due or payable of any liability of the Assignor or any one or more of them, or of any endorser, guarantor or surety for any liability of the Assignor or any one or more of them to the Credit Union;
- (b) Default by the Assignor of any obligation or covenant contained herein, or in any other agreement or document existing at any time between the Credit Union and Assignor or any of them;
- (c) Any warranty, representation or statement made by the Assignor or furnished to the Credit Union herein, or in the application for any loan, was untrue in any material respect when made or furnished;
- (d) Any loss, theft, damage or destruction of Collateral or of any part of it, or the making of any levy, seizure or attachment thereto or the appointment of a receiver of any part thereof;
- (e) If the Credit Union should at any time deem itself insecure, bearing in mind the extent of the liabilities secured hereby, the value of the Collateral and any other relevant considerations;
- (f) The death, dissolution, termination of existence, insolvency, business failure, or commencement of any proceedings under the Bankruptcy and Insolvency Act affecting the Assignor or any one or more of them;
- (g) The Assignor ceases or threatens to cease to carry on in the normal course the Assignor's business or any material part of such business;
- (h) Change of effective control of the Assignor, if a corporation;

5. REMEDIES

Upon any Event of Default and at any time thereafter the Credit Union, at its option may declare that all indebtedness and obligations secured by this agreement shall immediately become due and payable, and:

- (a) the Credit Union shall have all rights and remedies of a secured party under the PPSA;
- (b) the Credit Union shall be constituted to appoint in writing any person to be a receiver (which term shall include a receiver and manager) of the Collateral, including any rents and profits thereof, and may remove any receiver and appoint another in his stead. Such receiver so appointed shall have power to take possession of the Collateral and to carry on or concur in carrying on the business of the Assignor, and to sell or concur in selling the Collateral or any part thereof. Any such receiver shall (for purposes relating to responsibility for the receiver's acts or omissions) be deemed to be the agent of the Assignor. The Credit Union may from time to time fix the remuneration of such receiver. All moneys from time to time received by such receiver shall be paid by him first in discharge of all rents, taxes, rates, insurance premiums and outgoings affecting the Collateral, secondly in payment of his remuneration as received, thirdly in keeping in good standing any liens and charges on the Collateral prior to the security constituted by this Agreement, and fourthly in or toward payment of such parts of the indebtedness and liability of the Assignor to the Credit Union as to the Credit Union seems best, and any residue of such moneys so received shall be accounted for as required by law. The Credit Union in appointing or refraining from appointing such receiver shall not incur any liability to the receiver, the Assignor or otherwise;
- (c) the Credit Union may collect, realize, sell or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions at such time or times, and without notice to the Assignor, as may seem to it advisable. The Credit Union shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Collateral or any part thereof, and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Credit Union, the Assignor or any other person, firm or corporation in respect of the same. All moneys collected or received by the Assignor in respect of the Collateral shall be received as trustee for the Credit Union and shall be forthwith paid over to the Credit Union. All moneys collected or received by the Credit Union in respect of the Receivables or other Collateral may be applied on account of such parts of the indebtedness and liability of the Assignor as to the Credit Union seems best or, in the discretion of the Credit Union, may be released to the Assignor, all without prejudice to the liability of the Assignor or the Credit Union's right to hold and realize this security;
- (d) The Assignor(s) will remain liable to the Credit Union for payment of any and all indebtedness following realization of all or any part of the Collateral.

6. CHARGES AND EXPENSES

The Credit Union may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including advise and services) in or in connection with realizing, disposing of, retaining or collecting the Collateral or any part thereof. Such sums shall be a first charge on the proceeds of realization, disposition or collection. The Credit Union may at its option pay taxes, discharge any encumbrance or charge claimed (Whether validly or not) against the Collateral and pay any amount which, in the Credit Union's sole discretion, it may consider requisite to secure possession of the Collateral with or without litigation or compromise. The Credit Union may settle any litigation in respect of the Collateral or the possessions thereof, and may pay for insurance, repairs and maintenance to the Collateral, and any sum so paid by the Credit Union shall constitute indebtedness of the Assignor secured hereunder, which the Assignor shall repay on demand.

7. POSSESSION OF COLLATERAL

Until default, the Assignor may have possession of the Collateral and enjoy the same subject to the terms hereof. However, whether or not default has occurred, the Credit Union may at any time request that debtors on the Receivables be notified of the Credit Union's security interest. The Credit Union may from time to time confirm with such debtors the existence and amount of the Receivables. Until such notification is made, the Assignor shall continue to collect Receivables but shall hold the proceeds received from collection in trust for the Credit Union without commingling the same with other funds, and shall turn the same over to the Credit Union immediately upon receipt in the identical form received.

8. LOCATION OF COLLATERAL

Except for any property described in paragraph 11 hereof, the Collateral, insofar as it consists of tangible property is now and will hereafter be at the place or places, listed below. None of the Collateral shall be removed from such place or places without the written consent of the Credit Union. *(If space insufficient, attach a duly signed and witnessed schedule)*

54 Shepherd Road, Oakville, Ontario

9. SUPPLEMENTARY DESCRIPTION OF INVENTORY *(If space insufficient, attach a duly signed and witnessed schedule)*

10. SUPPLEMENTARY DESCRIPTION OF EQUIPMENT *(If space insufficient, attach a duly signed and witnessed schedule)*

11. SUPPLEMENTARY DESCRIPTION OF SECURITIES *(If space insufficient, attach a duly signed and witnessed schedule)*

12. FURTHER ASSURANCES CLAUSE

The Assignor will from time to time at its sole cost and expense, promptly and duly authorize, execute and deliver such further and other instruments and documents and take such further action, as the Credit Union may from time to time require for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by this Agreement, including without limitation, the filing of any financing statement or financing change statement under applicable legislation with respect to the security interest granted to the Credit Union hereunder.

13. ENTIRE AGREEMENT CLAUSE

The Credit Union has not made any representation or undertaken any obligation in connection with the subject matter of this Agreement other than as expressly set out in this Agreement, and in particular, nothing in this Agreement requires the Credit Union to make, renew or extend the time for payment of any loan or other financial accommodation to the Assignor or any one of them or any other person. This Agreement contains the entire agreement between the Credit Union and the Assignor with respect to the subject matter hereof.

14. GENERAL

- (a) This agreement shall be a continuing agreement in every respect.
- (b) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

(c) This Agreement shall enure to the benefit of and be binding upon the Credit Union and its successors and assigns and each Assignor and their respective heirs, executors, administrators, successors and permitted assigns. No Assignor will assign this Agreement without the Credit Union's prior written consent.

(d) The Assignor may terminate this Agreement by delivering written notice to the Credit Union at any time when the Assignor, or each of them, is not indebted or liable to the Credit Union. No remedy for the enforcement of the rights of the Credit Union hereunder shall be exclusive of or dependent on any other such remedy and any one or more of such remedies may from time to time be exercised independently or in combination. The security interest created or provided for by this Agreement is intended to attach (i) to existing Collateral, when this Agreement is signed by the Assignor (ii) to Collateral subsequently acquired by the Assignor, immediately upon the Assignor acquiring any rights on such Collateral. The parties confirm that they do not intend to postpone the attachment of any security interest created hereby and delivered to the Credit Union. For greater certainty it is declared that any and all future loans, advances or other value which the Credit Union may in its discretion make or extend to or for the account of the Assignor or of any one or more of them shall be secured by this Agreement.

(e) In construing the Agreement, the word "Assignor" and the personal pronouns "he" or "his" and any verb relating thereto shall be read and construed as the number and gender of the parties signing this Agreement may require.

(f) The Credit Union may increase, reduce, discontinue or otherwise vary the Assignor's credit facility, grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases, take and give up any Collateral, abstain from taking, perfecting or registering any security interest, mortgage, charge or assignment granted hereby and discharge and otherwise deal with the Assignor, debtors of the Assignor, sureties and others, and with the Collateral and other securities, as the Credit Union may see fit and without prejudice to the liability of the Assignor or the Credit Union's right to hold and realize this security.

(g) If more than one person or entity signs this Agreement as Assignor, the obligations of such persons or entities is to be joint and several.

(h) This General Security Agreement is in addition and without prejudice to any securities of any kind now or hereafter held by the Credit Union.

(i) The Assignor agrees to pay on demand the Credit Union's costs and expenses (including legal fees) in connection with the taking/discharging/registering of this Agreement and exercising any and all of its rights granted hereunder.

15. The Borrower hereby acknowledges receipt of a copy of this Agreement.

Signed, sealed and delivered this 14 day of March, 2015..at Toronto, Ontario

TO BE COMPLETED BY SOLE PROPRIETOR OR PARTNERS

Witness Signature of Assignor
Witness Signature of Assignor

Middle Initial	Date of Birth Day, Month, Year	Gender (M/F)

TO BE COMPLETED BY INCORPORATED BUSINESS

54 SHEPHERD ROAD INC.
Per: [Signature]
Name: Jim Neill
Title: President
I have authority to bind the corporation.

#2327331 v1 | 4093866

SCHEDULE "A"

Year/Make Asset Type Model VIN

This is Exhibit H referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

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

Properties

PIN 24813 - 0286 LT
Description PT LT 16, CON 3 TRAF SDS; PT RDAL BTN LTS 15 & 16, CON 3 TRAF SDS, AS CLOSED BY BYLAW 608; AS IN 702148; TOWN OF OAKVILLE
Address 54 SHEPHERD ROAD
OAKVILLE

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 54 SHEPHERD ROAD INC.
Address for Service 200 Adelaide St. West
Suite 401
Toronto, Ontario M5H 1W7

I, Jim Neilas, 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 FIRSTONTARIO CREDIT UNION LIMITED
Address for Service 4021 Upper Middle Road
Burlington, Ontario
L7R 3X5

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, HR1257414 registered on 2015/04/07 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Vicki Pawlett 145 King Street West, Suite 2200 acting for Signed 2015 04 07
Toronto Applicant(s)
M5H 4G2

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.

Vicki Pawlett 145 King Street West, Suite 2200 acting for Signed 2015 04 07
Toronto Party To(s)
M5H 4G2

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 2015 04 07
Toronto
M5H 4G2

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

LRO # 20 Notice Of Assignment Of Rents-General

Received as HR1257415 on 2015 04 07 at 09:36

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

yyyy mm dd Page 2 of 2

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Party To Client File Number : 4093866

This Agreement made as of the day of registration of the electronic instrument to which this agreement is attached as a schedule.

B E T W E E N:

54 SHEPHERD ROAD INC.

(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

FIRSTONTARIO CREDIT UNION LIMITED

(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS by a charge (the "Charge") registered on the same day as the electronic instrument to which this agreement is attached as a schedule, in the Halton Land Registry Office (No. 20) as the Instrument Number referred to in the electronic document to which this agreement is attached as a schedule, the Assignor did charge and mortgage unto the Assignee ALL AND SINGULAR those certain parcels or tracts of land and premises described in the electronic document to which this Assignment is attached (the "Property"), to secure the payment of the sum of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000.00) , interest and other monies as provided in the Charge;

AND WHEREAS as a condition for the making of the loan secured by the Charge the Assignor agreed to assign to the Assignee, its successors and assigns, as a further continuing and collateral security for the payment of the moneys secured by the Charge and observance and performance of the covenants therein contained, all rent, additional rent, and other monies payable as or on account thereof (collectively the "Rents") which now are or may at anytime hereafter be due, owing, or payable under the following (collectively the "Leases"):

- (a) every existing and future verbal or written lease or sublease of and agreement to lease or sublease, the whole or any portion of the Property;
- (b) every existing and future tenancy, agreement as to use or occupancy of and licence in respect of, the whole or any portion of the Property whether or not pursuant to any verbal or written lease, agreement or license;
- (c) every existing and future guarantee or indemnity of all or any of the obligations of any existing or future lessee, user, occupier or licensee of the whole or any portion of the Property;
- (d) every existing and future assignment and agreement to assume the obligations of any lessee, user, occupier or licensee of the whole or any portion of the Property; and
- (e) all revisions, alterations, modifications, changes, extensions, renewals, replacements or substitutions in respect of (a) to (d) above, if consented to by the Assignee in writing.

NOW THEREFORE in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which is hereby expressly acknowledged), the Assignor does hereby assign, transfer, grant, and set over unto the Assignee, its successors and assigns as and by way of a first, fixed and specific assignment, all of the Assignor's right, title and interest in and to the Rents and the full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce

payment thereof, at the sole option of the Assignee, in the name of the Assignor or the owner from time to time of the Property, or the Assignee.

THE ASSIGNOR COVENANTS, ACKNOWLEDGES AND AGREES AS FOLLOWS:

1. The Assignor has good right, full power and absolute authority to assign the Rents as a first assignment thereof and a first claim thereto, in the manner aforesaid, and has made no prior assignments or granted a security interest in any of the Rents, nor has it performed any act or executed any other instrument which might prevent the Assignee from operating under the terms and conditions of this Agreement or which would limit the Assignee in such operation.
2. There has been no default of a material nature which has not been remedied under any of the existing Leases by any of the parties thereto.
3. The Assignor will not, without the prior written consent of the Assignee:
 - (a) accept prepayment of the Rents or any part thereof in excess of the rent for the final month of the term of the Leases;
 - (b) do any act or thing or omit to do any act or thing having the effect of:
 - (i) terminating, cancelling or accepting the surrender of any of the Leases;
 - (ii) modifying, amending, extending or varying any of the Leases;
 - (iii) waiving, releasing, varying or abating the obligations of any party to pay the Rents or any part thereof;
 - (c) further assign, pledge, transfer, grant a security interest in, or otherwise encumber the Rents or any part thereof;
 - (d) permit any material default or breach of covenant by any lessee under the Leases; or
 - (e) enter into any Leases for any part of the Property that are not bona fide leases with lessees with whom the Assignor deals at arm's length. The terms of any future leases must 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 Property.

Any such purported waiver or prepayment or further assignment of any of the Rents without the Assignee's prior written consent will be null and void and of no force or effect.
4. The Assignor may demand, receive, collect and enjoy the Rents, but only as the same fall due and payable according to the terms of each of the Leases and not more than one month in advance (except for prepayment of the last month of the term if so provided in the lease, agreement or license), unless and until default has occurred or has been deemed to have occurred under the provisions of the Charge or this Agreement. If a default shall occur, the Assignee may deliver a written notice to any lessee directing it to pay the Rents to the Assignee and such notice shall be good and sufficient authority for so doing.
5. The Assignor will from time to time and at all times hereafter observe, perform and keep all covenants and agreements contained in the Leases on its part to be observed, performed or kept and will cause the lessees under such Leases to observe and perform their covenants, obligations and undertakings thereunder, and it is expressly understood and agreed that neither the execution of this Agreement nor the acceptance thereof by the Assignee, its agents, employees or

any other person for whom the Assignee is in law responsible (nor the collection of the Rents, nor any action taken by the Assignee in respect of the Rents) shall in any way render the Assignee, its agents, employees or any other person for whom the Assignee is in law responsible liable for the collection of any of the Rents or for the observance or performance of any of the covenants, terms, conditions or agreements contained in any of the Leases on the part of the lessor therein named to be observed, performed or kept or to subordinate any of the rights of the Assignee to any of the Leases.

