

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

(Court Seal)

BANK OF MONTREAL

Applicant

- and -

BOBCAYGEON SHORES DEVELOPMENTS LTD.

Respondent

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

APPLICATION RECORD

May 7, 2018

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AND TO: DEPARTMENT OF JUSTICE
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Tab 1

Court File No.
CV-18-59 7299-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:



BANK OF MONTREAL

Applicant

- and -

BOBCAYGEON SHORES DEVELOPMENTS LTD.

Respondent

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

NOTICE OF APPLICATION

TO THE RESPONDENT

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

THIS APPLICATION will come on for a hearing on Friday, May 18, 2018, at 10:00 a.m., before a judge presiding over the Commercial List at 330 University Avenue, 7th Floor, Toronto ON, M5G 1R7.

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

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

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

Date MAY 04 2018

Issued by


Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 7th Floor
Toronto ON
M5G 1R7

TO: Attached Service List

SERVICE LIST

TO: BOBCAYGEON SHORES DEVELOPMENTS LTD.
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AND TO: GEORGE GODWIN
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APPLICATION

1. The applicant, Bank of Montreal ("**BMO**"), makes an application for:
 - (a) an order appointing msi Spergel inc. ("**Spergel**") as receiver of the property, assets and undertaking of Bobcaygeon Shores Developments Ltd. (the "**Debtor**"); and
 - (b) such further and other relief as to this Honourable Court may seem just.
2. The grounds for the application are:

Background

- (a) The Debtor is a corporation incorporated in the Province of Ontario with a registered office in Bobcaygeon, Ontario.
- (b) BMO is a highly diversified financial services provider based in North America and a Schedule I Bank under the *Bank Act*, S.C. 1991, c. 46, as amended.
- (c) Pursuant to a commitment letter dated July 12, 2005 (the "**Commitment Letter**"), BMO provided three credit facilities to Bobcaygeon Shores Developments Ltd., a predecessor of the Debtor (the "**Predecessor**"), to assist the Debtor in its development of a subdivision in Bobcaygeon, Ontario (the "**Project**").
- (d) The first credit facility, of \$2.5 million, was to be advanced in two tranches. The first tranche of \$800,000 was advanced by BMO to refinance the Predecessor's then-existing debt (the "**Loan**"). The second tranche of \$1.7

million was to be advanced by BMO to the Predecessor to finance part of the first phase of the Project.

- (e) BMO also agreed to provide a letter of credit to guarantee certain of the Predecessor's obligations in connection with the Project, and a revolving demand loan to assist with the construction costs of the Project (with the second tranche of the first credit facility, collectively, the "**Additional Credit Facilities**").
- (f) One of the preconditions for the advance of the Additional Credit Facilities was that the Predecessor was required to provide six pre-sale agreements for lots in the Project.
- (g) The Loan was repayable on demand and interest was payable monthly in arrears.
- (h) As security for the Loan, BMO obtained a first-ranking charge (the "**Charge**") against the property bearing PIN 63137-0001 (LT) and described as PCL 14-1 SEC C10-VER; PT LT 14 CON 10 VERULAM PT 1 57R8056; KAWARTHA LAKES (the "**Property**").
- (i) The terms of the Charge are contained in Standard Charge Terms and a related schedule thereto (collectively, the "**Charge Terms**").
- (j) In addition to the Charge, the Predecessor also provided BMO with, among other security, a security interest over all of the Predecessor's personal

property, assets and undertaking pursuant to a general security agreement executed by the Predecessor as of July 22, 2005 (the “**GSA**”).

- (k) The Predecessor amalgamated with Bobcaygeon Shores Services Inc. to form the Debtor on January 1, 2006, and the Debtor assumed the obligations of the Predecessor under the Commitment Letter, the Charge and the GSA, and the other security provided by the Predecessor to BMO.
- (l) By letter dated November 14, 2007, BMO amended the Commitment Letter by cancelling the Additional Credit Facilities and requiring the Debtor to repay the Loan by October 31, 2008 (the “**Loan Deadline**”).
- (m) Thereafter, BMO extended the Loan Deadline four more times, to October 31, 2013, to permit the Debtor additional time to repay the Loan.
- (n) In October 2013, BMO and the Debtor agreed to amortize the Loan over 20 years.
- (o) A search of title against the Property discloses that the Charge is the only registration against the Property.
- (p) A search conducted against the Debtor under the personal property registration system discloses two registrations, one in favour of BMO and one in favour of Ford Credit Canada Leasing.

Default

- (q) Pursuant to the Commitment Letter, the Debtor is required to (among other things) make monthly payments of the interest accrued on the Loan.
- (r) The Debtor has not made an interest payment on the Loan since November 28, 2014.
- (s) In or around November 2014, BMO and the Debtor agreed that the Debtor would make interest payments on account of the Loan for six months, until June 2015, at which time the Debtor would repay the Loan in full.
- (t) Thereafter, the Debtor decided to sell the Property and listed it for sale with CBRE Limited.
- (u) To facilitate the Debtor's efforts to sell the Property, BMO extended the Loan Deadline to August 31, 2016.
- (v) The Debtor did not sell the Property or repay the Loan.
- (w) Accordingly, by letter dated August 31, 2016, the Debtor and BMO amended the Commitment Letter (the "**Amended Commitment Letter**"). Pursuant to the terms of the Amended Commitment Letter, the total amount of the Loan was \$781,865.37 plus unpaid interest of \$68,947.88 (the "**Amended Loan**").
- (x) The Amended Commitment Letter also extended the deadline for repayment of the Amended Loan to August 31, 2017, and increased the

interest rate to BMO's prime rate plus 5%. The security the Debtor had provided to BMO in connection with the Commitment Letter remained in place and secured the Amended Loan.

- (y) BMO subsequently extended the Loan Deadline to March 31, 2018.
- (z) As of March 31, 2018, the Debtor failed to cure its defaults of the Amended Commitment Letter, refinance the Amended Loan, and has not sold the Property.
- (aa) Accordingly, BMO issued a demand for repayment of the Amended Loan and a notice of intention to enforce security on April 2, 2018.
- (bb) After issuing its demand for repayment and notice of intention to enforce security, BMO provided the Debtor with an additional month to refinance the Amended Loan or cure its defaults before moving for the order sought herein.
- (cc) Despite the fact that BMO has provided the Debtor ten years to repay the Loan and Amended Loan, and has not received any payments from the Debtor for three and a half years, the Debtor has not cured its defaults or refinanced the Amended Loan.
- (dd) Pursuant to the Charge Terms, the Debtor is required to pay all amounts owed to BMO when due. The Charge Terms also provide that BMO has the right to appoint a receiver in the event that the Debtor is in default of the provisions of the Charge Terms.

- (ee) Similarly, pursuant to paragraph 9(a) of the GSA the Debtor is in default of the GSA when it defaults under any of its obligations to BMO, including its failure to repay interest on the Amended Loan. Paragraph 10 of the GSA provides that BMO has the right to appoint a receiver of the assets, undertaking and property of the Debtor on the Debtor's default of the GSA.
- (ff) As of May 3, 2018, the amount outstanding under the Amended Loan was \$970,029.15.
- (gg) BMO has at all times acted in good faith towards the Debtor and has been understanding and patient in its arrangements with the Debtor. It is reasonable and prudent for BMO to begin enforcement of its security in an effort to recover the Amended Loan and it is within BMO's rights to do so.
- (hh) The Debtor is insolvent and unable to fulfill all of its obligations to BMO and perhaps to other stakeholders.
- (ii) In the circumstances, it is just and convenient to appoint a receiver over the undertaking, property and assets of the Debtor with the power to market and sell the Debtor's property for the benefit of BMO and any other creditors.
- (jj) A receiver is necessary for the protection of both the Debtor's estate, and the interests of BMO and other stakeholders.
- (kk) Spergel is a licensed trustee in bankruptcy and is familiar with the circumstances of the Debtor and its arrangements with BMO.

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- (ll) Spergel has consented to being appointed as receiver, without security, of all of the assets, undertaking and property of the Debtor.
 - (mm) Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
 - (nn) Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.
 - (oo) Rules 1.04, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
 - (pp) Such further and other grounds as the lawyers may advise.
3. The following documentary evidence will be used at the hearing of the application:
- (a) The affidavit of Eden Orbach, sworn May 4, 2018;
 - (b) The consent of Spergel to act as receiver; and

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- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

May 4, 2018

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Lawyers for the applicant

BANK OF MONTREAL
Applicant

-and- BOBCAYGEON SHORES DEVELOPMENTS LTD.
Respondent

CIV-18-597249-
Court File No. ODC1

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT
TORONTO

NOTICE OF APPLICATION

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Lawyers for the applicant

Tab 2

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N:

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- and -

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

**AFFIDAVIT OF EDEN ORBACH
(Sworn May 4, 2018)**

I, Eden Orbach, of the City of Toronto, in the province of Ontario, MAKE OATH
AND SAY:

1. I am a Senior Manager with the Special Accounts Management Unit of Bank of Montreal ("**BMO**"), the applicant in this proceeding. 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.

A. Purpose

2. I swear this affidavit in support of an application brought by BMO to appoint msi Spergel inc. ("**Spergel**") as receiver over the property, assets and undertaking of the respondent, Bobcaygeon Shores Developments Ltd. (the "**Debtor**").

B. Background

3. The Debtor is an Ontario corporation with a registered office in Bobcaygeon, Ontario.

4. The sole director and officer of the Debtor is George Godwin ("**Godwin**").

5. BMO is a highly diversified financial services provider based in North America. BMO provides a broad range of personal and commercial banking, wealth management and investment banking products and services to its customers. BMO is also a Schedule I bank under the *Bank Act*, S.C. 1991, c. 46, as amended.

6. Pursuant to a commitment letter dated July 12, 2005 (the "**Commitment Letter**"), BMO provided three separate credit facilities to Bobcaygeon Shores Developments Ltd., a predecessor of the Debtor (the "**Predecessor**"), to assist the Predecessor in its development of a subdivision in Bobcaygeon, Ontario (the "**Project**"). Attached hereto and marked as **Exhibit "A"** is a copy of the Commitment Letter.

7. The first credit facility, of \$2.5 million, was to be advanced in two tranches. The first tranche of \$800,000 was advanced by BMO to refinance the Predecessor's then-existing debt and provide funds for certain predevelopment costs of the Project (the

“Loan”). The second tranche of \$1.7 million was to be advanced by BMO to the Predecessor to finance servicing costs associated with the first phase of the Project.

8. BMO also agreed to provide a letter of credit to guarantee certain of the Predecessor’s obligations in connection with the Project, and a \$1 million revolving demand loan to assist with the construction of the Project (with the second tranche of the first credit facility, collectively, the **“Additional Credit Facilities”**).

9. The Commitment Letter provided that one of the preconditions for the advance of the Additional Credit Facilities, was that the Predecessor provide evidence to BMO of at least six pre-sale agreements for lots in the Project. However, the Project never reached this stage of development.

10. The Loan was repayable on demand by BMO, and interest on the Loan was 1.25% and payable monthly in arrears.

11. As security for the Predecessor’s obligations under the Commitment Letter, including the Loan, BMO obtained a first-ranking charge (the **“Charge”**) against the property bearing the PIN 63137-0001(LT) and known legally as PCL 14-1 SEC C10-VER; PT LT 14 CON 10 VERULAM PT 1 57R8056; KAWARTHA LAKES (the **“Property”**).

12. The Property is owned by the Debtor and consists of approximately 80 acres of vacant land on the east side of Highway 36 in Kawartha Lakes, Ontario. A copy of the Charge, as well as the applicable Standard Charge Terms and a schedule thereto (collectively, the **“Charge Terms”**), is attached hereto and marked as **Exhibit “B”**.

13. In addition to the Charge, the Predecessor also provided BMO with, among other security, a security interest over all of the Predecessor's personal property, assets and undertaking pursuant to a general security agreement executed by the Predecessor as of July 22, 2005 (the "**GSA**"). Attached hereto and marked as **Exhibit "C"** is a copy of the GSA.

14. As security for the Predecessor's obligations to BMO in connection with the Commitment Letter, Godwin provided BMO with a \$4 million personal guarantee, executed July 22, 2005.

15. The Predecessor amalgamated with Bobcaygeon Shores Services Inc. to form the Debtor on January 1, 2006, and the Debtor assumed the obligations of the Predecessor under the Commitment Letter, the Charge, the GSA, and the other security provided by the Predecessor to BMO. Attached hereto and marked as **Exhibit "D"** is a copy of the corporate profile report of the Debtor.

16. By letter dated November 14, 2007, BMO amended the Commitment Letter by cancelling the Additional Credit Facilities and requiring the Debtor to repay the Loan by October 31, 2008 (the "**Loan Deadline**"). However, the Loan remained a demand loan. Further, the letter stated that if the Project "achieved significant home presales" BMO would consider reinstating the Additional Credit Facilities. Attached hereto and marked as **Exhibit "E"** is a copy of the November 14, 2007 letter.

17. Thereafter, BMO subsequently extended the Loan Deadline four more times, to October 31, 2013, to permit the Debtor additional time to repay the Loan, and increased the interest rate on the Loan ultimately to BMO's prime rate plus 4%. Attached hereto and

marked as **Exhibits “F”, “G”, “H”, and “I”** are copies of the four letters extending the Loan Deadline.

18. Based on my review of BMO's written records it appears, and I do verily believe, that in or around October 2013, BMO and the Debtor agreed to amortize the Loan over a 20 year period.

19. A search of title against the Property discloses that the Charge is the only registration against the Property. A copy of the title search is attached hereto and marked as **Exhibit “J”**.

20. A search conducted against the Debtor under the personal property registration system discloses one registration in favour of BMO and one registration in favour of Ford Credit Canada Leasing. Attached hereto and marked as **Exhibit “K”** is a copy of the personal property registration system search results.

C. Default

21. Pursuant to the Commitment Letter, the Debtor is required to (among other things) make monthly payments of the interest accrued on the Loan.

22. The Debtor stopped making interest payments on the Loan in November 2014. The Debtor's last payment to BMO on account of the Loan was more than three and a half years ago on November 28, 2014.

23. Based on my review of BMO's written records it appears, and I do verily believe, that in or around November 2014, BMO and the Debtor agreed that the Debtor would

make interest payments on account of the Loan for six months, until June 2015, at which time the Debtor would repay the Loan in full.

24. As noted above, the Debtor did not make any interest payments from December 2014 to June 2015.

25. On May 28, 2015, BMO wrote to the Debtor to advise that the Debtor remained in default of the Commitment Letter for failing to make monthly interest payments on the Loan. BMO provided the Debtor with two options: it could provide BMO with a repayment plan by July 31, 2015, or the Debtor could list the Property for sale on condition that a binding agreement of purchase and sale be executed by August 31, 2015. A copy of the May 28, 2015 letter is attached hereto and marked as **Exhibit "L"**.

26. Sometime thereafter, the Debtor decided to sell the Property and listed it for sale with CBRE Limited.

27. To facilitate the Debtor's efforts to sell the Property, BMO extended the Loan Deadline two more times to August 31, 2016. Attached hereto and marked as **Exhibits "M"** and **"N"** are copies of the October 1, 2015 and May 20, 2016 letters from BMO regarding the same.

28. Despite this additional time, the Debtor did not sell the Property or repay the Loan.

29. Accordingly, by letter dated August 31, 2016, the Debtor and BMO amended the Commitment Letter (the **"Amended Commitment Letter"**). Pursuant to the terms of the Amended Commitment Letter, the total amount of the Loan was \$781,865.37 plus unpaid interest of \$68,947.88 (the **"Amended Loan"**).

30. The Amended Commitment Letter also extended the deadline for repayment of the Amended Loan to August 31, 2017, and increased the interest rate to BMO's prime rate plus 5%. The security the Debtor had provided to BMO in connection with the Commitment Letter remained in place and secured the Amended Loan. Attached hereto and marked as **Exhibit "O"** is a copy of the Amended Commitment Letter.

31. BMO subsequently extended the Loan Deadline two more times, to October 31, 2017, so that the Debtor could market and sell the Property. Attached hereto and marked as **Exhibits "P" and "Q"** are copies of the two letters from BMO regarding the same.

32. The Debtor did not sell the Property or repay the Amended Loan by October 31, 2017.

33. On October 31, 2017, BMO wrote to the Debtor and again advised that it remained in default of the Amended Commitment Letter. However, BMO also advised the Debtor that the bank remained willing to work the Debtor so that it could retain the Property. BMO again provided two options to the Debtor. The Debtor could pay all amounts then outstanding on the Amended Loan or refinance the Amended Loan for a further five months until March 31, 2018—three and a half years after the Debtor had made its most recent payment to BMO. BMO gave the Debtor a week to respond to the proposal in the email.

34. The Debtor responded later that same day and advised BMO that it could not cure the defaults by November 6, 2017.

35. BMO responded to the Debtor's email and advised that if the Debtor elected to repay all amounts then owing on the Amended Loan, BMO would work with the Debtor to develop a short repayment schedule.

36. On November 1, 2017, the Debtor replied to BMO's email and stated that it did not believe it would be able to cure its defaults or re-finance the Amended Loan before March 31, 2018.

37. BMO responded and advised that the bank was hopeful that the Debtor could make arrangements to re-finance the Amended Loan before March 31, 2018, and remain in control of the Property. In the interim, BMO advised that it would provide the Debtor with a letter reserving BMO's rights under the Amended Commitment Letter and related security documents. Attached hereto and marked as **Exhibit "R"** is a redacted copy of the October 31 and November 1, 2017 email exchange between BMO and the Debtor.

38. Later that day, BMO wrote to the Debtor and Godwin to notify them that the Debtor remained in default of the Amended Commitment Letter. BMO also reiterated its agreement to extend the date for repayment of the Amended Loan to March 31, 2018, and that BMO was reserving all of its rights and remedies under the Amended Commitment Letter and related security. Further, BMO advised that the bank remained willing to permit the Debtor to list and market the Property for sale until March 31, 2018, in order to repay all amounts owed to BMO. Attached hereto and marked as **Exhibit "S"** is a copy of the November 1, 2017 letter.

39. By email dated November 3, 2017, BMO requested the Debtor's permission to speak with a CBRE Limited agent regarding the sale of the Property, including why it remained listed for sale for over two years.

40. After refusing multiple times to allow BMO to speak to CBRE Limited, the Debtor eventually relented and granted BMO permission to speak to CBRE Limited, but did not provide contact information to BMO.

41. The Debtor responded to the November 3, 2017 email on November 4, 2017, and advised that it had received a signed offer for the purchase of the Property in June 2017 that it had not accepted. Attached hereto and marked as **Exhibit "T"** is a redacted copy of the November 3 and 4, 2017 email exchange.

42. On February 20, 2018, the Debtor wrote to BMO and provided BMO with a proposal. Despite BMO's requirement that the Debtor re-finance the Amended Loan on or before March 31, 2018, to avoid BMO enforcing on its security, the proposal did not contain any details regarding refinancing the Amended Loan. Instead, the proposal detailed the steps necessary for the development of the Property. The Debtor concluded the proposal by stating that it "would take some time" to secure an alternate lender and that the Debtor would like to negotiate a "draft plan" with the municipality before approaching any other lenders regarding refinancing the Amended Loan. Attached hereto and marked as **Exhibit "U"** is a redacted copy of the February 20, 2018 email and proposal.

43. This proposal was not acceptable to BMO as it did not provide any details regarding either repayment of the amounts owed to BMO or refinancing of the Amended Loan.

44. BMO responded to the Debtor's email on February 21, 2018. BMO requested, among other information, details from the Debtor regarding the refinancing of the Amended Loan or how the Debtor intended to remedy its defaults under the Amended Commitment Letter.

45. The Debtor responded to BMO later that same day but did not address either of these two issues. Attached hereto and marked as **Exhibit "V"** is a redacted copy of the February 21, 2018 email exchange.

46. On March 5, 2018, the Debtor again wrote to BMO and requested that BMO provide additional financing so that the Debtor could not only construct two houses to pay off the existing debt owed to BMO, but also three to four additional houses to cover the additional debt that the Debtor proposed be advanced by BMO.

47. On March 14, 2018, counsel for BMO wrote to the Debtor and advised that the Debtor's March 5, 2018 proposal was not acceptable to the bank. The letter reiterated BMO's position that if the Debtor did not repay all amounts owed to BMO by March 31, 2018, BMO would make a formal demand for repayment of the Amended Loan and enforce its security. Attached hereto and marked as **Exhibit "W"** is a copy of the March 14, 2018 letter.

48. As of March 31, 2018, the Debtor had not cured its defaults of the Amended Commitment Letter, refinanced the Amended Loan, or sold the Property.

49. Accordingly, BMO issued a demand for repayment of the Amended Loan and a notice of intention to enforce security on April 2, 2018. Attached hereto and marked as **Exhibit "X"** is a copy of the demand letter and notice of intention to enforce security.

50. On April 9, 2018, counsel for BMO again wrote to the Debtor and advised that it intended to seek the appointment of a receiver over the Debtor's assets, undertaking and property on May 9, 2018. However, BMO also stated that it would schedule the hearing of the application for a receiver of the Debtor on May 9, 2018, to permit the Debtor a further five weeks to cure its defaults or secure alternate financing. Attached hereto and marked as **Exhibit "Y"** is a copy of the April 9, 2018 letter.