6. The Assignee may, at its option, enter the Property by its officers, agents or employees for the purpose of demanding, collecting, suing for, recovering and receiving the Rents and operating and maintaining the Property. The Assignor hereby authorizes the Assignee generally to perform all such acts and do all things including, without limitation, the making of payments to encumbrancers whether prior or subsequent to the Charge and the payment of any expenses in connection with such operation and maintenance of the Property and any acts by way of enforcement of the covenants and exercise of the rights contained in the Leases or otherwise, as may in the opinion of the Assignee be necessary or advisable, which said acts and things may be performed or done in the name of the Assignor or in the name of the Assignee, as in the absolute discretion of the Assignee may seem proper or advisable. It is expressly understood and agreed that the Assignee shall be liable to account for only such moneys as may actually come into its hands by virtue of this Agreement less any proper collection charges. The Assignee may, after payment of all collection charges, and all expenses which the Assignee, in its absolute discretion shall deem advisable to pay for the proper operation and maintenance of the Property, credit the remainder of the moneys which it may receive in connection with the Property to the account of any amount or amounts due to the Assignee under the terms and provisions of the Charge and the manner of the application of such remainder and the item or items to which it shall at any time or from time to time be credited by the Assignee shall be in the absolute discretion of the Assignee and until such moneys have been so applied or credited same shall be deemed to form part of the security under the Charge and be subject to the Charge and held as additional security thereunder.
7. The Assignee shall not by virtue of this Agreement or the exercise by the Assignee of any of its rights hereunder or its receipt of any of the Rents pursuant to this Agreement be deemed a mortgagee in possession of the Property.
8. The Assignee may waive any default or breach of covenant by the lessees under Leases and shall not be bound to collect or recover any of the Rents, take any action or exercise any remedy or serve any notice upon the lessees under the Leases upon the happening of any default or breach of covenant by such lessees.
9. The giving of this Agreement is by way of additional and collateral security for the Charge and not in substitution for or in satisfaction thereof, and the Charge or any other security shall not be merged hereby and in case of default, proceedings may be taken under the Charge, any other security collateral thereto or this Agreement or any one or more of them at the option of the Assignee. Notwithstanding any variation of the terms of the Charge or any extension of time for payment of the moneys secured by the Charge, or any part thereof, or any renewal or extension of the loan secured by the Charge whether made with the original mortgagor named in the Charge or a subsequent owner of the Property, or any release of part or parts of the Property or any collateral security, the Rents hereby assigned shall continue as collateral security until all of such monies secured by the Charge shall be fully paid.
10. The within assignment to the Assignee of the Rents shall remain in full force and effect without regard to, and the obligations of the lessees under the Leases shall not be affected or impaired by:
 - (a) any amendment, modification, renewal or replacement of or addition or supplement to the Charge or the loan secured by the Charge or any other

security (which term shall include, without limitation, any guarantee or indemnity) provided to the Assignee; or

- (b) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement, the Charge or any other security (which term shall include, without limitation, any guarantee or indemnity) provided to the Assignee; or
 - (c) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement, the Charge or any other security (which term shall include, without limitation, any guarantee or indemnity) provided to the Assignee; or
 - (d) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor or any of the lessees under any of the Leases.
11. The Assignor shall reimburse, indemnify and hold harmless the Assignee for and from any and all expenses, losses, costs (including legal costs on a solicitor and client basis and all registration and renewal costs), fees, damages and liabilities whatsoever which the Assignee may suffer or incur by reason of or with respect to this Agreement, or the Rents, or the exercise, protection or defence of the rights or interest granted in this Agreement. All such costs, expenses, fees and liabilities when incurred shall be deemed to be owing and secured under the Charge.
 12. All Rents charged with respect to the Property or any part thereof will be lawful rents and in accordance with all applicable legislation and regulations in effect from time to time.
 13. Upon registration of a discharge of the Charge, this Agreement shall thereupon become and be of no force or effect. At such time as the Charge has been discharged, the Assignee will, upon the request of, and at the sole cost and expense of the Assignor, execute a re-assignment of the Rents to the Assignor.
 14. The Assignor shall from time to time forthwith on the Assignee's request do, make and execute all such financing statements, further assignments, documents, assurances, acts, matters and things as may be required by the Assignee of or with respect to the Rents or any part thereof or as may be required to give effect to this Agreement, and the Assignor hereby constitutes and appoints the Assignee the true and lawful Attorney of the Assignor irrevocably with full power of substitution to do, make and execute all such statements, assignments, documents, assurances, acts, matters or things with the right to use the name of the Assignor whenever and wherever it may be deemed necessary or expedient.
 15. The Assignor will from time to time at the reasonable request of the Assignee furnish to the Assignee a copy of a current rent roll of the building on the Property showing the basic terms of all the Leases and if requested to the Assignee, give the Assignee a specific assignment of the Rents thereunder in a form satisfactory to the Assignee.
 16. Time is of the essence of this Agreement. Whenever two or more persons are under a liability hereunder such liability shall be both joint and several.
 17. This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction in which the Property is situate and the laws of Canada applicable therein.
 18. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, successors in title and assigns.

19. The Assignor acknowledges and agrees that there is no agreement between the parties to postpone attachment of the security interest created hereby.

SIGNED, SEALED AND DELIVERED

54 SHEPHERD ROAD INC.

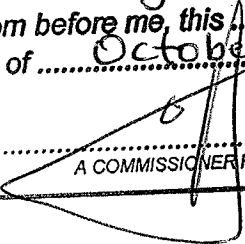
Per: 

Name: Jim Neiras

Title: President

I have authority to bind the corporation.

This is Exhibit I referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019.



.....
A COMMISSIONER FOR TAKING AFFIDAVITS

FirstOntario
CREDIT UNION

GUARANTEE AND POSTPONEMENT OF CLAIM

To: FIRSTONTARIO CREDIT UNION LIMITED (hereinafter called "the Credit Union")

Neilas Inc.

(Hereinafter called the "Guarantor")

To be initialed
by the witness
and the person
who signed the
form

for valuable consideration hereby guarantee payment to the Credit Union (immediately after demand therefor as hereinafter provided) of all debts and liabilities which

54 SHEPHERD ROAD INC. AND 60 SHEPHERD ROAD INC.

(herein collectively referred to as the "Borrower") has incurred or is under or may in the future incur or be under to the Credit Union, whether arising from dealings between the Credit Union and the Borrower or from any other dealings which the Borrower may become in any manner whatever liable to the Credit Union; the liability of the Guarantor hereunder being limited to the sum of: TWO MILLION FIVE HUNDRED THOUSAND.....Dollars (\$2,500,000.00)

To be initialed
by the witness
and the person
who signed the
form

with interest (including compound interest) from the date of demand for payment.

THE GUARANTOR AGREES TO THE FOLLOWING TERMS AND CONDITIONS:

1. If more than one Guarantor executes this instrument the provisions hereof shall be read with all grammatical changes thereby rendered necessary and each reference to the Guarantor shall include the undersigned and each and every one of them severally and this guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.

2. The Credit Union may increase, reduce, discontinue or otherwise vary the Borrower's credit facility, grant extensions of time or other indulgences, take and give up securities, abstain from taking, perfecting or registering securities, accept and compositions, grant releases and discharges and otherwise deal with the Borrower and with other parties and securities as the Credit Union may see fit, and may apply all moneys received from the Borrower or others, or form securities, upon such part of the Borrower's liability as it may think best, without prejudice to or in any way limiting or lessening the liability of the Guarantor under this guarantee.

3. The failure of the Credit Union to take any security that the parties hereto contemplate it would take or the failure of the Credit Union to perfect any security by registration of the security in the appropriate registry office shall not prejudice or in any way limit or lessen the liability of the Guarantor under this guarantee.

4. Any loss of or in respect of the unenforceability of any securities received or held by the Credit Union from the Borrower or any other person, whether occasioned by the fault of the Credit Union or for any other reason shall not discharge pro tanto or limit or lessen the liability of the Guarantor under this guarantee.

5. This shall be a continuing guarantee and shall cover present liabilities (if any) of the Borrower to the Credit Union and all liabilities incurred after the date hereof and shall apply to and secure any ultimate balance due or remaining due to the Credit Union and shall be binding as a continuing security on the Guarantor, provided that the Guarantor or the executors or administrators of the Guarantor may determine his or their further liability under this guarantee by thirty days' written notice given to the Credit Union or the branch thereof and this guarantee shall not apply to any liabilities of the Borrower to the Credit Union incurred after the expiration of thirty days from the date of receipt of such notice by the Credit Union, but shall continue to apply to any of the Borrowers' liabilities outstanding from and after the expiration of such thirty day period

6. Any change or changes in the name of the Borrower, or (if the Borrower be a partnership) any change or changes in the membership of the Borrower's firm by death or by the retirement of one or more of the partners or by the introduction of one or more other partners or (if the Borrower is a corporation) any reorganization or amalgamation with one or more corporations shall not affect or in any way limit or lessen the liability of the Guarantor hereunder and this guarantee shall extend to the person, firm or corporation acquiring or from time to time carrying on the business of the Borrower.

7. All moneys, advances, renewals and credits in fact borrowed or obtained from the Credit Union shall be deemed to form part of the liabilities hereby guaranteed notwithstanding any incapacity, disability or lack of limitation of status or of power of the Borrower or of the directors, partners or agents hereof, or that the Borrower may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits; and any amount which may not be recoverable from the Guarantor on the footing of a guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Credit Union after demand therefor as hereinafter provided

8. Any account settled or stated by or between the Credit Union and the Borrower shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Borrower to the Credit Union is so due.

9. Should the Credit Union receive from the Guarantor a payment or payments in full or on account of the liability under this guarantee, the Guarantor shall not be entitled to claim repayment against the Borrower or the Borrower's estate until the Credit Union's claims against the Borrower have been paid in full; and in case of liquidation, winding up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any the Borrower's assets within the bulk transfer provisions of any applicable legislation or any composition with creditors or scheme of arrangement, the Credit Union shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue liable up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing to the Credit Union by the Borrower; and in the event of the valuation by the Credit Union of any of its securities and/or the retention thereof by the Credit Union, such valuation and/or retention shall not, as between the Credit Union and the Guarantor, be considered as a purchase of such securities, or as payment or satisfaction or reduction of the Borrower's liabilities to the Credit Union, of any part thereof.

10. The Guarantor shall make payment to the Credit Union of the amount of the liability of the Guarantor forthwith after demand therefor is made in writing and such demand shall be deemed to have been sufficiently made when an envelope containing it addressed to the Guarantor at the last address of the Guarantor known to the Credit Union is deposited, postage prepaid and registered, in the Post Office and the liability of the Guarantor shall bear interest from the date of such demands with payment in full both before and after judgement at the rate or rates then applicable to the liabilities of the Borrower to the Credit Union.

11. And for the further security of the Credit Union the Guarantor agrees:

(A) That any debts or claims against the Borrower now or at any time hereafter held by the Guarantor are and shall be held by the Guarantor for the further security of the Credit Union, and as between the Guarantor and the Credit Union are hereby postponed to the debts and claims against the Borrower now or at any time hereafter held by the Credit Union, and any such debts and claims of the Guarantor shall be held as trustee for the Credit Union and shall be collected, enforced or proved subject to and for the purposes of this agreement and any moneys received by the Guarantor in respect thereof shall be paid over to the Credit Union on account of its said debts and claims; and no such debt or claim of the Guarantor against the Borrower shall be released or withdrawn by the Guarantor unless the Credit Union's written consent to such release or withdrawal is first obtained and the Guarantor shall not permit the prescription of any such debt or claim by any statute of limitations or assign any such debt or claim to any person other than the Credit Union or ask for or obtain any security or negotiable paper for or other evidence of any such debt or claim except for the purpose of delivering the same to the Credit Union and the Credit Union may

at any time give notice to the Borrower requiring the Borrower to pay to the Credit Union all or any of such debts or claims of the Guarantor against the Borrower and in such event such debts and claims are hereby assigned and transferred to the Credit Union; and in the event of the liquidation, winding up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the bulk transfer provisions of any applicable legislation, or any composition with creditors or scheme of arrangement, any and all dividends or other moneys which may be due or payable to the Guarantor in respect of the debts or claims of the Guarantor against the Borrower are hereby assigned and transferred to and shall be due and be paid to the Credit Union, and for such payment to the Credit Union this shall be a sufficient warrant and authority to any person making the same; and the Guarantor shall at any time and from time to time at the request of and as required by the Credit Union, make, execute and deliver all statements of claims, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of the Credit Union under and by virtue of this instrument.

(B) The provisions of this clause are independent of and severable from the provisions of clauses 1-10 of this Guarantee and Postponement of Claim and shall remain in force whether or not the Guarantor is liable for any amount under clauses 1-10 and whether or not the Credit Union has received the notice referred to in paragraph 5; provided, however, that the provisions of this clause may be terminated by the Guarantor, by written notice to the Credit Union or the branch thereof, at any time when the Guarantor is not liable for any amount under clauses 1-10 by reason of the fact that the Borrower is not indebted or liable to the Credit Union.

12. The Credit Union shall not be bound to exhaust its recourse against the Borrower or other parties, including other guarantors, or the securities it may hold before being entitled to payment from the Guarantor under this guarantee.

13. This Guarantee and Postponement is in addition and without prejudice to any securities of any kind (including without limitation guarantees and postponement agreements whether or not in the same form as this instrument) now or hereafter held by the Credit Union.

14. There are no representations, collateral agreements or conditions with respect to this instrument or affecting the Guarantor's liability hereunder other than as contained herein.

15. The terms and conditions set out in this guarantee shall not merge with any judgement which may be obtained against the Guarantor or the Borrower.

16. This Guarantee and Postponement shall be construed in accordance with the laws of the Province of Ontario, and the Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this instrument may be instituted in the courts of such province, and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said courts and acknowledges their competence and agrees to be bound by any judgement hereof, provided that nothing herein shall limit the Credit Union's right to bring proceedings against the Guarantor elsewhere.

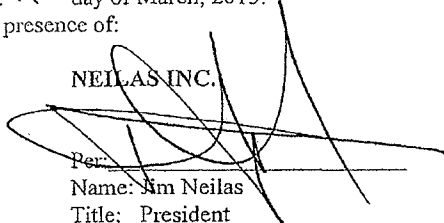
17. This Guarantee and Postponement shall extend to and enure to the benefit of the successors and assigns of the Credit Union, and shall be binding upon the Guarantor and the heirs, executors, administrators and successors of the Guarantor

18. The Guarantor hereby acknowledges receipt of a copy of this Guarantee.

Signed, Sealed and Delivered this. 13 day of March, 2015.

at. TORONTO, ONTARIO in the presence of:

NEILAS INC.



Per:

Name: Jim Neilas

Title: President

I have authority to bind the corporation.

This is Exhibit J referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019.

.....
A COMMISSIONER FOR TAKING AFFIDAVITS



TOWN OF OAKVILLE

STATEMENT DATE

8/28/2019 2:48:42 PM

STATEMENT NUMBER

42343

CERTIFIED TAX STATEMENT

ROLL NUMBER

2401 030 130 02100 0000

ACCOUNT # FEE PAID

120484 \$60.00

PRE-AUTH PAYMENT PROGRAM

NO

SENIOR TAX DEFERRAL

NO

REQUESTED BY

reidp@simpsonwagle.com
Simpson, Wagle
Barristers and Solicitors
390 Brant Street
Unit:501
Burlington ON

L7R 4H4

PROPERTY DESCRIPTION

54 SHEPHERD ROAD INC

62 Shepherd Rd
HALTON CON 3 SDS PT LOT 16

BILL 140 ADJUSTMENT (INCLUDED IN LEVY)

0.00

File Reference:	129462
Local Improvement(s) per year:	NO LOCAL IMPROVEMENTS ON FILE
Business Improvement Area:	Yes - Kerr St BIA (Included in Levy)

	INTERIM	FINAL	SUPP/OMIT/OTHER	TOTAL
CURRENT LEVY	23,091.36	25,605.26	0.00	48,696.62
PRIOR YEAR LEVY				46,182.70
YEARS NOT DETAILED BELOW ARE PAID IN FULL				
CURRENT YEAR	TAXES ONLY	PENALTY INTEREST	TOTAL	
Installment 1. 25-Feb-19	11,546.36	870.98	12,417.34	
Installment 2. 25-Apr-19	11,545.00	577.24	12,122.24	
Installment 3. 25-Jun-19	12,803.26	325.08	13,128.34	
Installment 4. 25-Sep-19	12,802.00	0.00	12,802.00	
Supp/Omit/Other				
PRIOR YEARS	TAXES ONLY	PENALTY INTEREST	TOTAL	
2018	46,182.70	8,429.62	54,612.32	
2017	21,347.04	6,556.77	27,903.81	
2016 and Prior	0.00	0.00	0.00	
		TOTAL	132,986.05	

I hereby certify that the above statement shows all arrears and current taxes returned to this office. If 3 years of arrears are indicated on this statement, please check with the Tax Department to ensure that proceedings have not been commenced under the Municipal Act.