51. As at the date of this affidavit, three and a half years after the Debtor's last payment on the Amended Loan, the Debtor has not cured its defaults of the Amended Commitment Letter, refinanced the Amended Loan, or sold the Property.

52. As at May 3, 2018, the total amount outstanding under the Loan is \$970,029.15.

D. Receiver

53. Pursuant to paragraph 3(b) of the Standard Charge Terms, the Debtor is required to pay all amounts owed to BMO when due. The Charge Terms provide that BMO has the right to appoint a receiver in the event that the Debtor is in default of the Charge Terms. The Charge Terms provide:

Notwithstanding anything herein contained it is declared and agreed that at any time and from time to time when there shall

be default under the provisions of this charge, [BMO] may at such time and from time to time and with or without entry into possession of the charged land or any part thereof by writing appoint a receiver (which term as used in this charge includes a receiver and manager) of the charged land or any part thereof.

54. Similarly, pursuant to paragraph 9(a) of the GSA the Debtor is in default of the GSA when it defaults on any of its obligations to BMO, including its failure to repay interest on the Amended Loan. Paragraph 10 of the GSA provides:

Upon any default under this Security Agreement, [BMO] may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constitute and to enforce its rights by entry; or by the [appointment] by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof ... or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers for the sale of the Collateral or any part thereof....

55. BMO has at all times acted in good faith towards the Predecessor and the Debtor. At this time, BMO considers it reasonable and prudent for it to proceed with the enforcement of its security in an effort to recover the amounts owed by the Debtor to BMO, and it is within BMO's rights to do so.

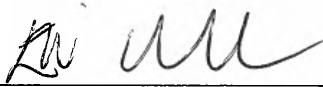
56. The Debtor is insolvent and is unable to fulfill all of its obligations to BMO, and perhaps to other stakeholders.

57. In the circumstances set out above, BMO believes that it is just and equitable that a receiver be appointed. A receiver is necessary for the protection of the Debtor's estate, BMO's interest and, perhaps, other stakeholders.

58. BMO proposes that Spergel be appointed as receiver of the Debtor. Spergel is a licensed trustee in bankruptcy and is familiar with the circumstances of the Debtor and its arrangements with BMO.

59. Spergel has consented to act as receiver should the Court so appoint it.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario on May
4, 2018

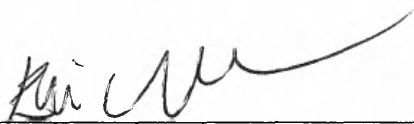


Commissioner for Taking Affidavits
(or as may be)

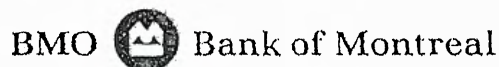


Eden Orbach

This is Exhibit "A" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, appearing to be "Ken" followed by a stylized flourish.

Commissioner for Taking Affidavits (or as may be)



BMO Bank of Montreal
Real Estate Finance
First Canadian Place
11th Floor
Toronto, ON M5X 1A1

Phone: 416-867-5790
Fax: 416-867-6366
E-mail: steven.mackinnon@bmo.com

July 12, 2005

Bobcaygeon Shores Developments Ltd.
c/o George Godwin
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

Attention: Mr. George Godwin

Dear Mr. Godwin:

RE: **BMO BANK OF MONTREAL PROPOSAL OF FINANCING FOR
THE BOBCAYGEON SHORES PROJECT, BOBCAYGEON, ONTARIO**

We are pleased to present the following Commitment Letter confirming that BMO Bank of Montreal (hereinafter referred to as the "Bank") has authorized the following credit facilities for Bobcaygeon Shores Developments Ltd. and the Bobcaygeon Shores project under the terms and conditions outlined herein.

Borrower: Bobcaygeon Shores Developments Ltd.

Guarantor: Mr. George Godwin.

FACILITY #1

Loan Amount: \$2,500,000.

This facility will be available as follows:

Tranche A:	\$ 800,000 (Repay land debt & predevelopment costs)
Tranche B:	\$ 1,700,000 (Phase I Servicing)
Total	\$ 2,500,000

Loan Type: Demand Loan, Non-Revolving.

Loan Purpose: To assist with the development of Phase I of the Bobcaygeon Shores subdivision located on the southern waterfront on the east side Highway 36 in Bobcaygeon, Ontario (hereinafter referred to as the "Project"). The entire site for the Bobcaygeon Shores subdivision comprises 80 acres that is draft plan approved for 272 lots and is expected to be developed in 6 Phases, with Phase I consisting of 19 waterfront lots and 13 interior lots. Tranche A is to refinance the Borrower's existing land debt in the amount of \$600,000 and provide funds for predevelopment costs. Tranche B is to finance the servicing costs associated with Phase I of the project.

Interest Rate: Bank of Montreal's Prime Rate + 1.25% per annum, floating, calculated and payable monthly in arrears.

Repayment: On demand. Notwithstanding compliance with the terms and conditions of this facility (including, without limitation, any covenants set out in this Agreement), the Bank may at any time demand repayment of any and all amounts under this facility and the Borrower hereby agrees to pay such amounts to the Bank upon such demand being made.

Anticipated Source of Repayment: From net closing proceeds of lot sales to end users units and/or resources of the Borrower and/or Guarantors. Full loan repayment is anticipated within 24 months of initial drawdown.

Based upon the information provided to date, we understand the cost of servicing for the Project and sources of financing for Phase I to be as follows (in 000s):

PROJECTED COSTS

Land	\$2,424
Site Servicing	1,132
Soft Costs (including interest)	565
Contingency	203
TOTAL	\$4,324

SOURCES OF FINANCING

Equity in Land	\$1,824
Bank Loan	2,500
TOTAL	\$4,324

PROJECTED VALUE

19 Waterfront Lots	\$5,700
13 Internal Lots	\$1,105
Total Phase I Lots	\$6,805

Notes to the Project Budget:

- (a) With prior written approval of the Bank, the Borrower shall be able to revise the budget and apply any budget item saving, as determined by the Bank, in its sole discretion and acting reasonably, to another budget item subject to the following:
 - (i) The general contingency allowance has been fully utilized;
 - (ii) The revised aggregate budget items do not cause the Bank loan to exceed the authorized amount or the maximum advances allowed under the "Margin Conditions" outlined below;
 - (iii) Agreement by Bank that the project budget continues to be fully adequate to complete the project.
- (b) The land included in the Project Budget is the total actual cost of all land (i.e. Phase I and residual acreage) to the Borrower, including carrying costs since purchase in 1989, such as legal, land financing costs and property taxes;
- (c) GST payable on hard and soft costs during development is not included in the Project Budget and will be funded from this facility on a temporary basis pending requests for rebates and receipt of reimbursements.

Margin Conditions:

1. Accumulated advances are not at any time to exceed total cost of work in place including land, hard costs, soft costs, and bank charges, less required equity,

less accounts not to be paid before the next draw, less GST rebates (as received), and less holdbacks. The undrawn portion of this facility is at all times to be sufficient to cover costs to complete, pay outstanding payables and holdbacks.

2. Draw requests are to be provided to the Bank monthly. Draws will be released and applied on the basis of draw requests as submitted by the Borrower. Draw requests are to be accompanied by a list of accounts to be paid, Borrower's certificate relative to soft costs, and an engineer's certificate relative to hard costs, indicating cost of work in place, amount of holdback and cost to complete.
3. If at any time pending or during disbursement of the loan, the undrawn loan balance shall not be sufficient to complete the project in accordance with the approved plan and specifications and pay for all costs thereof, the Borrower and/or Guarantor shall inject cash equity into the project equal to the deficiency prior to any further loans being permitted.
4. Bank is to subsearch title at time of each draw, except for advances exclusively for interest, at the expense of the Borrower and there shall be no liens or encumbrances prior to the Bank's security or subsequent thereto unless the Bank has given its approval therefore.
5. The provisions of the Construction Lien Act are to apply at all times.

FACILITY #2:

Loan Amount: \$500,000.

Loan Type: Commercial Letters of Credit, Non-Revolver.

Purpose: To be issued in favour of local utilities and the municipality to guarantee performance relative to the Project.

Term: Maximum 1 year, renewals as required.

Commission: 1.50% per annum, payable in advance minimum \$350.00. In the event that an issued Letter of Credit is reduced / cancelled prior to 90 days before maturity, the Letter of Credit fee shall be refunded on a pro-rata basis.

Conditions (Facility #2):

1. After demand advances and authorization under Facility #1 are reduced to nil, all surplus incoming funds will be placed in a Bank of Montreal interest bearing deposit account and pledged to the Bank as specific security for the Letters of Credit on a dollar per dollar basis.
2. Property searches are to be conducted at the date of each Letter of Credit advance at the expense of the Borrower and there shall be no liens or encumbrances prior to the Bank's security or subsequent thereto unless the Bank has given its approval therefor.

FACILITY #3

Loan Amount: \$1,000,000.

Loan Type: Demand Loan, Revolving.

Loan Purpose: To assist with the construction of presold single family homes (including up to a maximum of 1 model home) for the Project.

Interest Rate: Bank of Montreal's Prime Rate + 1.25% per annum, floating, calculated and payable monthly in arrears.

Repayment: On demand. Notwithstanding compliance with the terms and conditions of this facility (including, without limitation, any covenants set out in this Agreement), the Bank may at any time demand repayment of any and all amounts under this facility and the Borrower hereby agrees to pay such amounts to the Bank upon such demand being made.

Anticipated Source of Repayment: From net sale proceeds of single family homes as per Discharge Privilege.

Margin Conditions:

1. Accumulated Advances are to be contained within 100% of hard and soft work in place (excluding land costs) for presold homes and up to a maximum of 1 model/spec homes, as evidenced by a Builder's Report, less:
 - accounts payable which are not to be paid before the next reporting date;
 - holdbacks as retained by the Borrower;
 - purchasers' deposits.
2. Draw requests are to be provided to the Bank monthly. At time of each monthly draw, the Bank is to be provided with a signed Builder's Report indicating the status of the unit, work in place, cost to complete, purchaser's name, purchaser's deposit received and to be received, holdbacks and accounts payable not being paid prior to the next reporting date.
3. Bank financing is restricted to presold single-family homes, up to a maximum of 1 model/spec units. In order to be included in the Margin Condition formula as a pre-sold unit, the following conditions shall apply:
 - a) A copy of the Purchase and Sale Agreement is to be provided to the Bank for substantiation;
 - b) Purchase and Sale Agreement is to provide for a minimum staggered deposit of no less than 10% of the purchase price of the unit (to a maximum of \$40,000), and the Borrower is to have received a minimum cash deposit of \$20,000 of the purchase price of the unit prior to initial advance;
 - c) Bank will be provided with evidence that purchasers are pre-qualified for mortgage financing or have the financial capacity to close on a best-efforts basis.