**D. TUMMON - Manager of Revenue and Taxation
Treasurer's designate**

(Statement authorized by Section 352 of the Municipal Act, 2001)

- This Statement does not include any Arrears of Water or Hydro services to the property. Contact the Oakville Hydro-Electric Commission for such information at 861 Redwood Square, P.O. Box 1900, Oakville L6J 5E3, telephone: (905) 825-9400.
- Nor does it include any direct services to the property not added to the Tax Roll at this date under Property Standards or other related charges. Contact By-Law Enforcement, telephone: (905) 815-2010.
- Tax levy to date does not include subsequent Supplementary Taxes that may be levied and added under Section 33 and 34 of the Assessment Act, R.S.O. 1990, Chapter 31, as amended, properties assessed as payment in lieu nor does it include adjustments that may be made under Sections 357 and 358 of the Municipal Act and Section 40 of the Assessment Act.
- Tax balance is shown as at the date of issuance. For properties in the commercial, industrial and multi-residential classes, tax balances may change retroactively due to post-billing adjustments under section 329 of the Municipal Act.

Any Credit Balance appearing on this Statement is not verified. No Adjustment should be made unless the Credit Balance is a known and acknowledged overpayment.

Contact this office at 1225 Trafalgar Road, Oakville, ON L6H 0H3 or call (905)338-4222 for any further information as to disposition.



TOWN OF OAKVILLE

CERTIFIED TAX STATEMENT

STATEMENT DATE

8/28/2019 2:49:04 PM

ROLL NUMBER

2401 030 130 02000 0000

ACCOUNT #

120483

FEE PAID

\$60.00

STATEMENT NUMBER

42344

PRE-AUTH PAYMENT PROGRAM

NO

SENIOR TAX DEFERRAL

NO

REQUESTED BY

reid@simpsonwagle.com
Simpson, Wigle
Barristers and Solicitors
390 Brant Street
Unit:501
Burlington ON

PROPERTY DESCRIPTION

NEILAS (54 SHEPHERD ROAD) INC

58 Shepherd Rd
TRAFALGAR CON 3 SDS PT LOT 16 AND PT RD ALLOW

L7R 4H4

File Reference: 129462

Local Improvement(s) per year: NO LOCAL IMPROVEMENTS ON FILE

Business Improvement Area: Yes - Kerr St BIA (Included in Levy)

BILL 140 ADJUSTMENT (INCLUDED IN LEVY)

0.00

	INTERIM	FINAL	SUPP/OMIT/OTHER	TOTAL
CURRENT LEVY	34,335.77	39,036.47	0.00	73,372.24
PRIOR YEAR LEVY				68,671.49
YEARS NOT DETAILED BELOW ARE PAID IN FULL				
CURRENT YEAR	TAXES ONLY	PENALTY INTEREST	TOTAL	
Installment 1. 25-Feb-19	17,168.77	1,292.66	18,461.43	
Installment 2. 25-Apr-19	17,167.00	858.36	18,025.36	
Installment 3. 25-Jun-19	19,518.47	492.96	20,011.43	
Installment 4. 25-Sep-19	19,518.00	0.00	19,518.00	
Supp/Omit/Other				
PRIOR YEARS	TAXES ONLY	PENALTY INTEREST	TOTAL	
2018	65,567.86	4,098.00	69,665.86	
2017	0.00	0.00	0.00	
2016 and Prior	0.00	0.00	0.00	
		TOTAL	145,682.08	

I hereby certify that the above statement shows all arrears and current taxes returned to this office. If 3 years of arrears are indicated on this statement, please check with the Tax Department to ensure that proceedings have not been commenced under the Municipal Act.

**D. TUMMON - Manager of Revenue and Taxation
Treasurer's designate**

(Statement authorized by Section 352 of the Municipal Act, 2001)

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- Nor does it include any direct services to the property not added to the Tax Roll at this date under Property Standards or other related charges. Contact By-Law Enforcement, telephone: (905) 815-2010.
- Tax levy to date does not include subsequent Supplementary Taxes that may be levied and added under Section 33 and 34 of the Assessment Act, R.S.O. 1990, Chapter 31, as amended, properties assessed as payment in lieu nor does it include adjustments that may be made under Sections 357 and 358 of the Municipal Act and Section 40 of the Assessment Act.
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Contact this office at 1225 Trafalgar Road, Oakville, ON L6H 0H3 or call (905)338-4222 for any further information as to disposition.

This is Exhibit K referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019
.....
A COMMISSIONER FOR TAKING AFFIDAVITS



SimpsonWigle
LAW LLP

1 Hunter Street East, Suite 200
Hamilton, Ontario L8N 3W1
P.O. Box 990, Hamilton, Ontario L8N 3R1
Tel: 905-528-8411 Fax: 905-528-9008
www.simpsonwigle.com

David J. Jackson
Ext. 304
Email: jacksond@simpsonwigle.com

September 12, 2019

VIA REGULAR AND REGISTERED MAIL

54 Shepherd Road Inc. 60 Shepherd Road Inc. % Jim Neilas The Downing Street Group 56 Aberfoyle Cres, Suite 500 Toronto, ON M8X 2W4	54 Shepherd Road Inc. 60 Shepherd Road Inc. 200 Adelaide Street W. Suite 401 Toronto, ON M5H 1W7	54 Shepherd Road Inc. 60 Shepherd Road Inc. 962 Royal York Road Toronto, ON M8X 2E7
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Attention: Mr. Dimitrios Neilas (aka Jim Neilas)

Dear Sir:

Re: Loan by FirstOntario Credit Union Limited to 54 Shepherd Road Inc. and 60 Shepherd Road Inc.

We are writing to you on behalf of FirstOntario Credit Union Limited ("FirstOntario"). We advise that 54 Shepherd Road Inc. and 60 Shepherd Road Inc. (collectively "Shepherd Road") is indebted to FirstOntario with respect to a commercial mortgage loan made pursuant to a commitment letter dated February 17, 2015. Shepherd Road is in default of the terms and conditions of the commercial mortgage loan. Shepherd Road is also indebted to FirstOntario with respect to an overdraft of its account with FirstOntario. The outstanding indebtedness owed to FirstOntario by Shepherd Road with respect to the loan and the overdraft is as follows:

Principal	\$2,500,000.00
Accrued interest to September 12, 2019	73,792.43
Administrative fee for nonpayment of monthly installment (4 x \$40.00)	160.00

- | | | | | | |
|----------------------|-------------------------|-----------------|--------------|----------------|--------------|
| P.D. MILNE (RETIRED) | L.W. MATTHEWS (RETIRED) | J.N. ROSENBLATT | J.C. BROWN | D.J.H. JACKSON | J.M. WIGLE |
| T. BULLOCK | D.A. SCHMUCK* | J.C. MONACO* | B.J. FOREMAN | K.I. OSBORNE | R.A. FISHER* |
| P.A. RAMACIERI** | B.C. LANGLOTZ | C.A. OLSIAK | S.R. LEE | H.A. HAMDANI* | E. SAVAS** |
| G. LIMBERIS* | G. NALSOK | M. DURDAN | B. SARSH | A. PAPALIA | S.H. COSTA |
| K.R. MITCHELL | A.M. STONE | M.N. MIKHAIL | G.B. DALEY | B.Z. MIRZA | B.J. STELLA |
| P.J. DEMARCO | R.M. WALLIK | M.T. CAMPBELL | | | |

*Professional Corporation ** Member of the Ontario and New York Bar
Burlington Office: 1006 Skyview Drive, Suite 103, Burlington, Ontario L7P 0V1 Tel: 905-639-1052 Fax: 905-333-3960

Administrative collection fee	250.00
Account Overdraft	20.77
Legal Enforcement Expense (inclusive of disbursements and HST)	7,340.00
TOTAL	\$2,581,563.20

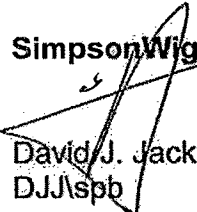
Interest continues to accrue from September 12, 2019 on the aforesaid principal amount and legal enforcement expense at FirstOntario Credit Union Prime Rate of Interest plus 3% per annum, as it varies from time to time (presently 6.95% per annum, calculated monthly), to the date of payment.

We also enclose herewith Notices pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act*.

On behalf of FirstOntario, we hereby make demand upon Shepherd Road for payment of the aforesaid outstanding indebtedness owed to FirstOntario. Our client requires payment of the aforesaid indebtedness and liability within ten (10) days of the date of this letter as otherwise it will take whatever action it considers appropriate to enforce payment of the aforesaid amount including the initiation of legal action against Shepherd Road.

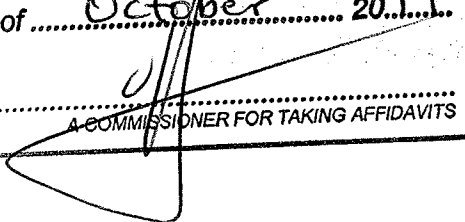
Kindly govern yourself accordingly.

Yours very truly,

SimpsonWigle LAW LLP

 David J. Jackson
 DJJ/spb

Encl.
 cc. Client
 Neilas Inc.
 Dimitrios Neilas (aka Jim Neilas)
 Mr. Geoff R. Hall

This is Exhibit 2 referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019.


A COMMISSIONER FOR TAKING AFFIDAVITS

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:

54 Shepherd Road Inc. % Jim Neilas The Downing Street Group 56 Aberfoyle Cres, Suite 500 Toronto, ON M8X 2W4	54 Shepherd Road Inc. 200 Adelaide Street W. Suite 401 Toronto, ON M5H 1W7	54 Shepherd Road Inc. 962 Royal York Road Toronto, ON M8X 2E7
--	--	---

Attention: Mr. Dimitrios Neilas (aka Jim Neilas)

An insolvent person

TAKE NOTICE THAT:

1. FirstOntario Credit Union Limited, a secured creditor, intends to enforce its security on the property of 54 Shepherd Road Inc. described below:
 - a. All of the personal property of 54 Shepherd Road Inc., including inventory, equipment, receivables, accounting books of record, chattel paper, goods, documents of title, instruments, intangibles, money, securities and any accessions thereto including those located at the real property described in paragraph 1(b) below;
 - b. Real property municipally known as 54 Shepherd Road, Oakville, Ontario and being PIN 24813 – 0286 LT (being part of PIN 24813 – 0401 LT);
 - c. All leases of the premises described in paragraph 1(b) above;

2. The security that is to be enforced is in the form of a:
- a. Business Loan General Security Agreement dated March 19, 2015 between FirstOntario Credit Union Limited and 54 Shepherd Road Inc.;
 - b. Charge/Mortgage registered against property municipally known as 54 Shepherd Road, Oakville, Ontario, in the Registry Office of Halton (#20) on April 7, 2015 as Instrument No. HR1257414.
 - c. Assignment of Rents – General registered against property municipally known as 54 Shepherd Road, Oakville, Ontario, in the Registry Office of Halton (#20) on April 7, 2015 as Instrument No. HR1257415.

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

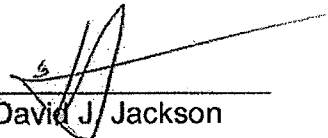
Principal	\$2,500,000.00
Accrued interest to September 12, 2019	73,792.43
Administrative fee for nonpayment of monthly installment (4 x \$40.00)	160.00
Administrative collection fee	250.00
Account Overdraft	20.77
Legal Enforcement Expense (inclusive of disbursements and HST)	7,340.00
TOTAL	\$2,581,563.20

Interest continues to accrue from September 12, 2019 on the aforesaid principal amount and legal enforcement expense at FirstOntario Credit Union Prime Rate of Interest plus 3% per annum, as it varies from time to time (presently 6.95% per annum, calculated monthly), 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 54 Shepherd Road Inc. consents to an earlier enforcement.

Dated at Hamilton this 12th day of September, 2019.

FirstOntario Credit Union Limited
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 FIRSTONTARIO CREDIT UNION LIMITED.

DATED: 54 Shepherd Road Inc.

Per: _____
Name:
Title:
I have authority to bind the corporation

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:

60 Shepherd Road Inc. % Jim Neilas The Downing Street Group 56 Aberfoyle Cres, Suite 500 Toronto, ON M8X 2W4	60 Shepherd Road Inc. 200 Adelaide Street W. Suite 401 Toronto, ON M5H 1W7	60 Shepherd Road Inc. 962 Royal York Road Toronto, ON M8X 2E7
--	--	---

Attention: Mr. Dimitrios Neilas (aka Jim Neilas)

An insolvent person

TAKE NOTICE THAT:

1. FirstOntario Credit Union Limited, a secured creditor, intends to enforce its security on the property of 60 Shepherd Road Inc. described below:
 - a. All of the personal property of 60 Shepherd Road Inc., including inventory, equipment, receivables, accounting books of record, chattel paper, goods, documents of title, instruments, intangibles, money, securities and any accessions thereto including those located at the real property described in paragraph 1(b) below;
 - b. Real property municipally known as 60 Shepherd Road, Oakville, Ontario and being PIN 24813 – 0245 LT (being part of PIN 24813 – 0401 LT);
 - c. All leases of the premises described in paragraph 1(b) above;

2. The security that is to be enforced is in the form of a:
- a. Business Loan General Security Agreement dated March 19, 2015 between FirstOntario Credit Union Limited and 60 Shepherd Road Inc.;
 - b. Charge/Mortgage registered against property municipally known as 60 Shepherd Road, Oakville, Ontario, in the Registry Office of Halton (#20) on April 7, 2015 as Instrument No. HR1257414.
 - c. Assignment of Rents – General registered against property municipally known as 60 Shepherd Road, Oakville, Ontario, in the Registry Office of Halton (#20) on April 7, 2015 as Instrument No. HR1257416.
3. The total amount of indebtedness secured by the security is as follows:

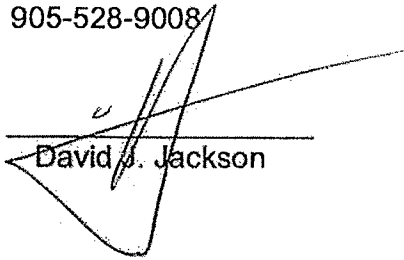
Principal	\$2,500,000.00
Accrued interest to September 12, 2019	73,792.43
Administrative fee for nonpayment of monthly installment (4 x \$40.00)	160.00
Administrative collection fee	250.00
Account Overdraft	20.77
Legal Enforcement Expense (inclusive of disbursements and HST)	7,340.00
TOTAL	\$2,581,563.20

Interest continues to accrue from September 12, 2019 on the aforesaid principal amount and legal enforcement expense at FirstOntario Credit Union Prime Rate of Interest plus 3% per annum, as it varies from time to time (presently 6.95% per annum, calculated monthly), 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 60 Shepherd Road Inc. consents to an earlier enforcement.

Dated at Hamilton this 12th day of September, 2019.

FirstOntario Credit Union Limited
 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 FIRSTONTARIO CREDIT UNION LIMITED.

DATED:

60 Shepherd Road Inc.

Per: _____

Name:

Title:

I have authority to bind the corporation

This is Exhibit M referred to in the
affidavit of Virginia Selemidis
sworn before me, this 14th
day of October 2019

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

PSSME19 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 10/02/2019
TIP73505 RESPONSE SUMMARY/HIGH VOLUME 12:54:55
ACCOUNT : 009313-0001
FILE CURRENCY : 01OCT 2019
SEARCH : BD : 54 SHEPHERD ROAD INC.

RESPONSE CONTAINS : APPROXIMATELY 1 FAMILIES 1 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 10/02/2019
 TIP73505 DISPLAY 1C REGISTRATION - SCREEN 1 12:54:55
 ACCOUNT : 009313-0001 FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 1
 FILE CURRENCY : 01OCT 2019
 SEARCH : BD : 54 SHEPHERD ROAD INC.