Bank will be provided with a copy of all purchase and sale agreements covering the single-family units within 15 days of execution and acceptance.
- ✓ 4. Copy of the building permit and copy of the registration of the house/unit under Tarion Warranty Plan to be provided to the Bank, if requested, prior to commencement of construction of a specific house/unit.

5. Bank is to subsearch title of all lots/blocks under construction at time of each draw, except for advances exclusively for interest, at the expense of the Borrower and there shall be no liens or encumbrances prior to the Bank's security or subsequent thereto unless the Bank has given its approval therefor.
6. The provisions of the Construction Lien Act are to apply at all times.

Conditions Precedent:

Prior to the initial advance of funds under Tranche A of Facility #1 and advance of funds for 1 model home under Facility #3, the Bank or its counsel shall have received confirmation that the following conditions have been met:

1. All security and loan documentation is to be provided in form and substance satisfactory to the Bank and its legal counsel, including the following:
 - a) All material agreements, permits and documents which are the subject of the project that are securing these facilities;
 - b) A detailed development budget and cashflow statement for the servicing of the project in form and substance acceptable to the Bank;
 - c) Draft Plan of Subdivision and boundary plan of survey.
2. The Bank is to be provided with a Phase I Environmental Audit on the subject property from a Bank approved engineering firm. The audit is to be deemed acceptable by the Bank in its sole discretion. **(WAIVED)**
3. The Bank is to be provided with a Municipal tax certificate showing all real estate taxes are paid up-to-date.
4. The Bank is to be provided with evidence of Liability Insurance.
5. Account Management will perform a site visit of the subject property and be satisfied with the subject site. **(SATISFIED)**
6. Evidence of Draft Plan approval to be provided to the Bank prior to any advances. Subdivision Agreement to be provided as available. **(SATISFIED)**

Conditions Precedent:

Prior to the initial advance of funds under Tranche B of Facility #1 and Facilities #2 and #3, the Bank or its counsel shall have received confirmation that the following conditions have been met:

1. All Conditions Precedent for Tranche A of Facility #1 are to have been met.
2. The Bank is to be provided with evidence of a minimum of 6 end-user presales on waterfront lots at the subject site.
3. Services are to be installed under fixed-price contracts. Copy of contracts to be provided to the Bank for review, if requested, and will reflect cost consistent with project budget. A Banker's Report will be obtained on the Contractor if not favourably known to the Bank.
4. The Borrower will hire an experienced local builder, acceptable to the Bank, to assist with the on-site supervision of the project (with a copy of the contract to be provided to the Bank).

General Conditions:
(All Facilities)

1. The Banking Facilities are extended on a demand basis and the Bank will retain the right to review the account at any time and at least annually with the Borrower and Guarantor to provide current accountant-prepared financial statements within 120 days of year-end.
2. All third party out-of-pocket costs and expenses incurred by the Bank in establishing or operating these facilities (including but not limited to legal and consulting costs) are for the account of the Borrower.
3. The Borrower will open a current account at a convenient branch of BMO Bank of Montreal and, during the course of Bank financing for this project, this account is to be utilized for all deposits and withdrawals related to the project.
4. Municipal tax certificate showing all real estate taxes are paid up-to-date is to be provided annually.
5. The Borrower and the Guarantor are to provide the Bank with any other information that may be reasonably requested from time to time.
6. All closing proceeds from the sale of the units, net of normal adjustments, are to be deposited to a current account in the Borrower's name at BMO Bank of Montreal.
7. If requested by the Bank, the Borrower agrees to erect a sign (provided by the Bank) advertising financing of the project.
8. No dividends, equity withdrawals, or repayment of shareholder loans are to be made without prior written approval by the Bank prior to cancellation and/or cash collateralization of credit facilities hereunder.
9. Vendor Take Back Mortgages to end-purchasers are not permitted without the prior written consent of the Bank.
10. The Bank retains the right to engage Consulting Engineers and/or Costs Consultants at its sole discretion with cost to be borne solely by the Borrower.
11. Periodic site visits are to be conducted by the Bank.
12. The Bank is to be provided the first right of refusal to provide development and construction financing for the remaining phases of the subject property.

Security:

As security for the Loans, the following documents, instruments, agreements and other assurances (collectively the "Security Documents") are to be held by the Bank:

To Be Obtained:

The Bank or its counsel shall have received fully executed copies of the following documents, instruments, agreements prior to the first advance of funds, which shall be in form and substance satisfactory to the Bank and its solicitors:

1. Demand Collateral Mortgage on the Bank's standard form in the amount of \$5,000,000 containing a fixed charge over the entire Project. To be registered under Land Titles / Registry. Receiver / Manager clause and acceleration clause in the event of sale to be included.

2. General Security Agreement providing a first floating charge over the projects to be registered under the Personal Property Security Act.
3. Guarantee in the amount of \$4,000,000 executed by the Guarantor.
4. General Assignment of all contracts, project plans, specifications, permits, agreements of purchase and sale, etc..
5. Deficiency Agreement to be executed by the Borrower and Guarantor agreeing to fund costs not included or in excess of forecast expenditures.
6. Letters of Indemnity for Issued Commercial Letters of Credit.
7. Pledge Agreement for cash collateral.
8. Environmental Checklist & Indemnity on the Bank's form signed by the Borrower and Guarantor.
9. Articles of Incorporation, Certificates, and appropriate Borrowing and Enabling Resolutions of the Borrower, and Borrower's solicitor's opinion regarding corporate authority and enforceability in form satisfactory to the Bank's solicitors, acting reasonably.
10. A favourable Letter of Opinion from the Bank's solicitor confirming the validity and enforceability of the Bank's security.
11. Any other security documents considered necessary by the Bank's solicitors.

No Subsequent
Encumbrances:

The Borrower covenants and agrees that it shall not without the prior written consent of the Bank, consent for which shall not be unreasonably withheld, execute or deliver any mortgage, charge, lien or other encumbrance of the properties intended to rank subordinate to any of the Security Documents.

Noteless Advances:

The Borrower acknowledges that the actual recording of the amount of any advance or repayment thereof under the above credit facilities, and interest, fees, and other amounts due in connection with the above credit facilities, in an account of the Borrower maintained by the Bank, shall constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under the credit facilities; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with terms and conditions of the credit facilities as set out in this offer of financing shall not be affected by the failure of the Bank to make such recording. The Borrower also acknowledges being indebted to the Bank for principal amounts shown as outstanding from time to time in the Bank's account records, and all accrued unpaid interest in respect thereto, which principal and interest the Borrower hereby undertakes to pay to the Bank in accordance with the terms and conditions applicable to the credit facilities as set out in this letter.

Discharge Privilege:

Discharges of the lots in Phase I of the Project will be provided upon payment of the full net closing proceeds from each lot to be directed firstly to repay Facility #3 in the amount advanced relative to each unit, secondly to repay Facility #1 in the amount listed below.

#	<u>Type</u>	<u>Discharge</u>
---	-------------	------------------

19	Waterfront Lots	\$300,000
13	Internal Lots	\$ 85,000
32	Total	

In the event no outstandings exist under Facility #1, all further sales proceeds are to be directed towards cash collateralizing Facility #2 hereunder. All development credits and rebate revenues are to be utilized to repay Bank advances as/when received.

Discharge Fee: \$100 per lot.

Documents for Execution: A \$100 fee per document will be levied on documents requiring execution by Bank officers (excluding partial discharges).

Draw Fee: Bank shall receive a \$400 fee for each draw request under Facility #1 and #3.

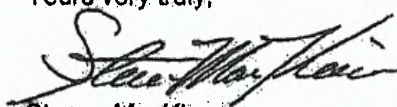
Applicable Law: All matters relating to these facilities, including but without limitation, all notes, other agreements and documentation provided or entered into pursuant to these shall be governed by and construed under the laws of the Province of Ontario, Canada.

Application Fee: An initial application fee in the amount of \$10,000 has been paid. In the event this offer of financing is accepted, a fee in the amount of \$25,000 is to be paid upon acceptance of this offer of financing.

Any requests for material changes to these credit facilities will be entertained at the Bank's sole discretion and potentially subject to additional fees, negotiable at such time.

We appreciate the opportunity granted to provide financing for Bobcaygeon Shores Developments Ltd. and the Bobcaygeon Shores project and trust the above terms meet with your approval. We would be pleased if you would indicate your acceptance by signing and returning the enclosed copy of this Commitment Letter by July 31, 2005 failing which this Commitment will be deemed to have expired.

Yours very truly,



Steven MacKinnon
Relationship Manager



per Steven Traub
Senior Manager

ACCEPTANCE

The terms and conditions of the above Commitment Letter are acceptable. We enclose the required fee of \$25,000.

Dated this 15th day of July, 2005.

BORROWER:

Bobcaygeon Shores Developments Ltd.