00 FILE NUMBER : 737237592 EXPIRY DATE : 14MAR 2023 STATUS :
 01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
 REG NUM : 20180314 1004 1462 2707 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: 54 SHEPHERD ROAD INC. OCN :

04 ADDRESS : 200 ADELAIDE STREET WEST, SUITE 401
 CITY : TORONTO PROV: ON POSTAL CODE: M5H1W6
 05 IND DOB : IND NAME:
 06 BUS NAME: 60 SHEPHERD ROAD INC. OCN :

07 ADDRESS : 200 ADELAIDE STREET WEST, SUITE 401
 CITY : TORONTO PROV: ON POSTAL CODE: M5H1W7

08 SECURED PARTY/LIEN CLAIMANT :
 FIRSTONTARIO CREDIT UNION LIMITED

09 ADDRESS : 4021 UPPER MIDDLE ROAD
 CITY : BURLINGTON PROV: ON POSTAL CODE: L7R3X5
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X V.I.N.
 YEAR MAKE MODEL

11
 12

GENERAL COLLATERAL DESCRIPTION
 13 PROPERTY USED IN CONNECTION WITH, SITUATE AT, OR ARISING FROM THE
 14 OWNERSHIP, DEVELOPMENT, USE OR DISPOSITION OF THE LANDS AND PREMISES
 15 KNOWN AS 54 SHEPHERD ROAD, OAKVILLE, ONTARIO AND 60 SHEPHERD ROAD
 16 AGENT: FIRSTONTARIO CREDIT UNION LIMITED
 17 ADDRESS : 148 NIAGARA STREET P.O. BOX 982
 CITY : ST. CATHARINES PROV: ON POSTAL CODE: L2R6Z4

LAST SCREEN

PSSME01
TIP73505

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY REQUEST

10/02/2019
12:54:55

-158-

FILE CURRENCY 01OCT 2019
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 "54 SHEPHERD ROAD INC." ENDED

This is ExhibitN..... referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019
S
A COMMISSIONER FOR TAKING AFFIDAVITS



Search Results
ID=6595917

Current: 02/10/2019 12:55:53
Submitted: 02/10/2019 12:55:43
Completed 02/10/2019 12:55:48

Your Ref No. ESCWEB6595917

PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 10/02/2019
TIP73505 ENQUIRY REQUEST 12:55:48

FILE CURRENCY 01OCT 2019
CHANGE ACCOUNT (Y/N) : N ACCOUNT NUMBER : 009313 0001 ACCOUNT CODE : ESCVFDE

SEARCH TYPE (BD,IN,IS,MV) : BD
SEARCH CRITERIA : 60 Shepherd Road 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 10/02/2019
 TIP73505 RESPONSE SUMMARY/HIGH VOLUME 12:55:48
 ACCOUNT : 009313-0001
 FILE CURRENCY : 01OCT 2019
 SEARCH : BD : 60 SHEPHERD ROAD INC.

RESPONSE CONTAINS : APPROXIMATELY 1 FAMILIES 1 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 10/02/2019
TIP73505 DISPLAY 1C REGISTRATION - SCREEN 1 12:55:48
ACCOUNT : 009313-0001 FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 1
FILE CURRENCY : 01OCT 2019
SEARCH : BD : 60 SHEPHERD ROAD INC.

00 FILE NUMBER : 737237592 EXPIRY DATE : 14MAR 2023 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20180314 1004 1462 2707 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 54 SHEPHERD ROAD INC. OCN :

04 ADDRESS : 200 ADELAIDE STREET WEST, SUITE 401
CITY : TORONTO PROV: ON POSTAL CODE: M5H1W6
05 IND DOB : IND NAME:
06 BUS NAME: 60 SHEPHERD ROAD INC. OCN :

07 ADDRESS : 200 ADELAIDE STREET WEST, SUITE 401
CITY : TORONTO PROV: ON POSTAL CODE: M5H1W7

08 SECURED PARTY/LIEN CLAIMANT :
FIRSTONTARIO CREDIT UNION LIMITED

09 ADDRESS : 4021 UPPER MIDDLE ROAD
CITY : BURLINGTON PROV: ON POSTAL CODE: L7R3X5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.

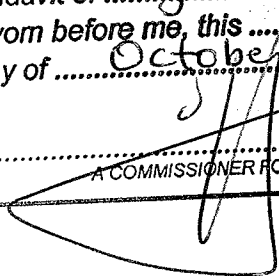
11
12

GENERAL COLLATERAL DESCRIPTION

13 PROPERTY USED IN CONNECTION WITH, SITUATE AT, OR ARISING FROM THE
14 OWNERSHIP, DEVELOPMENT, USE OR DISPOSITION OF THE LANDS AND PREMISES
15 KNOWN AS 54 SHEPHERD ROAD, OAKVILLE, ONTARIO AND 60 SHEPHERD ROAD
16 AGENT: FIRSTONTARIO CREDIT UNION LIMITED
17 ADDRESS : 148 NIAGARA STREET P.O. BOX 982
CITY : ST. CATHARINES PROV: ON POSTAL CODE: L2R6Z4

LAST SCREEN

This is Exhibit 0 referred to in the
affidavit of Virginia Selemidis
sworn before me, this 14th
day of October 2019



.....
A COMMISSIONER FOR TAKING AFFIDAVITS

ACKNOWLEDGMENT AND SUBORDINATION RE: PPSA

TO: FIRSTONTARIO CREDIT UNION LIMITED

AND TO: MINDEN GROSS LLP, its solicitors herein

RE: FIRSTONTARIO CREDIT UNION LIMITED (the "Lender")
 \$2,500,000.00 first mortgage loan to
 54 SHEPHERD ROAD INC. (the "Borrower") AND 60 SHEPHERD ROAD
 INC. relating to 54 Shepherd Road, Oakville, Ontario (the "Property") and
 60 Shepherd Road, Oakville, Ontario

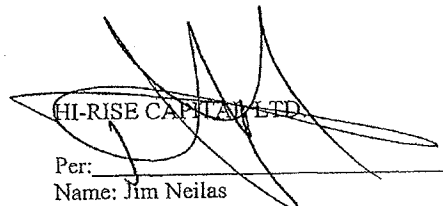
We refer to security agreements made between the Borrower and Hi-Rise Capital Ltd. (the "Secured Party") in respect of which financing statements were registered pursuant to the provisions of the *Personal Property Security Act (Ontario)* as Nos. 20130517 1021 1862 5699 (File No. 687006603), 20130517 1021 1862 5700 (File No. 687006612), 20130206 1533 1862 8266 (File No. 684571401) and 20130206 1533 1862 8267 (File No. 684571419) respectively, in favour of the Secured Party (collectively, the "Secured Party's Security").

We understand that the Borrower intends to, or has mortgaged, charged and granted a security interest to you in all of its rights, title and interest in and to the Property, all personal property, chattels and equipment on or at the Property, and all accounts, leases, rents and income derived from or related to the Property (collectively, the "Collateral").

The Secured Party hereby subordinates and postpones in all respects any and all security interests, charges and encumbrances in or against the Collateral which may now or at any time hereafter be held by the Secured Party, whether pursuant to the Secured Party's Security or any other agreement, instrument or document, to all security interests, charges and encumbrances in or against the Collateral which may now or at any time hereafter be held by the Lender.

The Secured Party agrees, at the request of the Lender, to do all acts and things and execute and deliver such other documents as the Lender may reasonably request to carry out the intent of and give full effect to this Acknowledgement and Subordination.

DATED at Toronto, Ontario, this 18 day of March, 2015.


 (HI-RISE CAPITAL LTD.)
 Per: _____
 Name: Jim Neilas
 Title: President

I have authority to bind the Corporation

ACKNOWLEDGMENT AND SUBORDINATION RE: PPSA

TO: FIRSTONTARIO CREDIT UNION LIMITED

AND TO: MINDEN GROSS LLP, its solicitors herein

RE: FIRSTONTARIO CREDIT UNION LIMITED (the "Lender")
\$2,500,000.00 first mortgage loan to
60 SHEPHERD ROAD INC. (the "Borrower") AND 54 SHEPHERD ROAD
INC. relating to 60 Shepherd Road, Oakville, Ontario (the "Property") AND
54 Shepherd Road, Oakville, Ontario

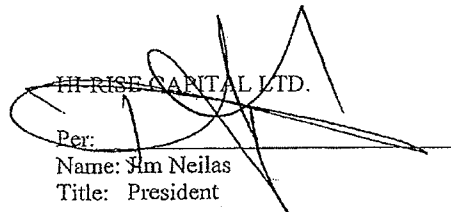
We refer to security agreements made between the Borrower and Hi-Rise Capital Ltd. (the "Secured Party") in respect of which financing statements were registered pursuant to the provisions of the *Personal Property Security Act (Ontario)* as Nos. 20130517 1021 1862 5701 (File No. 687006621), 20130517 1021 1862 5702 (File No. 687006639), 20130509 1013 1862 5099 (File No. 686772603) and 20130509 1013 1862 5100 (File No. 686772612) respectively, in favour of the Secured Party (collectively, the "Secured Party's Security").

We understand that the Borrower intends to, or has mortgaged, charged and granted a security interest to you in all of its rights, title and interest in and to the Property, all personal property, chattels and equipment on or at the Property, and all accounts, leases, rents and income derived from or related to the Property (collectively, the "Collateral").

The Secured Party hereby subordinates and postpones in all respects any and all security interests, charges and encumbrances in or against the Collateral which may now or at any time hereafter be held by the Secured Party, whether pursuant to the Secured Party's Security or any other agreement, instrument or document, to all security interests, charges and encumbrances in or against the Collateral which may now or at any time hereafter be held by the Lender.

The Secured Party agrees, at the request of the Lender, to do all acts and things and execute and deliver such other documents as the Lender may reasonably request to carry out the intent of and give full effect to this Acknowledgement and Subordination.

DATED at Toronto, Ontario, this 19 day of March, 2015.

HI-RISE CAPITAL LTD.
Per: 
Name: Jim Neilas
Title: President

I have authority to bind the Corporation

This is Exhibit P referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 20.19
.....
2
A COMMISSIONER FOR TAKING AFFIDAVITS



Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #20

24813-0401 (LTF)

PAGE 1 OF 7
PREPARED FOR CVentoni
ON 2019/05/23 AT 15:01:06

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

PROPERTY DESCRIPTION: PT LT 16, CON 3 TRAF SDS; PT LT 16, CON 3 TRAF SDS; PT RDAL BTN LTS 15 & 16, CON 3 TRAF SDS, AS CLOSED BY BYLAW 608 AS IN 702148 DESIGNATED AS PT 1 20R20836; TOWN OF OAKVILLE

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2017 07 14.
RECENTLY:
RE-ENTRY FROM 24813-0398
PIN CREATION DATE:
2017/07/14

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS
OWNERS' NAMES
54 SHEPHERD ROAD INC.
CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT		INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **				
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
**		PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **				
**		TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **				
HR711878	2008/10/28	TRANSFER	\$1,444,000	914809 ONTARIO INC.	NEILAS (54 SHEPHERD ROAD) INC.	C
HR711886	2008/10/28	TRANSFER	\$1,183,333	2113520 ONTARIO LIMITED	NEILAS (60 SHEPHERD ROAD) INC.	C
HR1074420	2013/01/07	APL CH NAME OWNER		NEILAS (54 SHEPHERD ROAD) INC.	54 SHEPHERD ROAD INC.	C
HR1074421	2013/01/07	APL CH NAME OWNER		NEILAS (60 SHEPHERD ROAD) INC.	60 SHEPHERD ROAD INC.	C
HR1080407	2013/02/05	CHARGE	\$15,000,000	54 SHEPHERD ROAD INC. 60 SHEPHERD ROAD INC.	HI-RISE CAPITAL LTD.	C
HR1080408	2013/02/05	NO ASSGN RENT GEN REMARKS: HR1080407.		54 SHEPHERD ROAD INC.	HI-RISE CAPITAL LTD.	C
HR1080409	2013/02/05	NO ASSGN RENT GEN REMARKS: HR1080407.		60 SHEPHERD ROAD INC.	HI-RISE CAPITAL LTD.	C
HR1100541	2013/05/16	CHARGE	\$8,000,000	60 SHEPHERD ROAD INC. 54 SHEPHERD ROAD INC.	HI-RISE CAPITAL LTD.	C
HR1100542	2013/05/16	NO ASSGN RENT GEN REMARKS: HR1100541.		54 SHEPHERD ROAD INC.	HI-RISE CAPITAL LTD.	C
HR1100543	2013/05/16	NO ASSGN RENT GEN REMARKS: HR1100541.		60 SHEPHERD ROAD INC.	HI-RISE CAPITAL LTD.	C
HR1249497	2015/02/25	NOTICE		54 SHEPHERD ROAD INC.	HI-RISE CAPITAL LTD.	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.

24813-0401 (LT)

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HR1249499	2015/02/25	POSTPONEMENT		60 SHEPHERD ROAD INC.		
		REMARKS: HR1080407				
		REMARKS: HR1100541 TO HR1080407				
HR1257414	2015/04/07	CHARGE	\$2,500,000	HI-RISE CAPITAL LTD.	HI-RISE CAPITAL LTD.	C
HR1257415	2015/04/07	NO ASSGN RENT GEN		54 SHEPHERD ROAD INC. 60 SHEPHERD ROAD INC.	FIRSTONTARIO CREDIT UNION LIMITED	C
		REMARKS: HR1257414				
HR1257416	2015/04/07	NO ASSGN RENT GEN		54 SHEPHERD ROAD INC.	FIRSTONTARIO CREDIT UNION LIMITED	C
		REMARKS: HR1257414				
HR1257436	2015/04/07	POSTPONEMENT		60 SHEPHERD ROAD INC.	FIRSTONTARIO CREDIT UNION LIMITED	C
		REMARKS: HR1080407 TO HR1257414				
HR1257437	2015/04/07	POSTPONEMENT		HI-RISE CAPITAL LTD.	FIRSTONTARIO CREDIT UNION LIMITED	C
		REMARKS: HR1100541 TO HR1257414				
HR1259511	2015/04/16	NOTICE		54 SHEPHERD ROAD INC. 60 SHEPHERD ROAD INC.	HI-RISE CAPITAL LTD.	C
		REMARKS: HR1100541				
HR1281150	2015/07/10	TRANSFER OF CHARGE		HI-RISE CAPITAL LTD.	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
		REMARKS: HR1080407.				
HR1281157	2015/07/10	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD.	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
		REMARKS: HR1080407				
HR1281158	2015/07/10	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD.	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
		REMARKS: HR1080407				
HR1283559	2015/07/20	TRANSFER OF CHARGE		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
		REMARKS: HR1080407.				
HR1283563	2015/07/20	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HR1283564	2015/07/20	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1287487	2015/07/31	TRANSFER OF CHARGE		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1287494	2015/07/31	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1287495	2015/07/31	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1311337	2015/10/30	TRANSFER OF CHARGE		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1311343	2015/10/30	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1311344	2015/10/30	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1314846	2015/11/12	TRANSFER OF CHARGE		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1314851	2015/11/12	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1314852	2015/11/12	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1316802	2015/11/20	NOTICE		54 SHEPHERD ROAD INC.	HI-RISE CAPITAL LTD.	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HR1316804	2015/11/20	POSTPONEMENT		60 SHEPHERD ROAD INC.	COMMUNITY TRUST COMPANY	C
	REMARKS: HR1100541 TO HR1080407			HI-RISE CAPITAL LTD.	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1320743	2015/12/04	TRANSFER OF CHARGE		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407.			HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1320744	2015/12/04	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1320745	2015/12/04	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1324647	2015/12/18	TRANSFER OF CHARGE		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1320743.			HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1324648	2015/12/18	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407.			HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1324649	2015/12/18	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407.			HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1337536	2016/02/18	NOTICE		54 SHEPHERD ROAD INC. 60 SHEPHERD ROAD INC.	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407			HI-RISE CAPITAL LTD.	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1337539	2016/02/18	POSTPONEMENT		HI-RISE CAPITAL LTD.	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1100541 TO HR1080407, HR1080408, HR1080409			HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1337548	2016/02/18	TRANSFER OF CHARGE		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1324647			HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1337552	2016/02/18	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407.					