PER:

Name, Title:

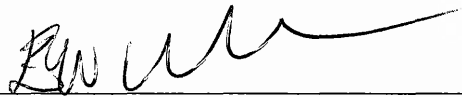
PER:

Name, Title:

GUARANTOR:

Mr. George Godwin

This is Exhibit "B" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, appearing to read "Lynne W. Orbach", written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)



Form 2 - Land Registration Reform Act

CAKEware Inc.
(416) 367-0600
08/1993

38

<p>CERTIFICATE OF RECEIPT</p> <p>VICTORIA (S7) LINESAY</p> <p>2005 JUL 29 PM 2 13</p> <p><i>H. Blom</i></p> <p>LAND REGISTRAR</p>		<p>(1) Registry <input type="checkbox"/> Land Titles <input checked="" type="checkbox"/></p> <p>(2) Page 1 of 3 pages BH</p>											
<p>New Property Identifiers</p> <p>Executions</p> <p>Additional: See Schedule <input type="checkbox"/></p> <p>Additional: See Schedule <input type="checkbox"/></p>		<p>(3) Property Identifier(s) Block Property 63137 - 0001 (LT)</p> <p>Additional: See Schedule <input type="checkbox"/></p> <p>(4) Principal Amount Five million dollars</p> <p>Dollar \$ 5,000,000.00</p> <p>(5) Description Parcel 14-1, Section C10-VER being Part of Lot 14, Concession 10, formerly in the Township of Verulam, County of Victoria designated as Part 1 on Plan 57R-8056 now City of Kawartha Lakes</p> <p>Land Registry Office for the Land Titles Division of Victoria (No. 57).</p>											
<p>(6) This Document Contains</p> <p>(a) Redescription New Easement Plan/Sketch <input type="checkbox"/></p> <p>(b) Schedule for: Description <input type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input checked="" type="checkbox"/></p> <p>(7) Interest/Estate Charged Fee Simple</p>		<p>(8) Standard Charge Terms - The parties agree to be bound by the provisions in Standard Charge Terms filed as number 882 and the Chorgor(s) hereby acknowledge receipt of a copy of these terms.</p>											
<p>(9) Payment Provisions</p> <p>(a) Principal Amount \$ 5,000,000.00</p> <p>(b) Interest Rate Prime Rate + 1.25 % per annum</p> <p>(c) Calculation Period</p>		<p>(d) Interest Adjustment Y M D</p> <p>(e) Payment Date and Period ON DEMAND</p> <p>(f) First Payment Date Y M D</p> <p>(g) Last Payment Date</p> <p>(h) Amount of Each Payment Dollars \$</p> <p>(i) Balance Due Date ON DEMAND</p> <p>(j) Insurance See Standard Charge Terms</p> <p>Dollars \$</p>											
<p>(10) Additional Provisions</p> <p>"Prime Rate" means the floating annual rate of interest established by the Bank of Montreal from time to time as the reference rate it will use to determine rates of interest payable by the Bank's borrowers to the Bank on loans in Canadian dollars made by the Bank to such borrowers in Canada and designated by the Bank as its Prime Rate.</p> <p style="text-align: right;">Continued on Schedule <input checked="" type="checkbox"/></p>													
<p>(11) Chorgor(s) The chorgor hereby charges the land to the charge XXXXXXXXXXXXXXXXXXXXXXX</p> <p>The Chorgor(s) acknowledge(s) receipt of a true copy of this charge.</p> <p>Name(s) BOBCAYGEON SHORES DEVELOPMENTS LTD.</p> <p>Signature(s) _____ Date of Signature Y M D 2005 07 22</p> <p>Name: George A. Godwin</p> <p>Title: President/Secretary</p> <p>I have authority to bind the Corporation.</p>													
<p>(12) Spouse(s) of Chorgor(s) I hereby consent to this transaction.</p> <p>Name(s) _____ Signature(s) _____ Date of Signature Y M D</p>													
<p>(13) Chorgor(s) Address for Service</p> <p>11 Russell Hill Road, R.R. #1, Bobcaygeon, Ontario K0M 1A0</p>													
<p>(14) Chargee(s)</p> <p>BANK OF MONTREAL</p>													
<p>(15) Chargee(s) Address for Service</p> <p>Real Estate Finance, First Canadian Place, 11th Floor, 100 King Street West, Toronto, Ontario M5X 1A1</p>													
<p>(16) Assessment Roll Number of Property</p> <table border="1" style="width: 100%;"> <tr> <th>Cty.</th> <th>Mun.</th> <th>Map</th> <th>Sub.</th> <th>Par.</th> </tr> <tr> <td>16</td> <td>51</td> <td>026</td> <td>020</td> <td>17900</td> </tr> </table>				Cty.	Mun.	Map	Sub.	Par.	16	51	026	020	17900
Cty.	Mun.	Map	Sub.	Par.									
16	51	026	020	17900									
<p>(17) Municipal Address of Property</p> <p>Vacant land Bobcaygeon, Ontario</p>		<p>(18) Document Prepared by:</p> <p>IAN N. KADY Fogler, Rubinoff LLP Barristers & Solicitors 95 Wellington Street West Suite 1200 Toronto-Dominion Centre Toronto, Ontario M5J 2Z9</p> <p style="text-align: right;">05/3777 ert</p>											
		<p>Fees</p> <table border="1" style="width: 100%;"> <tr> <th>Registration Fee</th> <th>Total</th> </tr> <tr> <td></td> <td>60</td> </tr> </table>		Registration Fee	Total		60						
Registration Fee	Total												
	60												

**SCHEDULE TO CHARGE/MORTGAGE OF LAND
COLLATERAL MORTGAGE
LAND REGISTRATION REFORM ACT, 1984
FOR USE WITH STANDARD CHARGE TERMS NO. 882**

The provisions of the set of Standard Charge Terms filed as No. 882 shall be amended as follows:

1. Subparagraph (o) shall be deleted from paragraph 2 and the following shall be substituted for the said subparagraph (o):
 - (o) "Sum" means the amount inserted on Page 1 of the charge and is the principal amount of the Indebtedness of the Chargor to the Chargee for debts contracted to the Chargee and/or all or any part of the liability of the Chargor to the Chargee pursuant to or with respect to any guarantee, guarantees, note, notes, agreement or agreements referred to in the charge.
2. Subparagraph (aa) of paragraph 5 shall be amended by the insertion of the word "No" as the first word of the said subparagraph (aa).
3. Subparagraph (bb) of paragraph 5 shall be amended by the insertion of the word "The" as the first word of the said subparagraph (bb).
4. Paragraph 7 shall be amended by replacing the word "change" with the word "charge" in the first line of the said paragraph 7.
5. Paragraph 13 shall be amended by deleting the following from lines 5 and 6: "(other than as set out in paragraph 11 hereof)".

The following additional provisions form part of the charge:

RECEIVER AND MANAGER

Notwithstanding anything herein contained it is declared and agreed that at any time and from time to time when there shall be default under the provisions of this charge, the Chargee may at such time and from time to time and with or without entry into possession of the charged land or any part thereof by writing appoint a receiver (which term as used in this charge includes a receiver and manager) of the charged land or any part thereof and of the Rents and profits thereof and with or without security and may from time to time by similar writing remove any receiver and appoint another in his stead and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. Upon the appointment of any such receiver or receivers from time to time the following provisions shall apply:

1. That the statutory declaration of an officer of the Chargee as to default under the provisions of this charge shall be conclusive evidence thereof;
2. That every such receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all Rents falling due in respect of the charged land or any part thereof whether in respect of any tenancies created in priority to this charge or subsequent thereto;
3. That every such receiver may, in the discretion of the Chargee and by writing be vested with all or any of the powers and discretions of the Chargee;
4. That the Chargee may from time to time by such writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the charged land or the proceeds thereof;
5. That every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Chargor and in no event the agent of the Chargee;
6. That the appointment of every such receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the receiver in any respect and such appointment or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the charged land or any part thereof.

7. That every such receiver shall from time to time have the power to rent any portion of the demised premises which may become vacant for such term and subject to such provisions as he may deem advisable or expedient and in so doing every such receiver shall act as the attorney or agent of the Chargor and he shall have authority to execute under seal any lease of any such premises in the name of and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever any such receiver may do in the premises;
8. That every such receiver shall have full power to complete any unfinished construction upon the charged land with the intent that the charged land and the buildings thereof when so completed shall be complete structure as represented by the Chargor to the Chargee for the purpose of obtaining this loan;
9. That every such receiver shall have full power to manage, operate, amend, repair, alter or extend the charged land or any part thereof in the name of the Chargor for the purpose of securing the payment of rental from the charged land or any part thereof;
10. That no such receiver be liable to the Chargor to account for monies or damages other than cash received by him in respect of the charged land or any part thereof and out of such cash so received every such receiver shall in the following order pay:
 - (a) his remuneration aforesaid;
 - (b) all payments made or incurred by him in connection with the management, operation, amendment, repair, alteration or extension of the charged land or any part thereof;
 - (c) in payment of interest, principal and other money which may, from time to time, be or become charged upon the charged land in priority to this charge, and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect of the charged land or any part thereof.

SET OF STANDARD CHARGE TERMS
(COLLATERAL - COMMERCIAL AND RESIDENTIAL)

FILED BY BANK OF MONTREAL

FILING NO.882

FILING DATE: February 8, 1988

The following set of Standard Charge Terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act.

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2. DEFINITIONS

All terms used herein that are defined in the Act shall have the same meanings herein as in the Act except as expressly varied by this set of Standard Charge Terms. In this set of Standard Charge Terms and in each charge:

- (a) "Act" means the Land Registration Reform Act, 1984 and any amendments thereto in effect at the time of execution and delivery of the charge.
- (b) "Agreed Charge" is defined in paragraph 5(d) hereof.
- (c) "charge" means the Form 2 Charge/Mortgage of Land made pursuant to the Act and the regulations thereunder in which this set of Standard Charge Terms is included by reference therein to its filing number and includes all Schedules thereto, and for greater certainty includes a Form 2 Charge/Mortgage of Land in which one or more of such Standard Charge Terms are expressly excluded or are varied in accordance with the Act.
- (d) "Chargee" means Bank of Montreal and its successors and assigns.
- (e) "Chargor" means the party or parties so identified in the charge and his, her or their successors and assigns, as the case may be.
- (f) "Interest Adjustment Date" means the date for the adjustment of interest provided for in the charge.
- (g) "land" means land, tenements, hereditaments and appurtenances and any estate or interest therein, and for greater certainty includes all buildings, plant, machinery, erections and improvements fixed or otherwise, present or future, built, placed or put thereon including, without limitation, all fences, heating, plumbing, antennae, radiators, mirrors, air-conditioning, ventilating, fire alarm and protective systems, lighting and lighting fixtures, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows and doors, window and door screens, shutters and awnings, and all other apparatus and equipment appurtenant thereto, and all other fixtures, accessions and accretions of any kind or nature.
- (h) "charged land" means the land described in the charge.
- (i) "Indebtedness" means the Sum, all interest thereon and all other present and future indebtedness and liability of the Chargor to the Chargee whether direct or indirect, absolute or contingent, revolving or non-revolving, whether incurred by the Chargor alone or together with any other debtor or debtors and whether incurred pursuant to the provisions of the charge or otherwise, including all interest thereon.
- (j) "interest" unless the context otherwise requires means interest payable by the Chargor to the Chargee at the rate or rates of interest applicable to the Indebtedness or any part or parts thereof from time to time as agreed between the Chargor and the Chargee in writing from time to time and if no rate of interest has been so agreed upon in respect of any part or parts of the Indebtedness, the highest rate of interest applicable to the other part or parts of the Indebtedness and subject to the aforesaid means of determination, the rate of interest, if any, specified in the charge.
- (k) "Other Claims" is defined in paragraph 5(d) hereof.
- (l) "regulations" means the regulations made under Part I of the Act.
- (m) "Schedule" means a schedule to the charge as contemplated by the Act and regulations thereunder.
- (n) "successor" means an heir, executor, administrator or successor.
- (o) "Sum" means the principal amount in which the Chargor is indebted to the Chargee for debts contracted to the Chargee in the course of its banking business in the amount set out in the charge and/or pursuant to any guarantee, guarantees, agreement or agreements referred to in the charge.
- (p) "Taxes" means all taxes, rates and assessments, municipal, local, parliamentary or otherwise, in regard to the charged land.