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HR1337553	2016/02/18	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407.					
HR1352117	2016/04/26	TRANSFER OF CHARGE		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1337548. HR1283559. HR1283563. HR1283564					
HR1352119	2016/04/26	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407. HR1337548. HR1337552. HR1337553					
HR1352120	2016/04/26	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407.					
HR1355821	2016/05/10	NOTICE		THE CORPORATION OF THE TOWN OF OAKVILLE	THE CORPORATION OF THE TOWN OF OAKVILLE	C
HR1383260	2016/08/15	POSTPONEMENT		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	THE CORPORATION OF THE TOWN OF OAKVILLE	C
	REMARKS: HR1080407 TO HR1355821					
HR1383261	2016/08/15	POSTPONEMENT		HI-RISE CAPITAL LTD.	THE CORPORATION OF THE TOWN OF OAKVILLE	C
	REMARKS: HR1100541 TO HR1355821					
HR1383262	2016/08/15	POSTPONEMENT		FIRSTONTARIO CREDIT UNION LIMITED	THE CORPORATION OF THE TOWN OF OAKVILLE	C
	REMARKS: HR1257414 TO HR1355821					
HR1383263	2016/08/15	POSTPONEMENT		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	THE CORPORATION OF THE TOWN OF OAKVILLE	C
	REMARKS: HR1080407 TO HR1355821					
HR1383264	2016/08/15	POSTPONEMENT		HI-RISE CAPITAL LTD.	THE CORPORATION OF THE TOWN OF OAKVILLE	C
	REMARKS: HR1100541 TO HR1355821					
HR1383265	2016/08/15	POSTPONEMENT		FIRSTONTARIO CREDIT UNION LIMITED	THE CORPORATION OF THE TOWN OF OAKVILLE	C
	REMARKS: HR1257414 TO HR1355821					
HR1396948	2016/09/28	TRANSFER OF CHARGE		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1352117.					

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HR1396949	2016/09/28	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407					
HR1396950	2016/09/28	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407					
HR1404265	2016/10/24	APL CH NAME OWNER		60 SHEPHERD ROAD INC.	54 SHEPHERD ROAD INC.	C
HR1411524	2016/11/21	TRANSFER OF CHARGE		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407, HR1396948					
HR1411525	2016/11/21	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407					
HR1411526	2016/11/21	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407					
HR1427701	2017/01/26	TRANSFER OF CHARGE		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1411524.					
HR1427702	2017/01/26	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407					
HR1427703	2017/01/26	NO ASSGN RENT GEN		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
	REMARKS: HR1080407					
HR1445239	2017/04/06	NOTICE		THE CORPORATION OF THE TOWN OF OAKVILLE		C
HR1445240	2017/04/06	POSTPONEMENT		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	THE CORPORATION OF THE TOWN OF OAKVILLE	C
	REMARKS: HR1080407 TO HR1445239					
HR1445241	2017/04/06	POSTPONEMENT		HI-RISE CAPITAL LTD.	THE CORPORATION OF THE TOWN OF OAKVILLE	C
	REMARKS: HR1100541 TO HR1445239					

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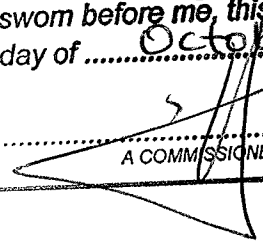
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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HR1445242	2017/04/06	POSTPONEMENT REMARKS: HR1257414 TO HR1445239		FIRSTONTARIO CREDIT UNION LIMITED	THE CORPORATION OF THE TOWN OF OAKVILLE	C
HR1447063	2017/04/18	NOTICE REMARKS: HR1080407	\$2	54 SHEPHERD ROAD INC.	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1448715	2017/04/24	TRANSFER OF CHARGE REMARKS: HR1080407.		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1448716	2017/04/24	NO ASSGN RENT GEN REMARKS: HR1080407.		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1448717	2017/04/24	NO ASSGN RENT GEN REMARKS: HR1080407.		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1456616	2017/05/24	TRANSFER OF CHARGE REMARKS: HR1448715. HR1448715		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1456617	2017/05/24	NO ASSGN RENT GEN REMARKS: HR1080407.		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
HR1456618	2017/05/24	NO ASSGN RENT GEN REMARKS: HR1080407.		HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	HI-RISE CAPITAL LTD. COMMUNITY TRUST COMPANY	C
20R20836	2017/07/14	PLAN REFERENCE				C
HR1472323	2017/07/14	APL ABSOLUTE TITLE		54 SHEPHERD ROAD INC.		C

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This is Exhibit A referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019.



.....
A COMMISSIONER FOR TAKING AFFIDAVITS

SUBORDINATION AND STANDSTILL AGREEMENT

THIS AGREEMENT made as of 19 day of March, 2015 between FIRSONTARIO CREDIT UNION LIMITED (the "Lender") and HI-RISE CAPITAL LTD. ("Subordinate Lender").

Whereas the Subordinate Lender has made a loan or credit facility available to 54 SHEPHERD ROAD INC. AND 60 SHEPHERD ROAD INC. (collectively, the "Borrower") and which is secured by a charge of the lands and premises described in Schedule "A" (the "Property") hereto registered in the Land Registry Office for the Land Titles Division of Halton (No. 20) on the 5th day of February, 2013 as Instrument No. HR1080407, as amended by a Mortgage Amending Agreement registered as Instrument No. HR1249497; (the loan or credit facility and all existing and future indebtedness and other obligations and liabilities owing by the Borrower to the Subordinate Lender thereunder from time to time are called the "Subordinate Indebtedness", and the security, including all other additional or collateral security now or hereafter securing the Subordinate Indebtedness, is called the "Subordinate Security").

And whereas the Lender agreed to make a loan (the "Loan") to the Borrower in the original principal sum of \$2,500,000.00 on the security of a first mortgage (the "Mortgage") on the Property. All existing and future indebtedness and other obligations and liabilities owing by the Borrower to the Lender from time to time pursuant to the Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Lender thereunder from time to time, and including all reserves payable to the Lender relating to the Loan, are called the "Prior Indebtedness". The Mortgage, and all other additional or collateral security now or hereafter securing the Prior Indebtedness (including a first assignment of all rents and leases from or relating to the Property and a general security agreement with respect to all equipment and other personal property of the Borrower comprising or used in connection with the operation of the Property), is called the "Prior Security".

And whereas the Subordinate Lender has agreed to subordinate and postpone the Subordinate Indebtedness and the Subordinate Security to and in favour of the Prior Indebtedness and the Prior Security. Reference herein to the Subordinate Indebtedness, Subordinate Security, Prior Indebtedness and Prior Security includes all renewals, extensions, amendments, modifications, and restatements thereof or thereto from time to time.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

1. Covenants, Representations and Warranties of Subordinate Lender. Subordinate Lender consents to the Prior Indebtedness and the Prior Security and represents and warrants to the Lender that (i) the Subordinate Indebtedness and the Subordinate Security is in good standing and the Borrower is not in default thereunder, (ii) it holds no security of any kind against the Property other than the Subordinate Security, (iii) it is the sole owner of the Subordinate Indebtedness and the Subordinate Security and has full power, authority and legal right to enter into this agreement, (iv) the total amount owing to the Subordinate Lender under the Subordinate Indebtedness is \$25,000,000.00 as of the 19th day of March, 2015 and (v) the Subordinate Indebtedness bears interest at 18 %, calculated monthly, not in advance, and is due and payable to the Subordinate Lender as follows: by monthly instalments of interest in the amount of \$375,000.00 due on the last day of each month and the balance of the Subordinate Indebtedness is due and payable to the Subordinate Lender on the 31st day of January, 2017. Upon request by the Lender from time to time, the Subordinate Lender shall provide to the Lender copies of the Subordinate Indebtedness and the Subordinate Security and/or a statement confirming the status thereof, including the amount of the Subordinate Indebtedness then outstanding, the then applicable interest rate and payment terms and particulars of all existing or alleged defaults by the Borrower in respect thereof.

2. Subordination and Postponement. Subordinate Lender hereby subordinates and postpones the Subordinate Indebtedness and the Subordinate Security to the Prior Indebtedness and the Prior Security and agrees with the Lender that: (i) the Prior Security shall be a first priority lien and charge against the Property for the full amount of the Prior Indebtedness in full priority to the Subordinate Security, and (ii) except with the prior written consent of the Lender, which consent may be given or withheld by the Lender in its sole absolute discretion, no

payments of any kind shall be made under the Subordinate Indebtedness (including payments of principal, interest or fees) until the Prior Indebtedness is repaid in full and that any such payments which may be received by the Subordinate Lender notwithstanding the foregoing shall be received in trust for the Lender and shall be paid over to the Lender forthwith upon receipt. No discharge, release or waiver by the Lender of any of the Prior Security against or in respect of any part the Property or any person or any amendment, renewal, extension, replacement, modification, supplement or restatement of any Prior Indebtedness and/or the Prior Security shall require notice to or the consent of the Subordinate Lender or otherwise affect the subordination and postponement of the Subordinate Security and the Subordinate Indebtedness hereby granted by the Subordinate Lender. The Subordinate Lender shall not amend, extend, renew, modify, replace, supplement or restate the Subordinate Indebtedness or the Subordinate Security without the prior written consent of the Lender.

3. Payments. Without limiting the generality of section 2 above, the Subordinate Lender agrees that (i) all rents, revenue, income, cash flow and other proceeds arising from or relating to the Property ("Rents") shall not be applied to any payment on account of the Subordinate Indebtedness until the Prior Indebtedness is paid in full, and (ii) it shall not accept any payment on account of the Subordinate Indebtedness which the Subordinate Lender knows or reasonably ought to know are payments made from Rents, and if any such payments are received, the Subordinate Lender shall immediately pay such amount to the Lender without deduction. All insurance, expropriation and condemnation proceeds relating to the Property shall be dealt with and applied, whether before or after any default under or in respect of the Prior Indebtedness or the Subordinate Indebtedness, in accordance with the provisions of the Prior Security notwithstanding any provision to the contrary in the Subordinate Security. The Lender and the Subordinate Lender shall provide reasonable cooperation to each other to ensure the provisions of this paragraph are complied with.

4. Standstill. The Subordinate Lender shall not make any demand for repayment under the Subordinate Indebtedness and the Subordinate Security until the Prior Indebtedness is paid in full. As well, the Subordinate Lender shall not take any Enforcement Action under or in respect of the Subordinate Security or the Subordinate Indebtedness with respect to all or any part of the Property or against the Borrower without reasonable prior notice to and the written consent of the Lender, which consent may be given or withheld by the Lender in its sole absolute discretion. The said written notice shall specify: (i) the nature, extent and other details of the default (the "Default") under the Subordinate Security and/or the Subordinate Indebtedness; (ii) the person(s) in default; (iii) the total amount then due and owing to the Subordinate Lender; and (iv) the form of Enforcement Action intended to be taken or commenced by the Subordinate Lender. The Subordinate Lender agrees to provide to the Lender such other information relating to the Default as the Lender may reasonably request from time to time. The Subordinate Lender shall not challenge, contest or bring into question the validity, priority or perfection of the Prior Security or any Enforcement Action taken by the Lender under or in respect of the Prior Security or Prior Indebtedness against the Borrower or against all or any part of the Property. In this Section, "Enforcement Action" means the commencement of power of sale, foreclosure or other judicial or private sale proceedings, appointing or obtaining the appointment of a receiver, a manager or a receiver and manager or other person having similar powers in respect of any person or property, attornment of rents, taking possession or control of any property or undertaking, commencing, giving or making any demand for payment, any notice of intention to enforce security or any action or proceeding seeking payment or recovery of all or any part of any indebtedness or damages in lieu thereof, or accepting a transfer of any property in lieu of foreclosure, or the exercise of any other rights or remedies available to a creditor under its security or otherwise at law or in equity, including without limitation, any bankruptcy proceedings.

5. Assignment by the Subordinate Lender. The Subordinate Lender agrees that it shall not sell, transfer, assign or otherwise dispose of any interest in the Subordinate Indebtedness or the Subordinate Security to any person or persons (the "Assignee") except upon terms and conditions which are expressly subject to the terms of this agreement. Concurrently with any such sale, transfer, assignment or other disposition, The Subordinate Lender shall cause each Assignee to enter into a subordination and standstill agreement with the Lender on the same terms and conditions as this agreement. The Lender may transfer or assign its interest in the Loan and this agreement without restriction and without prior notice to or the consent of the Subordinate Lender.

6. Further Assurances. The Subordinate Lender shall execute upon request by the Lender such further documents or instruments and take such further action as the Lender may reasonably require from time to time to carry out the intent of this agreement, including, without limitation, executing and delivering any short form subordination and postponement agreement or instrument to register or record or file notice of the subordination and postponement of the Subordinate Security and the Subordinate Indebtedness on title to the Property and/or in any other office of public record and to give notice to third parties of the provisions of this agreement.

7. Notices. Any notice, demand or other communication which any party may desire or may be required to give to any other party shall be in writing and may be made or given by personal delivery, by registered mail or by facsimile transmission to the address for service of the recipient set forth below. Any demand, notice or communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, and if given by registered mail, on the third business day following the deposit thereof in the mail, and if given by facsimile transmission, on the first business day following the transmittal thereof. The address for service for each party is as follows:

(i) if to the Lender, to

FirstOntario Credit Union Limited
 4021 Upper Middle Road
 Burlington, Ontario M5H 1W7
 Attention: Mark Perkins
 Fax: 289-288-0215

with a copy to the Lender's Solicitor:

Minden Gross LLP
 145 King Street West, Suite 2200
 Toronto, ON M5H 4G2
 Attention: Ronald J. Molson
 Fax: 416-864-9223
 and

(ii) if to the Subordinate Lender, to

Hi-Rise Capital Ltd.
 200 Adelaide Street West
 Suite 401
 Toronto, Ontario M5H 1W7
 Attention: Jim Neilas
 Fax:

If any party giving any demand, notice or other communication knows or reasonably ought to know of any difficulties with the postal system that might affect delivery of mail, such demand, notice or other communication shall not be mailed, but shall be given by personal delivery or by facsimile transmission. Any party hereto may change its address for service to which notices hereunder are required to be made or given by notice to other parties in accordance herewith.

8. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the Province in which the lands and premises described in Schedule "A" are located 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 such Province applying to this agreement; and the Subordinate Lender consents to the jurisdiction of the courts of such Province and irrevocably agrees that all actions or proceedings arising out of or relating to this agreement shall be litigated in such courts and the Subordinate Lender unconditionally accepts the non-exclusive jurisdiction of the said courts and waives any defense of forum non-conveniens, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this

agreement, provided nothing herein shall affect the right to serve process in any other manner permitted by law.

9. Successors. The acknowledgements and agreements contained in this agreement shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns. Where any reference is made in this agreement 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 trustee(s) of the trust.

10. Counterparts. This agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF each of the parties have duly executed this agreement under seal.


FIRSTONTARIO CREDIT UNION
LIMITED

Per: _____
Name: Mark Perkins
Title: Director Commercial Services

I have authority to bind the Corporation

#2327732 v2 | 4093866

HI-RISE CAPITAL LTD.


Per: _____
Name: Jim Neilas
Title: President

I have authority to bind the Corporation

SCHEDULE "A"

LEGAL DESCRIPTION:

FIRSTLY:

PT LT 16, CON 3 TRAF SDS; PT RDL BTN LTS 15 & 16, CON 3 TRAF SDS, AS CLOSED
BY BYLAW 608; AS IN 702148; TOWN OF OAKVILLE
PIN NO. 24813-0286 (LT)

SECONDLY:

PT LT 16, CON 3 TRAF SDS, AS IN 732417; TOWN OF OAKVILLE
PIN NO. 24813-0245 (LT)

and municipally known as:

54 Shepherd Road, Oakville, Ontario and 60 Shepherd Road, Oakville, Ontario respectively

SUBORDINATION AND STANDSTILL AGREEMENT

THIS AGREEMENT made as of 19 day of March, 2015 between FIRSTONTARIO CREDIT UNION LIMITED (the "Lender") and HI-RISE CAPITAL LTD. ("Subordinate Lender").

Whereas the Subordinate Lender has made a loan or credit facility available to 54 SHEPHERD ROAD INC. AND 60 SHEPHERD ROAD INC. (collectively, the "Borrower") and which is secured by a charge of the lands and premises described in Schedule "A" (the "Property") hereto registered in the Land Registry Office for the Land Titles Division of Halton (No. 20) on the 16th day of May, 2013 as Instrument No. HR1100541; (the loan or credit facility and all existing and future indebtedness and other obligations and liabilities owing by the Borrower to the Subordinate Lender thereunder from time to time are called the "Subordinate Indebtedness", and the security, including all other additional or collateral security now or hereafter securing the Subordinate Indebtedness, is called the "Subordinate Security").

And whereas the Lender agreed to make a loan (the "Loan") to the Borrower in the original principal sum of \$2,500,000.00 on the security of a first mortgage (the "Mortgage") on the Property. All existing and future indebtedness and other obligations and liabilities owing by the Borrower to the Lender from time to time pursuant to the Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Lender thereunder from time to time, and including all reserves payable to the Lender relating to the Loan, are called the "Prior Indebtedness". The Mortgage, and all other additional or collateral security now or hereafter securing the Prior Indebtedness (including a first assignment of all rents and leases from or relating to the Property and a general security agreement with respect to all equipment and other personal property of the Borrower comprising or used in connection with the operation of the Property), is called the "Prior Security".

And whereas the Subordinate Lender has agreed to subordinate and postpone the Subordinate Indebtedness and the Subordinate Security to and in favour of the Prior Indebtedness and the Prior Security. Reference herein to the Subordinate Indebtedness, Subordinate Security, Prior Indebtedness and Prior Security includes all renewals, extensions, amendments, modifications, and restatements thereof or thereto from time to time.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

1. Covenants, Representations and Warranties of Subordinate Lender. Subordinate Lender consents to the Prior Indebtedness and the Prior Security and represents and warrants to the Lender that (i) the Subordinate Indebtedness and the Subordinate Security is in good standing and the Borrower is not in default thereunder, (ii) it holds no security of any kind against the Property other than the Subordinate Security, (iii) it is the sole owner of the Subordinate Indebtedness and the Subordinate Security and has full power, authority and legal right to enter into this agreement, (iv) the total amount owing to the Subordinate Lender under the Subordinate Indebtedness is \$8,000,000.00 as of the 19th day of March, 2015 and (v) the Subordinate Indebtedness bears interest at 18%, calculated monthly, not in advance, and is due and payable to the Subordinate Lender as follows: by monthly instalments of interest in the amount of \$120,000.00 due on the last day of each month and the balance of the Subordinate Indebtedness is due and payable to the Subordinate Lender on the 31st day of January, 2017. Upon request by the Lender from time to time, the Subordinate Lender shall provide to the Lender copies of the Subordinate Indebtedness and the Subordinate Security and/or a statement confirming the status thereof, including the amount of the Subordinate Indebtedness then outstanding, the then applicable interest rate and payment terms and particulars of all existing or alleged defaults by the Borrower in respect thereof.

2. Subordination and Postponement. Subordinate Lender hereby subordinates and postpones the Subordinate Indebtedness and the Subordinate Security to the Prior Indebtedness and the Prior Security and agrees with the Lender that (i) the Prior Security shall be a first priority lien and charge against the Property for the full amount of the Prior Indebtedness in full priority to the Subordinate Security; and (ii) except with the prior written consent of the Lender, which consent may be given or withheld by the Lender in its sole absolute discretion, no payments of any kind shall be made under the Subordinate Indebtedness (including payments of

principal, interest or fees) until the Prior Indebtedness is repaid in full and that any such payments which may be received by the Subordinate Lender notwithstanding the foregoing shall be received in trust for the Lender and shall be paid over to the Lender forthwith upon receipt. No discharge, release or waiver by the Lender of any of the Prior Security against or in respect of any part the Property or any person or any amendment, renewal, extension, replacement, modification, supplement or restatement of any Prior Indebtedness and/or the Prior Security shall require notice to or the consent of the Subordinate Lender or otherwise affect the subordination and postponement of the Subordinate Security and the Subordinate Indebtedness hereby granted by the Subordinate Lender. The Subordinate Lender shall not amend, extend, renew, modify, replace, supplement or restate the Subordinate Indebtedness or the Subordinate Security without the prior written consent of the Lender.

3. Payments. Without limiting the generality of section 2 above, the Subordinate Lender agrees that (i) all rents, revenue, income, cash flow and other proceeds arising from or relating to the Property ("Rents") shall not be applied to any payment on account of the Subordinate Indebtedness until the Prior Indebtedness is paid in full, and (ii) it shall not accept any payment on account of the Subordinate Indebtedness which the Subordinate Lender knows or reasonably ought to know are payments made from Rents, and if any such payments are received, the Subordinate Lender shall immediately pay such amount to the Lender without deduction. All insurance, expropriation and condemnation proceeds relating to the Property shall be dealt with and applied, whether before or after any default under or in respect of the Prior Indebtedness or the Subordinate Indebtedness, in accordance with the provisions of the Prior Security notwithstanding any provision to the contrary in the Subordinate Security. The Lender and the Subordinate Lender shall provide reasonable cooperation to each other to ensure the provisions of this paragraph are complied with.

4. Standstill. The Subordinate Lender shall not make any demand for repayment under the Subordinate Indebtedness and the Subordinate Security until the Prior Indebtedness is paid in full. As well, the Subordinate Lender shall not take any Enforcement Action under or in respect of the Subordinate Security or the Subordinate Indebtedness with respect to all or any part of the Property or against the Borrower without reasonable prior notice to and the written consent of the Lender, which consent may be given or withheld by the Lender in its sole absolute discretion. The said written notice shall specify: (i) the nature, extent and other details of the default (the "Default") under the Subordinate Security and/or the Subordinate Indebtedness; (ii) the person(s) in default; (iii) the total amount then due and owing to the Subordinate Lender; and (iv) the form of Enforcement Action intended to be taken or commenced by the Subordinate Lender. The Subordinate Lender agrees to provide to the Lender such other information relating to the Default as the Lender may reasonably request from time to time. The Subordinate Lender shall not challenge, contest or bring into question the validity, priority or perfection of the Prior Security or any Enforcement Action taken by the Lender under or in respect of the Prior Security or Prior Indebtedness against the Borrower or against all or any part of the Property. In this Section, "Enforcement Action" means the commencement of power of sale, foreclosure or other judicial or private sale proceedings, appointing or obtaining the appointment of a receiver, a manager or a receiver and manager or other person having similar powers in respect of any person or property, attornment of rents, taking possession or control of any property or undertaking, commencing, giving or making any demand for payment, any notice of intention to enforce security or any action or proceeding seeking payment or recovery of all or any part of any indebtedness or damages in lieu thereof, or accepting a transfer of any property in lieu of foreclosure, or the exercise of any other rights or remedies available to a creditor under its security or otherwise at law or in equity, including without limitation, any bankruptcy proceedings.

5. Assignment by the Subordinate Lender. The Subordinate Lender agrees that it shall not sell, transfer, assign or otherwise dispose of any interest in the Subordinate Indebtedness or the Subordinate Security to any person or persons (the "Assignee") except upon terms and conditions which are expressly subject to the terms of this agreement. Concurrently with any such sale, transfer, assignment or other disposition, The Subordinate Lender shall cause each Assignee to enter into a subordination and standstill agreement with the Lender on the same terms and conditions as this agreement. The Lender may transfer or assign its interest in the Loan and this agreement without restriction and without prior notice to or the consent of the Subordinate Lender.

6. Further Assurances. The Subordinate Lender shall execute upon request by the Lender such further documents or instruments and take such further action as the Lender may reasonably require from time to time to carry out the intent of this agreement, including, without limitation, executing and delivering any short form subordination and postponement agreement or instrument to register or record or file notice of the subordination and postponement of the Subordinate Security and the Subordinate Indebtedness on title to the Property and/or in any other office of public record and to give notice to third parties of the provisions of this agreement.

7. Notices. Any notice, demand or other communication which any party may desire or may be required to give to any other party shall be in writing and may be made or given by personal delivery, by registered mail or by facsimile transmission to the address for service of the recipient set forth below. Any demand, notice or communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, and if given by registered mail, on the third business day following the deposit thereof in the mail, and if given by facsimile transmission, on the first business day following the transmittal thereof. The address for service for each party is as follows:

(i) if to the Lender, to

FirstOntario Credit Union Limited
4021 Upper Middle Road
Burlington, Ontario M5H 1W7
Attention: Mark Perkins
Fax: 289-288-0215

with a copy to the Lender's Solicitor:

Minden Gross LLP
145 King Street West, Suite 2200
Toronto, ON M5H 4G2
Attention: Ronald J. Molson
Fax: 416-864-9223
and

(ii) if to the Subordinate Lender, to

Hi-Rise Capital Ltd.
200 Adelaide Street West
Suite 401
Toronto, Ontario M5H 1W7
Attention: Jim Neilas
Fax:

If any party giving any demand, notice or other communication knows or reasonably ought to know of any difficulties with the postal system that might affect delivery of mail, such demand, notice or other communication shall not be mailed, but shall be given by personal delivery or by facsimile transmission. Any party hereto may change its address for service to which notices hereunder are required to be made or given by notice to other parties in accordance herewith.

8. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the Province in which the lands and premises described in Schedule "A" are located 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 such Province applying to this agreement; and the Subordinate Lender consents to the jurisdiction of the courts of such Province and irrevocably agrees that all actions or proceedings arising out of or relating to this agreement shall be litigated in such courts and the Subordinate Lender unconditionally accepts the non-exclusive jurisdiction of the said courts and waives any defense of forum non-conveniens, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this

agreement, provided nothing herein shall affect the right to serve process in any other manner permitted by law.

9. Successors. The acknowledgements and agreements contained in this agreement shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns. Where any reference is made in this agreement 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 trustee(s) of the trust.

10. Counterparts. This agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF each of the parties have duly executed this agreement under seal.

FIRSTONTARIO
LIMITED

CREDIT UNION

HURISE CAPITAL LTD.

Per: _____
Name: Mark Perkins
Title: Director Commercial Services

Per: _____
Name: Jim Neill
Title: President
I have authority to bind the Corporation

I have authority to bind the Corporation

SCHEDULE "A"

LEGAL DESCRIPTION:

FIRSTLY:

PT LT 16, CON 3 TRAF SDS; PT RDL BTN LTS 15 & 16, CON 3 TRAF SDS, AS CLOSED
BY BYLAW 608; AS IN 702148; TOWN OF OAKVILLE
PIN NO. 24813-0286 (LT)

SECONDLY:

PT LT 16, CON 3 TRAF SDS, AS IN 732417; TOWN OF OAKVILLE
PIN NO. 24813-0245 (LT)

and municipally known as:

54 Shepherd Road, Oakville, Ontario and 60 Shepherd Road, Oakville, Ontario respectively

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

yyyy mm dd Page 1 of 2

Properties

PIN 24813 - 0245 LT
Description PT LT 16, CON 3 TRAF SDS, AS IN 732417; TOWN OF OAKVILLE
Address 60 SHEPHERD ROAD
 OAKVILLE

PIN 24813 - 0286 LT
Description PT LT 16, CON 3 TRAF SDS; PT RDAL BTN LTS 15 & 16, CON 3 TRAF SDS, AS
 CLOSED BY BYLAW 608; AS IN 702148; TOWN OF OAKVILLE
Address 54 SHEPHERD ROAD
 OAKVILLE

Source Instruments

Registration No.	Date	Type of Instrument
HR1080407	2013 02 05	Charge/Mortgage

Party From(s)

Name HI-RISE CAPITAL LTD.
Address for Service 200 Adelaide Street West
 Suite 401
 Toronto, Ontario
 M5H 1W7

I, Jim Neilas, 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 FIRSTONTARIO CREDIT UNION LIMITED
Address for Service 4021 Upper Middle Road
 Burlington, Ontario
 L7R 3X5

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number HR1257414 registered on 2015/04/07

Schedule: Hi-Rise Capital Ltd. ("Hi-Rise"), the registered owner of a Charge registered as Instrument No. HR1080407 on February 5, 2013 (as amended by a Mortgage Amending Agreement, notice of which has been registered as Instrument No. HR1249497), a General Assignment of Rents registered as Instrument No. HR1080408 on February 5, 2013, and a General Assignment of Rents registered as Instrument No. HR1080409 on February 5, 2013 (collectively, the "Hi-Rise Security") charging the land referred to in the Properties box herein, hereby postpones the Hi-Rise Security in favour of a Charge registered as Instrument No. HR1257414 on April 7, 2015 made between 54 Shepherd Road Inc. and 60 Shepherd Road Inc. (collectively, "Shepherd") in favour of FirstOntario Credit Union Limited ("FirstOntario") and an Assignment of Rents General registered as Instrument No. HR1257415 on April 7, 2015 made between 54 Shepherd Road Inc. and FirstOntario and an Assignment of Rents General registered as Instrument No. HR1257416 on April 7, 2015 made between 60 Shepherd Road Inc. and FirstOntario (collectively, the "FirstOntario Security"). The parties hereto do further agree that the FirstOntario Security shall have full priority over the Hi-Rise Security, notwithstanding any provision of the Land Titles Act or any other law or statute to the contrary, and whether the monies being advanced under the FirstOntario Security are advanced before or after registration of the Hi-Rise Security, it being understood that the interest of Hi-Rise is hereby postponed to the FirstOntario Security to the full extent of \$2,500,000.00 and all other sums secured under the FirstOntario Security.

Hi-Rise hereby irrevocably instructs, directs and authorizes FirstOntario to advance up to the full amount of \$2,500,000.00 of the principal sum secured by the FirstOntario Security and to release any holdback maintained in respect thereof, to Shepherd or as Shepherd may otherwise direct in writing in full priority over the interest of Hi-Rise in the lands described in the Properties box herein.

This document relates to registration no.(s) Charge No. HR1080407; Assignment of Rents No. HR1080408; Assignment of Rents No. HR1080409; Notice No. HR1249497; Charge No. HR1257414; Assignment of Rents No. HR1257415; Assignment of Rents No. HR1257416

Signed By

Vicki Pawlett

145 King Street West, Suite 2200
Toronto
M5H 4G2acting for Party
From(s)

Signed 2015 04 07

Tel 416-362-3711

Signed By

Fax 416-864-9223

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

Submitted By

MINDEN GROSS LLP 145 King Street West, Suite 2200 2015 04 07
Toronto
M5H 4G2

Tel 416-362-3711

Fax 416-864-9223

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

File Number

Party To Client File Number : 4093866

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

yyyy mm dd Page 1 of 2

Properties

PIN 24813 - 0245 LT
Description PT LT 16, CON 3 TRAF SDS, AS IN 732417; TOWN OF OAKVILLE
Address 60 SHEPHERD ROAD
 OAKVILLE

PIN 24813 - 0286 LT
Description PT LT 16, CON 3 TRAF SDS; PT RDAL BTN LTS 15 & 16, CON 3 TRAF SDS, AS
 CLOSED BY BYLAW 608; AS IN 702148; TOWN OF OAKVILLE
Address 54 SHEPHERD ROAD
 OAKVILLE

Source Instruments

Registration No.	Date	Type of Instrument
HR1100541	2013 05 16	Charge/Mortgage

Party From(s)

Name HI-RISE CAPITAL LTD.
Address for Service 200 Adelaide Street West
 Suite 401
 Toronto, Ontario
 M5H 1W7

I, Jim Neilas, 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	Capacity	Share
FIRSTONTARIO CREDIT UNION LIMITED		
<i>Address for Service</i> 4021 Upper Middle Road Burlington, Ontario L7R 3X5		

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number HR1257414 registered on 2015/04/07

Schedule: Hi-Rise Capital Ltd. ("Hi-Rise"), the registered owner of a Charge registered as Instrument No. HR1100541 on May 16, 2013, a General Assignment of Rents registered as Instrument No. HR1100542 on May 16, 2013 and a General Assignment of Rents registered as Instrument No. HR1100543 on May 16, 2013 (collectively, the "Hi-Rise Security") charging the land referred to in the Properties box herein, hereby postpones the Hi-Rise Security in favour of a Charge registered as Instrument No. HR1257414 on April 7, 2015 made between 54 Shepherd Road Inc. and 60 Shepherd Road Inc. (collectively, "Shepherd") in favour of FirstOntario Credit Union Limited ("FirstOntario") and an Assignment of Rents General registered as Instrument No. HR1257415 on April 7, 2015 made between 54 Shepherd Road Inc. and FirstOntario and an Assignment of Rents General registered as Instrument No. HR1257416 on April 7, 2015 made between 60 Shepherd Road Inc. and FirstOntario (collectively, the "FirstOntario Security"). The parties hereto do further agree that the FirstOntario Security shall have full priority over the Hi-Rise Security, notwithstanding any provision of the Land Titles Act or any other law or statute to the contrary, and whether the monies being advanced under the FirstOntario Security are advanced before or after registration of the Hi-Rise Security, it being understood that the interest of Hi-Rise is hereby postponed to the FirstOntario Security to the full extent of \$2,500,000.00 and all other sums secured under the FirstOntario Security.