3. OPERATION OF CHARGE

Charge of Charged Land

- (a) In consideration of the premises, other valuable consideration and the sum of two (\$2.00) dollars of lawful money of Canada now paid by the Chargee to the Chargor, (the receipt and sufficiency of which are acknowledged by the Chargor), the Chargor hereby charges the charged land to and in favour of the Chargee as security for payment to the Chargee of the Indebtedness (including the Sum) and as security for the observance and performance of all other obligations of the Chargor arising pursuant to or in respect of the charge.

Defeasance

- (b) The charge is given upon the express condition that if the Chargor shall duly pay or cause to be paid to the Chargee all Indebtedness (including the Sum) and all notes, bills of exchange and other instruments now or hereafter evidencing the Indebtedness or any part thereof and all renewals and replacements of and substitutions for the same or any of them or any part thereof and all such other sums as the Chargee may be entitled to by virtue of the charge as and when such Indebtedness, notes, bills of exchange and other instruments, renewals, replacements, substitutions and sums shall respectively become due and payable with interest as well after as before maturity, default or judgment and upon the observance and performance of all the Chargor's obligations, agreements, covenants and conditions set out in the charge, the Chargor may request from the Chargee a discharge of the charge and upon delivery by the Chargee to the Chargor of a discharge of the charge, the charge shall terminate; provided that, for greater certainty, the charge shall not terminate while any Indebtedness remains unpaid only because, at any prior time or times, all Indebtedness had been paid in full. The right of foreclosure is hereby expressly given and reserved to and retained by the Chargee in the same manner and to the same extent as if the Chargor had transferred the charged land to the Chargee by way of mortgage subject to a proviso for redemption.

Repayment

- (c) The Chargor shall pay the Indebtedness (including the Sum) to the Chargee on demand for payment unless there are specific dates for payment in the charge, in which case, the Chargor shall (subject to all other provisions hereof) pay the Sum to the Chargee on the specific dates as so indicated and the Chargor shall pay the remainder of the Indebtedness, if any, to the Chargee on demand by the Chargee for payment.

Continuing Security

- (d) The charge shall be a continuing security to the Chargee for the payment of all Indebtedness, notwithstanding at any time and from time to time there is:
 - any change in the nature, state or form of any account between the Chargor and the Chargee;
 - any new advance by the Chargee to the Chargor, whether by way of loan, discount, the drawing of a

cheque against an account of the Chargor or otherwise;

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

No such event or act shall constitute or be deemed to be a payment on account of the Indebtedness or any part thereof or call for or require any application, appropriation or payment on account of the Indebtedness or any part thereof unless such application, appropriation or payment shall have been expressly agreed to in writing by the Chargee or until the charge shall have been fully released and discharged by the unconditional delivery of a discharge of the charge executed by the Chargee and the charge shall be deemed to be taken as security for the ultimate balance of the Indebtedness. The charge and any provision thereof shall not operate so as to create any merger, rebate or discharge of any debt owing to the Chargee or of any lien, bond, note, bill of exchange or other security held by or which may hereafter be held by the Chargee from the Chargor or from any other person or persons whomsoever and the charge shall not in any way prejudicially affect any security held or which may hereafter be held by the Chargee as security for payment of the Indebtedness or any part or parts thereof or the liability of any endorser or any other person or persons upon any such lien, bond, note, bill of exchange or other security or contract or any renewal or renewals thereof held by the Chargee for or on account of the Indebtedness or any part or parts thereof nor shall the remedies of the Chargee in respect thereof be prejudiced or delayed in any manner whatsoever by the taking of the charge.

Application of Amounts Paid

- (e) Any and all payments made in respect of the Indebtedness and the moneys or other proceeds realized from any securities held therefor (unless otherwise agreed in writing) shall, prior to default by the Chargor, be applied firstly to reduce compound interest, secondly to reduce interest (other than compound interest), thirdly to reduce principal and fourthly to reduce any other Indebtedness. All amounts received by the Chargee on account of the Indebtedness after default of the Chargor shall be applied in the manner determined by the Chargee in its sole discretion. Every certificate signed by a manager, acting manager or assistant manager of the branch or banking unit of the Chargee where the Chargor's account is kept at the time such certificate is signed or any certificate signed by an executive officer of the Chargee or any officer or agent appointed by the Chargee for such purpose purporting to show at any particular time the amount of the Indebtedness or the amount due and payable pursuant to or in respect of the charge shall be prima facie evidence as against the Chargor of the amount of the Indebtedness or the amount due and payable pursuant to or in respect of the charge at such time.

Payment of Interest

- (f) For greater certainty, the Chargor shall pay to the Chargee interest on the Sum at the rate specified in the charge (unless the Chargor and the Chargee agree in writing that interest shall be payable by the Chargor to the Chargee at a rate other than the rate specified in the charge).

4. IMPLIED COVENANTS EXCLUDED

In accordance with subsection 7(3) of the Act, the covenants deemed to be included in a Charge/Mortgage of Land by subsection 7(1) of the Act are expressly excluded from every charge in which this set of Standard Charge Terms is referred to by its filing number.

5. EXPRESS COVENANTS AND TERMS

The following covenants and terms shall be deemed included in every charge in which this set of Standard Charge Terms is referred to by its filing number, except to the extent they are expressly excluded from a charge or are varied by setting out the covenant or term appropriately amended in the charge, and shall be construed and applied as covenants made by the Chargor for the Chargor and the Chargor's successors and assigns to and in favour of the Chargee, its successors and assigns, to the same extent as if set out as such in the charge executed and delivered by the Chargor.

Payment of Principal and Interest

- (a) The Chargor shall pay to the Chargee the Indebtedness (including the Sum and all interest) as and when the same becomes due, in lawful money of Canada, without deduction or set-off of any kind.

Observance and Performance of Terms and Conditions

- (b) The Chargor shall duly and punctually observe and perform all the terms and conditions of the charge which are to be observed and performed by the Chargor.

Taxes

- (c) The Chargor shall promptly pay or cause to be paid as they become due all taxes already charged or hereafter to be charged by any authority on the charged land as and when they shall become due and within one (1) month from the date fixed for the payment of the last instalment of Taxes in each year, shall furnish the Chargee with receipted tax bills showing all such Taxes for the year paid.

Good Title And Freedom Encumbrances

- (d) At the time of execution and delivery of the charge, the Chargor is, subject to any charge prior to the charge to which priority the Chargee has consented to in writing (hereinafter singularly or collectively as the case may be called the "Agreed Charge"), the legal and beneficial owner of, and has a good, absolute and indefeasible title and estate in fee simple to the charged land and appurtenances thereto, without any encumbrances, liens, charges, mortgages, reservations, limitations, provisos or conditions whatsoever except those contained in the original grant thereof from the Crown; the Chargor has good right, full power and lawful and absolute authority to charge the charged land and its appurtenances to the Chargee in accordance with the terms of the charge; the Chargor has not done, omitted or permitted anything whereby the charged land or the Chargor's estate, right, title or interest therein is or may be alienated, encumbered, liened, charged, mortgaged, impeached or affected save as to any Agreed Charge; and save as to any Agreed Charge, the charged land is free and clear of and from all encumbrances, liens, charges and mortgages including, without limitation, any outstanding statutory liens or charges on the charged land, arrears of Taxes, executions, former mortgages, conveyances and rights (which encumbrances, liens, charges and mortgages including the Agreed Charge, if any, are hereinafter collectively called "Other Claims").

Insurance

- (e) The Chargor shall forthwith insure and during the continuance of the charge keep insured in favour of the Chargee against loss or damage by fire, lightning and tempest and such other risks and perils as hereinafter set out, all buildings, plant, machinery, equipment, erections and improvements, fixed or otherwise, now or hereafter forming part of the charged land, both during erection and placement and thereafter, and also crops and other personal property or produce of the land which may be charged by the charge, to their full insurable value or if the Chargee so requires, to their replacement cost, and in an amount sufficient to avoid the application of any co-insurance provision, in Canadian funds. Such insurance shall include loss or coverage normally included, in the opinion of the Chargee, in

an extended coverage endorsement, provided that, if required by the Chargee, such insurance shall be "all risks" insurance. The covenant of the Chargor to insure shall also include, where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation or replacement of such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof or at least five (5) days before the cancellation thereof, should notice of the cancellation be given, otherwise the Chargee may provide therefor and charge to the Chargor the premiums paid therefor and the same shall be a part of the Indebtedness and shall be secured by the charge upon the charged land and shall be payable forthwith with interest. And in default, the balance of the Indebtedness shall at the Chargee's option, immediately become due and payable and all powers hereby conferred upon the Chargee shall become exercisable. The Chargee may require any insurance aforesaid to be effected with a company or companies approved by the Chargee and may also, of its own accord without reference to the Chargor, effect or maintain any insurance herein provided for with such companies as it may see fit and any amount paid by it therefor shall be forthwith payable to it with interest and shall be part of the Indebtedness and shall be secured by the charge upon the charged land. The Chargor shall arrange for the Chargee to be named as beneficiary and mortgagee in all insurance contracts with preference in favour of the Chargee over any claim of any other person or persons, firm, company, commission or government and for a mortgage clause, in form and substance satisfactory to the Chargee, to be attached as an endorsement to each of such policies. The Chargor shall arrange for the delivery to the Chargee, prior to the making of any advance of principal by the Chargee, of certified copies of all such policies and of receipts evidencing the payment of premiums for such insurance. As additional and separate security for payment of the Indebtedness, the Chargor hereby assigns, transfers and sets over to the Chargee, all the Chargor's present and future interests in and to all such present and future insurance policies and all proceeds therefrom. For greater certainty, the Chargee shall have a lien for the payment of the Indebtedness on all insurance effected and may elect to have the insurance moneys applied in reinstatement or towards payment of the Indebtedness (whether due or not) but shall not be obligated to accept the said moneys in payment of any principal or other part or parts of the Indebtedness not then due. In the event of any loss or damage, the Chargor shall, at the Chargor's sole expense, promptly after the occurrence of such loss or damage, notify the Chargee of such loss or damage, furnish all necessary proofs and do all acts required to enable the Chargee to obtain all insurance proceeds. Production of the charge and this set of Standard Charge Terms shall be sufficient authority for any insurer concerned (and such insurer is hereby so directed) to pay any such loss to the Chargee. No damage to property insured may be repaired or any reconstruction effected without the prior written approval of the Chargee.