Hi-Rise hereby irrevocably instructs, directs and authorizes FirstOntario to advance up to the full amount of \$2,500,000.00 of the principal sum secured by the FirstOntario Security and to release any holdback maintained in respect thereof, to Shepherd or as Shepherd may otherwise direct in writing in full priority over the interest of Hi-Rise in the lands described in the Properties box herein.

This document relates to registration no.(s) Charge No. HR1100541; Assignment of Rents No. HR1100542; Assignment of Rents No. HR1100543; Charge No. HR1257414; Assignment of Rents No. HR1257415; Assignment of Rents No. HR1257416

Signed By

Vicki Pawlett

145 King Street West, Suite 2200
 Toronto
 M5H 4G2acting for Party
 From(s)

Signed 2015 04 07

Tel 416-362-3711

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

yyyy mm dd Page 2 of 2

Signed By

Fax 416-864-9223

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

Submitted By

MINDEN GROSS LLP

145 King Street West, Suite 2200
Toronto
M5H 4G2

2015 04 07

Tel 416-362-3711

Fax 416-864-9223

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Party To Client File Number : 4093866

This is Exhibit*R*..... referred to in the
affidavit of*Virginia Selemidis*.....
sworn before me, this*4th*.....
day of*October*..... 20..*19*.....

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

Request ID: 023569870
 Transaction ID: 73007566
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2019/09/11
 Time Report Produced: 14:49:59
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1359918	HI-RISE CAPITAL LTD.	1999/06/11
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
200 ADELAID STREET WEST		NOT APPLICABLE
Suite # 400		New Amal. Number
TORONTO		NOT APPLICABLE
ONTARIO		Notice Date
CANADA M5H 1W7		NOT APPLICABLE
Mailing Address		Letter Date
200 ADELAIDE STREET WEST		NOT APPLICABLE
Suite # 400		Revival Date
TORONTO		NOT APPLICABLE
ONTARIO		Transferred Out Date
CANADA M5H 1W7		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
		Number of Directors
		Minimum Maximum
		00001 00015
Activity Classification		
NOT AVAILABLE		

Request ID: 023569870
Transaction ID: 73007566
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/09/11
Time Report Produced: 14:49:59
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1359918

Corporation Name

HI-RISE CAPITAL LTD.

Corporate Name History

HI-RISE CAPITAL LTD.

Effective Date

2011/08/18

WATERVIEW CAPITAL CORP.

2004/09/16

1359918 ONTARIO INC.

1999/06/11

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

YES - SEARCH REQUIRED FOR DETAILS

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

NOOR
AL-AWQATI

Address

200 ADELAIDE STREET WEST
Suite # 401
TORONTO
ONTARIO
CANADA M5H 1W7

Date Began

2017/02/13

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF OPERATING OFFICER

Resident Canadian

Request ID: 023569870
Transaction ID: 73007566
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/09/11
Time Report Produced: 14:49:59
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1359918	HI-RISE CAPITAL LTD.

Administrator: Name (Individual / Corporation)	Address
MYLES MORIN	200 ADELAIDE STREET WEST Suite # 401 TORONTO ONTARIO CANADA M5H 1W7

Date Began	First Director	
2018/01/19	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Administrator: Name (Individual / Corporation)	Address
JORDAN OXLEY	200 ADELAIDE STREET WEST Suite # 401 TORONTO ONTARIO CANADA M5H 1W7

Date Began	First Director	
2018/01/19	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 023569870
Transaction ID: 73007566
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/09/11
Time Report Produced: 14:49:59
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1359918

HI-RISE CAPITAL LTD.

Last Document Recorded

Act/Code Description

Form

Date

CIA ANNUAL RETURN 2018

1C

2019/04/14 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Director of Companies and Personal Property Security Branch.

Request ID: 023646733
 Transaction ID: 73200717
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2019/09/30
 Time Report Produced: 12:36:00
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
312838	COMMUNITY TRUST COMPANY	1975/09/07
		Jurisdiction
		CANADA
Corporation Type	Corporation Status	Former Jurisdiction
FEDERAL CORP NON-SHARE	REFER TO JURISDICTION	ONTARIO
Registered or Head Office Address		Date Amalgamated
2350 MATHESON BOULEVARD EAST		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Principal Place of Business in Ontario		Revival Date
2350 MATHESON BOULEVARD EAST		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		2004/06/01
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		1975/09/07
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 023646733
Transaction ID: 73200717
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/09/30
Time Report Produced: 12:36:00
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

312838

COMMUNITY TRUST COMPANY

Corporate Name History

REFER TO JURISDICTION

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	2	2016/10/04

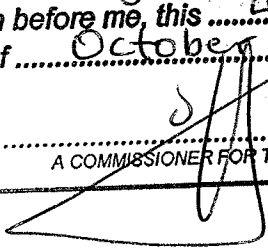
THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Director of Companies and Personal Property Security Branch.

This is Exhibit S referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019.

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

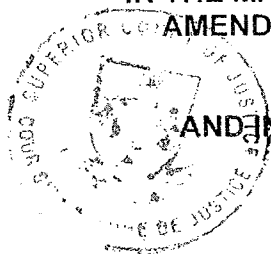
A large, stylized handwritten signature in black ink is written over the signature line and extends upwards into the text area of the stamp.

Court File No.: CV-19-616261-00CL

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

THE HONOURABLE	)	THURSDAY, THE 21st
)	
MR. JUSTICE HAINEY	)	DAY OF MARCH, 2019
)	

IN THE MATTER OF SECTION 60 OF THE TRUSTEE ACT, R.S.O. 1990, C. T.23, AS AMENDED, AND RULE 10 OF THE ONTARIO RULES OF CIVIL PROCEDURE, R.R.O. 1990, REG. 194, AS AMENDED



AND IN THE MATTER OF HI-RISE CAPITAL LTD. AND IN THE MATTER OF ADELAIDE STREET LOFTS INC.

ORDER

THIS APPLICATION, made by the Applicant, Hi-Rise Capital Ltd. ("**Hi-Rise**"), for advice and directions and an Order appointing representative counsel pursuant to section 60 of the *Trustee Act*, R.S.O. 1990, c. T.23, as amended and Rule 10 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, was heard this day at the Court House, 330 University Avenue, Toronto, Ontario.

ON READING the Application Record of the Applicant, including the Affidavit of Noor Al-Awqati sworn March 19, 2019, and on hearing the submissions of the lawyer(s) for each of the Applicant, the Superintendent of Financial Services, prospective Representative Counsel, Adelaide Street Lofts Inc. (the "**Borrower**"), Teresa Simonelli and Tony Simonelli and other investors represented by Guardian Legal Consultants (as set out on the counsel slip), Alexander Simonelli (appearing in person), Nicholas Verni (appearing in person), and Nick Tsakonacos (appearing in person) no one else appearing,

SERVICE

1. **THIS COURT ORDERS** that all parties entitled to notice of this Application have been served with the Notice of Application, and that service of the Notice of Application

is hereby abridged and validated such that this Application is properly returnable today, and further service of the Notice of Application is hereby dispensed with.

APPOINTMENT OF REPRESENTATIVE COUNSEL

2. **THIS COURT ORDERS** that Miller Thomson LLP is hereby appointed as representative counsel to represent the interests of all persons (hereafter, all persons that have not delivered an Opt-Out Notice (defined below) shall be referred to as the “**Investors**”) that have invested funds in syndicated mortgage investments (“**SMI**”) in respect of the proposed development known as the “Adelaide Street Lofts” (the “**Project**”) at the property known municipally as 263 Adelaide Street West, Toronto, Ontario (the “**Property**”).

3. **THIS COURT ORDERS** that any individual holding an SMI who does not wish to be represented by the Representative Counsel and does not wish to be bound by the actions of Representative Counsel shall notify the Representative Counsel in writing by facsimile, email to sdecaria@millerthomson.com (Attention: Stephanie De Caria), courier or delivery, substantially in the form attached as **Schedule “A”** hereto (the “**Opt-Out Notice**”), and shall thereafter not be so represented and shall not be bound by the actions of the Representative Counsel and shall represent himself or herself or be represented by any counsel that he or she may retain exclusively at his or her own expense in respect of his or her SMI (any such Investor who delivers an Opt-Out Notice in compliance with the terms of this paragraph, “**Opt-Out Investor**”) and any Opt-Out Investor who wishes to receive notice of subsequent steps in this proceeding shall deliver a Notice of Appearance.

4. **THIS COURT ORDERS** that the Representative Counsel shall represent all Investors in connection with the negotiation and implementation of a settlement with respect to their investments in the SMI and the Project, and shall subject to the terms of the Official Committee Protocol be entitled to advocate, act, and negotiate on behalf of the Investors in this regard, provided that the Representative Counsel shall not be permitted to (i) bind investors to any settlement agreement or proposed distribution relating to the Property without approval by the investors and the Court; or (ii) commence or continue any proceedings against Hi Rise, its affiliates or principals, on

behalf of any of the Investors or any group of Investors, and for greater certainty, Representative Counsel's mandate shall not include initiating proceedings or providing advice with respect to the commencement of litigation but may include advising Investors with respect to the existence of alternative courses of action.

5. **THIS COURT ORDERS** that Representative Counsel be and it is hereby authorized to retain such actuarial, financial and other advisors and assistants (collectively, the "**Advisors**") as may be reasonably necessary or advisable in connection with its duties as Representative Counsel.

6. **THIS COURT ORDERS** that the Representative Counsel be and it is hereby authorized to take all steps and do all acts necessary or desirable to carry out the terms of this Order and fulfill its mandate hereunder.

TERMINATION OF EXISTING ADVISORY COMMITTEE

7. **THIS COURT ORDERS** that the Engagement Letter dated September 6, 2018, including the Terms of Reference attached as Schedule "A" thereto (the "**Engagement Letter**"), be and it is hereby terminated, provided that nothing contained herein shall terminate the requirement that outstanding fees and disbursements thereunder be paid.

8. **THIS COURT ORDERS** that the respective roles of the Advisory Committee and Communication Designate (as such terms are defined in the Engagement Letter) be and they are hereby terminated.

9. **THIS COURT ORDERS** that the Communication Designate shall forthwith provide to Representative Counsel all security credentials in respect of the Designated Email (as such term is defined in the Engagement Letter).

APPOINTMENT OF OFFICIAL COMMITTEE

10. **THIS COURT ORDERS** that Representative Counsel shall take steps to establish an Official Committee of Investors (the "**Official Committee**") substantially in accordance with the process and procedure described in the attached **Schedule "B"** ("**Official Committee Establishment Process**").

11. **THIS COURT ORDERS** that the Official Committee shall operate substantially in accordance with the protocol described in the attached **Schedule "C"** (the "**Official Committee Protocol**").

12. **THIS COURT ORDERS** that the Representative Counsel shall consult with and rely upon the advice, information, and instructions received from the Official Committee in carrying out the mandate of Representative Counsel without further communications with or instructions from the Investors, except as may be ordered otherwise by this Court.

13. **THIS COURT ORDERS** that in respect of any decision made by the Official Committee (a "**Committee Decision**"), the will of the majority of the members of the Official Committee will govern provided, however, that prior to acting upon any Committee Decision, Representative Counsel may seek advice and direction of the Court pursuant to paragraph 22 hereof.

14. **THIS COURT ORDERS** that, in circumstances where a member of the Official Committee has a conflict of interest with the interests of other investors respect to any issue being considered or decision being made by the Official Committee, such member shall recuse himself or herself from such matter and have no involvement in it.

15. **THIS COURT ORDERS** that the Representative Counsel shall not be obliged to seek or follow the instructions or directions of individual Investors but will take instruction from the Official Committee..

INVESTOR INFORMATION

16. **THIS COURT ORDERS** that Hi-Rise is hereby authorized and directed to provide to Representative Counsel the following information, documents and data (collectively, the "**Information**") in machine-readable format as soon as possible after the granting of this Order, without charge, for the purposes of enabling Representative Counsel to carry out its mandate in accordance with this Order:

- (a) the names, last known addresses and last known telephone numbers and e-mail addresses (if any) of the Investors; and

- (b) upon request of the Representative Counsel, such documents and data as the Representative Counsel deems necessary or desirable in order to carry out its mandate as Representative Counsel

and, in so doing, Hi-Rise is not required to obtain express consent from such Investors authorizing disclosure of the Information to the Representative Counsel and, further, in accordance with section 7(3) of the *Personal Information Protection and Electronic Documents Act*, this Order shall be sufficient to authorize the disclosure of the Information, without the knowledge or consent of the individual Investors.

FEES OF COUNSEL

→ which amount shall exclude disbursements incurred by Representative Counsel

17. **THIS COURT ORDERS** that the Representative Counsel shall be paid by the Borrower its reasonable fees ~~and disbursements~~ consisting of fees ~~and disbursements~~ from and after the date of this order incurred in its capacity as Representative Counsel ("**Post-Appointment Fees**"), up to a maximum amount of \$250,000 or as may otherwise be ordered by this Court. The Borrower shall make payment on account of the Representative Counsel's ^{its} ~~fees~~ ^{Post-Appointment Fees} and disbursements on a monthly basis, forthwith upon rendering its accounts to the Borrower for fulfilling its mandate in accordance with this Order, and subject to such redactions to the invoices as are necessary to maintain solicitor-client privilege between the Representative Counsel and the Official Committee and/or Investors. In the event of any disagreement with respect to such fees and disbursements, such disagreement may be remitted to this Court for determination. Representative Counsel shall also obtain approval of its fees and disbursements from the Court on notice to the Official Committee.

18. **THIS COURT ORDERS** that the Representative Counsel is hereby granted a charge (the "**Rep Counsel Charge**") on the Property, as security for the Post-Appointment Fees and that the Rep Counsel Charge shall form an unregistered charge on the Property in priority to the existing \$60 million mortgage registered in the name of Hi-Rise Capital Ltd. and Community Trust Company as Instrument Numbers AT3522463, AT3586925, AT3946856, AT4420428, AT4505545, AT4529978, AT4572550, AT4527861, and AT4664798 (the "**Hi-Rise Mortgage**"), but subordinate to the \$16,414,000 mortgage in favour of Meridian Credit Union Limited registered as

Instrument Number AT4862974 ("**Meridian Mortgage**"), and that Rep Counsel Charge will be subject to a cap of \$250,000. No person shall register or cause to be registered the Rep Counsel Charge on title to the Property.

19. **THIS COURT ORDERS** that the motion by Representative Counsel for a charge for its fees prior to the date its appointment and by counsel for Hi-Rise seeking a charge for its fees incurred in respect of this Application both shall be heard before me on April 4, 2019.

20. **THIS COURT ORDERS** that the reasonable cost of Advisors engaged by Representative Counsel shall be paid by the Borrower. Any dispute over Advisor costs will be submitted to the Court for resolution.

21. **THIS COURT ORDERS** that the payments made by the Borrower pursuant to this Order do not and will not constitute preferences, fraudulent conveyances, transfers of undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable laws.

GENERAL

22. **THIS COURT ORDERS** that the Representative Counsel shall be at liberty, and it is hereby authorized, at any time, to apply to this Court for advice and directions in respect of its appointment or the fulfillment of its duties in carrying out the provisions of this Order or any variation of the powers and duties of the Representative Counsel, which shall be brought on notice to Hi-Rise and the Official Committee, the Financial Services Commission of Ontario ("**FSCO**") and any person who has filed a Notice of Appearance (including the Opt-Out Investors) unless this Court orders otherwise.

23. **THIS COURT ORDERS** that the Representative Counsel and the Official Committee shall have no personal liability or obligations as a result of the performance of their duties in carrying out the provisions of this Order or any subsequent Orders, save and except for liability arising out of gross negligence or wilful misconduct.

24. **THIS COURT ORDERS** that any document, notice or other communication required to be delivered to Representative Counsel under this Order shall be in writing, and will be sufficiently delivered only if delivered to

**Miller Thomson LLP, in its capacity as
Representative Counsel**

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1

Facsimile: 416-595-8695
Email: sdecaria@millerthomson.com and
gazeff@millerthomson.com

Attention: Gregory Azeff & Stephanie De Caria

25. **THIS COURT ORDERS** that the Representative Counsel shall as soon as possible establish a website and/or online portal (the "**Website**") for the dissemination of information and documents to the Investors, and shall provide notice to Investors of material developments in this Application via email where an email address is available and via regular mail where appropriate and advisable.

POWERS OF HI-RISE CAPITAL LTD.

26. **THIS COURT ORDERS** that the issue of whether Hi-Rise has the power under loan participation agreements (each, an "**LPA**") and mortgage administration agreements (each, a "**MAA**") that it entered into with investors in the Project and at law ✓ grant to a discharge of the Hi-Rise Mortgage despite the fact that the proceeds received from the disposition of a transaction relating to the Property (the "**Transaction**") may be insufficient to pay in full amounts owing under the Hi-Rise Mortgage will be determined by motion before me on April 4, 2019.

INVESTOR AND COURT APPROVAL

27. **THIS COURT ORDERS** that Hi-Rise is permitted to call, hold and conduct a meeting (the "**Meeting**") of all investors in the Project, including Opt-Out Investors, to be held at a location, date and time to be determined by Hi-Rise, in order for the investors

to consider and, if determined advisable, pass a resolution approving the Transaction and the distribution of proceeds therefrom (the "Distribution").

28. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, Hi-Rise shall send notice of the location, date and time of the Meeting to investors at least ten days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by the method authorized by paragraph 32 of this order.

29. **THIS COURT ORDERS** that accidental failure by Hi-Rise to give notice of the Meeting to one or more of the investors, or any failure to give such notice as a result of events beyond the reasonable control of Hi-Rise, or the non-receipt of such notice shall, subject to further order of this Court, not constitute a breach of this Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure is brought to the attention of Hi-Rise, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

Handwritten note:
Please see
the
order
re
the
meeting
6/20/13
↓

THIS COURT ORDERS that Hi-Rise shall permit voting at the Meeting either in person or by proxy.

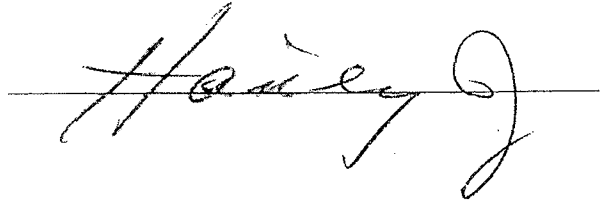
31. **THIS COURT ORDERS** that if at the Meeting a majority in number of the investors representing two-thirds in value present and voting either in person or by proxy cast votes in favour of the proposed Transaction and Distribution, Hi-Rise may proceed to bring a motion to this court, on a date to be fixed, for

- (a) final approval of the Transaction and Distribution;
- (b) further directions to pursuant to section 60 of the *Trustee Act* as are appropriate to permit it to carry out its role in a manner consistent with the LPA and MAA and its duties at law; and
- (c) approval of the conduct and fees of Representative Counsel.

NOTICE TO INVESTORS

32. Hi-Rise or Representative Counsel shall mail a copy of this Order to the last known address of each investor within 10 days of the date of this Order or where an

Investor's email address is known, the Order may instead be sent by email. Representative Counsel shall also post a copy of this Order on the Website.

A handwritten signature in cursive script, appearing to read "Hawley", is written over a solid horizontal line. The signature is positioned to the right of the center of the page.

Schedule "A"
OPT-OUT NOTICE

**Miller Thomson LLP, in its capacity as
Representative Counsel**
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1

Facsimile: 416-595-8695
Email: sdecaria@millerthomson.com

Attention: Stephanie De Caria

I/we, _____, are Investor(s) in a Hi-Rise Capital Ltd. mortgage registered against titled to the property municipally known as 263 Adelaide Street West. [***Please ensure to insert the name, names or corporate entity that appear on your investment documents***].

Under paragraph 3 of the Order of the Honourable Justice Hainey dated March 21, 2019 (the "**Order**"), Investors who do not wish Miller Thomson LLP to act as their representative counsel may opt out.

I/we hereby notify Miller Thomson LLP that I/we do not wish to be represented by the Representative Counsel and do not wish to be bound by the actions of Representative Counsel and will instead either represent myself or retain my own, individual counsel at my own expense, with respect to the SMI in relation to Adelaide Street Lofts Inc. and the property known municipally as 263 Adelaide St. W., Toronto, Ontario.

I also understand that if I wish to receive notice of subsequent steps in the court proceedings relating to this property, I or my counsel must serve and file a Notice of Appearance.

If the Investor(s) is an individual, please execute below:

Date

Signature

Date

Signature

If the Investor is a corporation, please execute below:

)
) _____
) [insert corporation name above]
) Per: _____
) Name: Name
) Title: Title
) I/We have the authority to bind
) the corporation

Schedule "B"

Official Committee Establishment Process

Pursuant to the Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated March 21, 2019 (the "Order") Miller Thomson LLP was appointed to represent all individuals and/or entities ("Investors") that hold an interest in a syndicated mortgage ("SMI"), administered by Hi-Rise Capital Ltd. ("Hi-Rise"), in respect of the property municipally known as 263 Adelaide Street West, Toronto, Ontario (the "Project") and the proposed development known as the "Adelaide Street Lofts". Pursuant to the Order, Representative Counsel was directed to appoint the Official Committee of Investors (the "Official Committee") in accordance with this Official Committee Establishment Process. The Official Committee is expected to consist of five Investors.

All capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Order. All references to a singular word herein shall include the plural, and all references to a plural word herein shall include the singular.

Pursuant to the Order, the Representative Counsel shall, among other things, consult with and take instructions from the Official Committee in respect of the SMI and the Project.

This protocol sets out the procedure and process for the establishment of the Official Committee.

Establishment of the Official Committee

1. As soon as reasonably practicable, Representative Counsel will deliver a communication calling for applications ("Call for Official Committee Applications") to Investors by mail and by email where an email address is available. Representative Counsel shall also post on the Website (as defined in the Order) a copy of the Call for Official Committee Applications.

2. The deadline to submit an application pursuant to the Call for Official Committee Applications will be 5:00 p.m. EST on ~~March 29~~ ^{April 1}, 2019 (the "Applications Deadline"), or such later date as Representative Counsel may deem reasonably practicable. Investors wishing to act as a member of the Official Committee (each, an "Official Committee Applicant") shall submit their application by the Applications Deadline. Applications submitted past the Applications Deadline will not be reviewed by Representative Counsel.

3. In order to serve as a member of the Official Committee, the Official Committee Applicant must be an Investor that holds an SMI. If the SMI is held through a corporate entity, the Official Committee Applicant must be a director of the corporation in order to be a member of the Official Committee.

4. An Official Committee Applicant must not have a conflict of interest with the interests of other investors.

5. Representative Counsel will review applications submitted by the Applications Deadline and will create a short list (the "**Short List**") of no more than 20 candidates who should be extended invitations for an interview. As soon as reasonably practicable, the interviews will be conducted by teleconference by Representative Counsel (the "**Interviews**"). For consistency in evaluating each Official Committee Applicant,

(a) all of the interviews will follow the same structure and will be approximately the same length (about half an hour); and

(b) substantially similar questions will be posed to each interviewee.

6. Following the Interviews, Representative Counsel will select seven Official Committee Applicants (the "**Short List Candidates**") who, in Representative Counsel's judgment, are the best candidates to serve as either (i) a member of the Official Committee (a "**Member**") or (ii) an alternate Member should any of the Members resign or be removed from the Official Committee (an "**Alternate**"). From the Short List Candidates, Representative Counsel will select five Members and two Alternates. In determining the Short List Candidates, Representative Counsel reserves the right to consider, among other factors: (i) experience with governance or the mortgage industry; (ii) education; (iii) answers to interview questions; (iv) the amount of the Official Committee Applicant's SMI.

7. As soon as reasonably practicable, Representative Counsel will submit the Short List Candidates to the Court for approval, along with each of their applications. A summary of each Member and Alternate and their respective qualifications will also be submitted to the Court.

Schedule "C"

Official Committee Protocol

Pursuant to the Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 21, 2019 (the "**Order**") Miller Thomson LLP was appointed to represent all individuals and/or entities ("**Investors**") that hold an interest in a syndicated mortgage ("**SMI**"), administered by Hi-Rise Capital Ltd. ("**Hi-Rise**"), in respect of the property municipally known as 263 Adelaide Street West, Toronto, Ontario (the "**Project**") and the proposed development known as the "Adelaide Street Lofts".

All capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Order. All references to a singular word herein shall include the plural, and all references to a plural word herein shall include the singular.

This protocol sets out the terms governing the Official Committee established by Representative Counsel pursuant to the Official Committee Establishment Process, as approved by the Order. All Investors that have been accepted by Representative Counsel to serve as a member of the Official Committee (each, a "**Member**") shall be bound by the terms of this protocol.

This protocol is effective as at the date of the Order.

The Official Committee and Representative Counsel shall be governed by the following Official Committee Protocol:

1. **Definitions:** Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Order.
2. **Resignations:** A Member may resign from the Official Committee at any time by notifying Representative Counsel and the other Members, by email. If a Member is incapacitated or deceased, such Member shall be deemed to have resigned from the Official Committee effective immediately.
3. **Expulsions:** Any Member may be expelled from the Official Committee for cause by Representative Counsel or by order of the Court. For greater certainty, "for cause" includes but is not limited to: (a) if a Member is unreasonably disruptive to or interferes with the ability of the Official Committee or Representative Counsel to conduct its affairs or fulfill their duties; (b) if a Member is abusive (verbal or otherwise) towards Representative Counsel or any Member; (c) if a Member fails to attend either (i) two (2) consecutive meetings without a valid reason (as determined by Representative Counsel in its sole discretion) or (ii) three (3) meetings whether or not a valid reason is provided; (d) if a Member commits any act or engages in any conduct that, in Representative Counsel's opinion, may bring the reputation or credibility of the Official Committee into dispute; (e) if in Representative Counsel's opinion, an irreconcilable conflict of interest arises between a Member and the Official Committee; or, (f) if, for any reason, a Member is unable to reasonably fulfil his/her duties as a Committee Member.

4. **Role of the Official Committee:** The role of the Official Committee is to consult with and provide instructions to Representative Counsel, in accordance with the terms of this protocol, with respect to matters related to the SMI and the Project.
5. **Multiple Views:** It is recognized and understood that Members may have divided opinions and differing recommendations, and accordingly, consensus on feedback regarding any potential resolution of matters related to the SMI and Project may not be achievable. In such circumstances, the will of the majority of the Members will govern. In making decisions and taking steps, Representative Counsel may also seek the advice and direction of the Court if necessary.
6. **Good Faith:** For the purposes of participation in the Official Committee, each Member agrees that he or she will participate in good faith, and will have appropriate regard for the legitimate interests of all Investors.
7. **No liability:** No Member shall incur any liability to any party arising solely from such Members' participation in the Official Committee or as a result of any suggestion or feedback or instructions such Member may provide to Representative Counsel.
8. **Compensation:** No Member shall receive compensation for serving as a Member of the Consecutive Committee.
9. **Chair:** Representative Counsel shall be the chair of the meetings of the Official Committee.
10. **Calling Meetings:** Representative Counsel, at the request of a Member or at its own instance, may call meetings of the Official Committee on reasonable advance written notice to the Members, which notice shall be made by e-mail. Meetings may be convened in person, at the offices of Miller Thomson LLP, or by telephone conference call.
11. **Quorum:** While it is encouraged that all Members participate in meetings, a meeting may be held without all of the Members present provided that at least three (3) Members are present in person or by telephone.
12. **Minutes:** Representative Counsel shall act as secretary of the meetings of the Official Committee and shall keep minutes of the meetings. Where issues of disagreement among Members arise, the minutes will reflect such disagreements. Such minutes shall be confidential and shared with Members only. Minutes are for administrative record keeping purposes only and are not intended to be binding or conclusive in any way. The minutes will record attendance, significant issues discussed and the results of votes taken by the Official Committee.
13. **Additional Rules and Guidelines:** Representative Counsel may adopt in its sole discretion, such reasonable procedural rules and guidelines regarding the governing of Official Committee meetings. Notwithstanding any provision in this Protocol and subject to the terms of the Order, Representative Counsel may, in its sole discretion, apply to

the Court for advice and direction on any matter, including, without limitation, with respect to instruction received from the Official Committee.

HI-RISE CAPITAL LTD.
Applicant

SUPERINTENDENT OF FINANCIAL SERVICES *et. al.*
Respondents

Court File No. CV-19-616261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

John N. Birch LSO #: 38968U
Tel: 416.860.5225
Fax: 416.640.3057
jbirch@casselsbrock.com

Stephanie Voudouris LSO #: 65752M
Tel: 416.860.6617
Fax: 416.642.7145
svoudouris@casselsbrock.com

Lawyers for the Applicant, Hi-Rise Capital Ltd.

This is Exhibit T referred to in the
affidavit of Virginia Selemidis
sworn before me, this 4th
day of October 2019
.....
A COMMISSIONER FOR TAKING AFFIDAVITS

[Handwritten signature and scribbles over the text]

Court File No. CV-19-00628680-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
 (Commercial List)

BETWEEN

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

-AND-

54 SHEPHERD ROAD INC. AND 60 SHEPHERD ROAD INC.

Respondents

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 the Respondents, 54 Shepherd Road Inc. and 60 Shepherd Road Inc., including, without limitation, the real property municipally known as 54 and 60 Shepherd Road, Oakville, Ontario and more particularly described as:

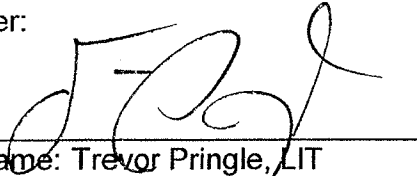
PIN	24813 – 0401 LT
DESCRIPTION	PT LT 16, CON 3 TRAF SDS; PT LT 16, CON 3 TRANS SDS, PT RDAL BTN LTS 15 & 16, CON 3 TRAF SDS, AS CLOSED BY BYLAW 608 AS IN 702148 DESIGNATED AS PT 1 20R20836; TOWN OF OAKVILLE

(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 3rd day of October, 2019.

msi Spergel Inc.

Per:

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

Name: Trevor Pringle, LIT

Title: Partner

I have authority to bind the corporation

FIRSTONTARIO CREDIT UNION LIMITED
Applicant

- AND -

54 SHEPHERD ROAD INC. ET AL
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial Court)

PROCEEDINGS COMMENCED AT TORONTO

APPLICATION RECORD
(returnable October 24, 2019)

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