Payments by Chargee

- (f) The Chargee may pay the whole or any part of any Other Claims now or hereafter existing in respect of the charged land or in respect of the Indebtedness and may pay all costs, charges, expenses (including legal fees as between a solicitor and his own client), commissions and fees which may be incurred in taking, recovering and keeping possession of the charged land and of inspecting the same and in instituting any proceedings and in negotiating the loan secured by the charge, investigating the title to the charged land and in preparing and registering the charge and other instruments and in collecting the Indebtedness or any moneys payable by the Chargor under the charge and generally in taking any other proceedings in connection with or to realize the Indebtedness. The amounts so paid and insurance premiums and any other moneys paid by the Chargee including payments made for Taxes, repairs, utilities, heating and maintenance of the charged land shall be payable forthwith by the Chargor to the Chargee with interest thereon and shall be a part of the Indebtedness and shall be secured by the charge upon the charged land and, in default of payment, the balance of the Indebtedness shall immediately become due and payable at the option of the Chargee and all powers hereby conferred on the Chargee shall become exercisable. In the event of the Chargee satisfying any Other Claims it shall be entitled to all the equities, rights and securities of the person or persons, firm, company, commission or government so paid and to obtain an assignment of any Other Claims so paid and of any right to payment and is hereby authorized to retain any discharge thereof without registration for so long as it may think fit so to do and, in any event, for a longer period than six (6) months if the Chargee deems it proper to do so.

Power of Chargee to Sell or Lease on Default

- (g) If default of payment shall be made, in respect of any amount due pursuant to or in respect of the charge, whether for principal, interest or otherwise, the Chargee on such default of payment continuing for at least fifteen (15) days may on at least thirty-five (35) days' notice enter on and lease the charged land or any part or parts thereof and receive and take the rents, issues and profits thereof or on such default of payment continuing for at least fifteen (15) days may on at least thirty-five (35) days' notice sell the charged land or any part or parts thereof, in accordance with the following provisions:
- (i) notice shall be given to such persons and in such manner and form and within such time as provided under Part III of the Mortgages Act, R.S.O. 1980, Chapter 296, as amended and supplemented from time to time, or under such statutory provision as may be enacted in substitution or amendment of Part III; provided that in the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, notice may be effectually given by leaving it with a person on the charged land, if occupied, or by placing the same on some portion thereof, if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the area or region in which the charged land is situate;
 - (ii) such notice shall be sufficient although not addressed to any person or persons by name or designation, and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability;
 - (iii) sale of the charged land may be by public auction or private sale or partly by one and partly by the other, for such price as can reasonably be obtained therefor and on such terms as to credit and otherwise and with such conditions of sale and stipulations as to title or evidence or commencement of title or otherwise as the Chargee in its discretion shall deem proper;
 - (iv) in the event of any sale on credit or for part cash and part credit, the Chargee shall not be accountable for or charged with any moneys until actually received;
 - (v) the Chargee may rescind or vary any contract of sale and may buy in and re-sell the charged land or any part thereof without being answerable for any loss occasioned thereby;
 - (vi) the Chargee may sell all or any part of the buildings, fixtures, machinery, equipment, crops and standing or fallen trees apart from the charged land and the purchaser shall have all necessary access for severing, cutting and removal;
 - (vii) no purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety and no lack of default or want of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease hereunder;
 - (viii) the Chargee may sell or lease without entering into actual possession of the charged land and when it desires to take possession it may break locks and bolts and while in possession shall only be accountable for moneys received by it;
 - (ix) subject to compliance with the Planning Act, 1983, S.O. 1983, Chapter 1, as amended and supplemented from time to time, sales may be made from time to time of any part or parts of the charged land to satisfy any portion of the principal or interest or other Indebtedness owing to the Chargee pursuant to or in respect of the charge,

leaving the principal or residue thereof secured with the interest payable under the charge on the remainder of the charged land or the Chargee may take proceedings to sell and may sell the charged land for part of any sums owing or in arrears subject to the balance of said sums not yet due at the time of the said sale;

- (x) the Chargor hereby appoints the Chargee the Chargor's true and lawful attorney and agent to make application under the said Planning Act and to do all things and execute all documents to effectually complete any such sale or lease;
- (xi) the Chargee may lease or take sale proceedings notwithstanding that other mortgage proceedings have been taken or are then pending;
- (xii) the proceeds of any sale or lease hereunder shall be applied firstly in payment of any costs, charges including legal fees on a solicitor and his own client basis, expenses, commissions and fees which may be incurred in taking, recovering or keeping possession of the charged land or in making sales, leases and conveyances as aforesaid or by reason of non-payment or procuring payment of any of the Indebtedness and secondly, to pay and satisfy the Indebtedness which remains due and unsatisfied; and after full payment and satisfaction of the Indebtedness the balance, if any, of such proceeds shall be paid to the Chargor, its successors and assigns, and/or any encumbrances entitled thereto as their interests may appear;
- (xiii) the Chargee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by its wilful neglect or default; and
- (xiv) no sale or other dealing by the Chargee with the charged land or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of any Indebtedness secured by the charge.

Quiet possession

- (h) In default of payment of the Indebtedness or in the doing, observing, performing, fulfilling or keeping of one or more of the terms, provisions, covenants, agreements or stipulations contained or included in the charge, the Chargee may peaceably and quietly enter upon and use, occupy, possess and enjoy the charged land free from all Other Claims, without hindrance, interruption or denial of the same by the Chargor or by any other person or persons.

Right of Entry

- (i) Without limitation to the immediately preceding provision, in default of payment of the principal amount or other Indebtedness secured by the charge or the payment of interest as provided in the charge or in the doing, observing, performing, fulfilling or keeping of one or more of the terms, provisions, covenants, stipulations, or agreements contained or included in the charge, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon and take and hold possession of the charged land and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements thereon or therein, or for inspecting, taking care of, leasing, collecting the rents of and managing generally the charged land as the Chargee may deem expedient and all reasonable costs, charges and expenses, including legal fees on a solicitor and his own client basis, commissions and allowances for the time and service of any employees of the Chargee or other persons appointed for the above purposes shall be forthwith payable by the Chargor to the Chargee with interest thereon and shall be a part of the Indebtedness and shall be secured by the charge upon the charged land.

Further Assurances

- (j) The Chargor and each and every person having or claiming to have an estate, right, title, interest or trust of, in or to the charged land shall, at any time and from time to time, make, execute and deliver or cause to be made, executed and delivered to the Chargee such further and other reasonable acts, deeds, conveyances and assurances as may be required to fully and effectually carry out the true intention and meaning of the charge and the terms, conditions, provisions, stipulations and agreements contained or included in the charge and the reasonable cost of such further assurances shall be added to the Indebtedness and secured by the charge.

Right to Distrain

- (k) In default of payment of the Indebtedness, the Chargee may distrain for payment of same upon the charged land or any part thereof and all chattels situated thereon and by distress warrant recover, by way of rent reserved from the charged land, so much moneys as shall from time to time be or remain in arrears and all costs, charges and expenses incurred by or on behalf of the Chargee with respect to or in connection therewith as in like cases of distress for rent. The Chargor waives the right to claim exceptions and agrees that the Chargee shall not be limited in the amount for which it may distrain.

Attornment

- (l) To the extent the charged land or any part thereof is not residential premises so as to be subject to the provisions of Part IV of the Landlord and Tenant Act, R.S.O. 1980, Chapter 232, as amended from time to time, the Chargor hereby attorns to and becomes a tenant of such charged land to the Chargee from year to year from the day of the execution of the charge during the term of the charge and any renewal or renewals thereof at a rental equivalent to and applicable in satisfaction of the interest payments forming part of the Indebtedness, the legal relation of landlord and tenant being hereby constituted between the Chargee and the Chargor in regard to the charged land. It is agreed that neither the existence of this provision nor anything done by virtue hereof shall render the Chargee a mortgagee in possession or accountable for any moneys except those actually received by it and the Chargee may, on default of payment or in breach of any of the covenants contained or included in the charge, enter on the charged land and determine the tenancy hereby created without notice.

Release of Part of Charged Land

- (m) The Chargee may at its discretion subject to the provisions of the Planning Act aforesaid at all times release any part or parts of the charged land or any other security or any surety for the Indebtedness secured by the charge either with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing any other part of the charged land or any person or other surety from the charge or from any covenants contained or incorporated in the charge and without being accountable to the Chargor for the value thereof or for any money other than that actually received by the Chargee, it being expressly agreed that every part or lot into which the charged land is or may hereafter be divided does and shall stand charged with the whole of the Indebtedness secured by the charge.

Granting of time, etc.

- (n) The Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Chargor and all other persons (including any principal debtor or guarantor) and securities as the Chargee may see fit without prejudicing the rights of the Chargee under the charge.

Compliance with Laws and Inspection

- (o) The Chargor shall comply with all laws, by-laws and regulations affecting the charged land of any governmental authority and agency having jurisdiction and at the Chargor's own expense, shall promptly and in a good and workmanlike manner make all improvements, alterations and repairs and effect any change in use that may be required from time to time to effect such compliance. Without limiting the foregoing, the Chargee or agent thereof may from time to time, enter upon the charged land and inspect the same and make such repairs as the Chargee deems necessary without thereby being deemed a mortgagee in possession and the reasonable cost of such inspection and repairs shall be a part of the Indebtedness and be secured by the charge on the charged land.

Waste

- (p) The Chargor shall not permit waste to be committed or suffered on the charged land or any part thereof and shall maintain the buildings, erections and improvements on the charged land in good order and repair to the satisfaction of the Chargee. If the Chargor neglects to keep the charged land and, without limitation, the buildings, erections and improvements forming part thereof in good condition and repair or commits or permits any act of waste on the charged land (as to which the Chargee shall be the sole judge), the Chargee may make such repairs as it deems necessary and the cost thereof shall be payable by the Chargor forthwith and shall with interest thereon until paid be a part of the Indebtedness and secured by the charge upon the charged land and, in default, the balance of the Indebtedness shall, at the Chargee's option, immediately become due and payable and all powers hereby conferred upon the Chargee shall become exercisable.

Acceleration of Principal

- (q) Notwithstanding anything contained in any note or other instrument or agreement evidencing or relating to any part of the indebtedness and without prejudice to any right of the Chargee under the charge to demand payment of the Indebtedness at any time, if the Chargor defaults in paying any of the Indebtedness when due or if the Chargor is in default pursuant to any such note, instrument or agreement or under any covenant, agreement or provision of the charge or of any Agreed Charge or upon discovery by the Chargee that any covenant or representation contained in the charge or in any loan or charge application made in connection with the Indebtedness or any part thereof is breached or untrue or upon any judgement being issued against the Chargor or upon registration of any construction lien against the charged land or upon the Chargor allowing any buildings forming part of the charged land to remain unfinished without any work being done thereon for ten (10) days or upon the expropriation of all or any part of the charged land upon the bankruptcy or insolvency of the Chargor or upon the filing of a petition in bankruptcy against the Chargor or upon the making of a proposal in bankruptcy by the Chargor, the whole of the Indebtedness (or any part thereof determined by the Chargee) shall, at the option of the Chargee, forthwith become due and payable and, in default of payment of same with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given the Chargee may be exercised forthwith and all other powers conferred under the charge shall become exercisable.

Judgments and Non-Merger

- (r) The taking of a judgment or judgments on any of the covenants herein or in the charge contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest under the charge and the said judgment may provide at the option of the Chargee that interest thereon shall be computed and payable until the said judgment shall have been fully paid and satisfied.

Effect of Sale

- (s) No sale, conveyance, transfer or other dealing by the Chargor with the charged land or any part thereof or any approval of the Chargee relating thereto shall in any way change or affect the liability of the Chargor (save as hereinafter otherwise set out) or in any way alter the rights of the Chargee as against the Chargor or any other person or persons liable for payment of the Indebtedness or any part thereof.

Waiver

- (t) No waiver, condonation or excusing by the Chargee of any default, breach or other non-performance by the Chargor at any time or times in respect of any covenant, agreement, proviso, stipulation or condition contained or included in the charge shall operate as a waiver by the Chargee of any subsequent default, breach or non-performance nor so as to defeat or affect in any way the rights of the Chargee in respect of any such subsequent default, breach or non-performance.

Alterations

- (u) The Chargor shall not make or permit to be made, any alterations or additions to the charged land and buildings thereon without the consent of the Chargee and the Chargor will not allow the charged land to remain unoccupied or unused.

Assignment of Rents

- (v) As additional and separate security for payment of the Indebtedness, the Chargor assigns, transfers and sets over to the Chargee all rents, incomes and other profits now or hereafter arising from or out of the charged land or any part thereof or any building, improvement, fixture or part thereof forming part of the charged land.

Successors and Assigns

- (w) All rights, advantages, privileges, immunities, powers and things secured to the Chargee shall be equally secured to and exercisable by its successors and assigns. All covenants and liabilities entered into or imposed upon the Chargor shall be equally binding upon the Chargor's successors and assigns. All such covenants, liabilities and obligations made or assumed by more than one person shall be joint and several unless the charge otherwise specifies. Where the context so requires, words in the singular shall include the plural, words in the plural shall include the singular and words importing the masculine gender shall include the feminine and neuter genders. Time shall be of the essence of the charge. All provisions of the charge shall have effect notwithstanding any statute to the contrary. If any provision of the charge should be found by a Court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall not apply and the charge shall remain in full force and effect without such provision.

Discharge or Assignment

- (x) The Chargee shall be entitled to prepare or have its counsel prepare a discharge or assignment of the charge and any other documents necessary to release or assign any security held by the Chargee and shall have a reasonable time after payment of the Indebtedness in full within which to prepare, execute and deliver such instruments. Interest shall continue to run and accrue to the date of receipt of such payment in full if such payment is received prior to the close of business of the Chargee on such date and otherwise to the next business day. All reasonable costs, fees and disbursements of the Chargee and the Chargee's counsel in connection with the preparation, review, execution and delivery of such instruments shall be borne by the Chargor.

Change in Spousal Status

- (y) Upon any change or happening affecting any of the following, namely:
- (i) the spousal status of the Chargor,
 - (ii) the qualification of the charged land as a matrimonial home within the meaning of Part II of the Family Law Act, 1986, S.O.1986, Chapter 4, as amended, or
 - (iii) the ownership of the charged land,

the Chargor will forthwith 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 charged land and of any spouse who is not an owner but who has a right of possession in the charged land by virtue of Section 19 of the said Family Law Act, 1986. In furtherance of such intention, the Chargor shall furnish the Chargee with such evidence in connection with any of subparagraphs (i), (ii) and (iii) of this provision as the Chargee may from time to time request.

Advances

- (z) Nothing herein and nothing contained in the charge shall obligate the Chargee to loan any amount to the Chargor.

Extension of Time

- (aa) extension of time given by the Chargee to the Chargor or anyone claiming under the Chargor or any other amendment to the charge or any other dealing by the Chargee with the owner of the charged land shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person or persons liable for payment of the indebtedness secured by the charge.

Other Security

- (bb) charge is in addition to and not in substitution for any other security at any time held by the Chargee for all or any part of the indebtedness secured by the charge, and it is understood and agreed that the Chargee may pursue its remedies thereunder or under the charge concurrently or successively at its option. Any judgment or recovery under the charge or under any other security held by the Chargee for the indebtedness secured by the charge shall not affect the right of the Chargee to realize upon the charge or any other such security.

6. OPTIONAL USE OF NOTES TO EVIDENCE INDEBTEDNESS

In the event any part of the indebtedness is evidenced by any note or notes made by the Chargor to the Chargee, such note or notes shall constitute prima facie evidence of such part of the indebtedness secured by the charge; provided that it shall not be necessary that the indebtedness or any part thereof, be evidenced by a note or notes.

7. MULTIPLE PARTIES AND ENFORCEMENT

Where a charge is made or assumed by more than one person, the covenants, liabilities and obligations entered into or imposed under the charge shall be deemed to bind such persons jointly and severally unless the charge otherwise specifies. The covenants, liabilities and obligations of the Chargor entered into or imposed under a charge upon a Chargor, shall be equally binding upon the Chargor's successors and assigns and may be enforced by the Chargee or by a successor or assignee of the Chargee. Where the context so requires, words in the singular shall include the plural, words in the plural shall include the singular and words importing the masculine gender shall include the feminine and neuter genders. Time shall be of the essence of the charge. All provisions of the charge shall have effect notwithstanding any statute to the contrary. If any provision of the charge should be found by a Court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall not apply and the charge shall remain in full force and effect without such provision.

8. NOTICE

Except as otherwise herein provided, any notice, demand or other communication to the Chargor referred to herein or in the charge may be forwarded to the Chargor by personal delivery or mailed by prepaid ordinary or registered mail to the Chargor at the Chargor's last known address as shown on the Chargee's records. The Chargor shall be deemed to have received the same on the date of delivery, if personally delivered, and on the fourth (4th) day after the same is mailed, by prepaid ordinary or registered mail, if mailed, even if the Chargor does not actually receive it.

9. TITLES AND MARGINAL NOTES

Titles and marginal notes in this set of Standard Charge Terms and in any Schedule or Schedules to the charge are inserted for convenience of reference only and shall not affect or modify the interpretation or construction of the charge, this set of Standard Charge Terms or any provision hereof or of the charge.

10. DATE OF CHARGE

Unless otherwise specified in the charge, the date of the charge shall be the Interest Adjustment Date.

11. GOVERNING LAW

These Standard Charge Terms and any charge in which they are included in whole or in part shall be governed by the laws of Ontario and the laws of Canada applicable therein.

12. UNAPPROVED CHARGE OR ENCUMBRANCE BY CHARGOR

THE CHARGOR SHALL NOT WITHOUT THE CHARGEES PRIOR WRITTEN APPROVAL, CHARGE OR ENCUMBER THE CHARGED LAND OR ANY PART THEREOF OR INTEREST THEREIN OR PERMIT ANY LIEN OR CHARGE THEREON EXCEPTING A CHARGE FOR CURRENT MUNICIPAL TAXES.

13. UNAPPROVED SALE BY CHARGOR

WITHOUT PREJUDICE TO ANY RIGHT OF THE CHARGEES TO DEMAND PAYMENT OF THE INDEBTEDNESS AT ANY TIME, THE CHARGE AND THE INDEBTEDNESS (OR ANY PART THEREOF DETERMINED BY THE CHARGEES) SHALL, AT THE OPTION OF THE CHARGEES, FORTHWITH BECOME DUE AND PAYABLE: (a) ON THE SALE, TRANSFER, LEASE OR DISPOSITION IN ANY OTHER MANNER OF THE CHARGED LAND OR ANY PART THEREOF OR INTEREST THEREIN (OTHER THAN AS SET OUT IN PARAGRAPH 11 HEREOF); OR (b) IF THE CHARGOR IS A CORPORATION, IF A CHANGE IN CONTROL OF THE CHARGOR SHALL OCCUR WITHOUT THE PRIOR WRITTEN CONSENT OF THE CHARGEES. FOR PURPOSES HEREOF, A CHANGE IN CONTROL OF A CORPORATE CHARGOR SHALL BE DEEMED TO OCCUR IF THERE IS A SALE, ASSIGNMENT OR OTHER TRANSFER OF THE EXISTING BENEFICIAL OWNERSHIP OF MORE THAN 50% OF THE VOTING SHARES OF THE CHARGOR OR OF ANY OTHER CORPORATION WHICH DIRECTLY OR INDIRECTLY OWNS MORE THAN 50% OF SUCH SHARES.

14. RELEASE

Subject to the terms and provisions contained or included in the charge, the Chargor releases to the Chargee all of the Chargor's claims upon the charged land.

This is Exhibit "C" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018



Commissioner for Taking Affidavits (or as may be)



SECURITY AGREEMENT

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

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

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

- | | |
|---|---|
| <p>(a) 11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0</p> | <p>(b) Part of Lot 14, Concession 10,
formerly Township of Verulam,
County of Victoria,
now City of Kawartha Lakes,
designated as Part 1 on Plan 57R-8056
PIN 63137-0001 (LT)</p> |
|---|---|

Attach a
schedule, if
equipment is
to be listed

2. The Debtor hereby:

- (a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto;
- (b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
- (c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above;
- (d) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immoveable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

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

time to time be situate or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

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

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

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

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

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

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

- (a) the Debtor shall default under any of the Obligations;
- (b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;
- (c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be bona fide opposed by the Debtor;

(e) the Debtor shall cease to carry on business.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor as of the 22nd day of July, 2005.

Insert date of execution

To be signed by Debtor, if Debtor is a corporation ensure signatures are authorized and if Debtor is corporation with a corporate seal, affix Corporate Seal; Debtor's name should be typed



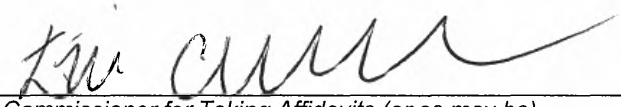
BOBCAYGEON SHORES DEVELOPMENTS LTD.

Per:

Name: George A. Godwin
Title: President/Secretary

I have authority to bind the Corporation.

This is Exhibit "D" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, appearing to read "Lm CMM", is written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Request ID: 021498400
 Transaction ID: 67687358
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/04/09
 Time Report Produced: 14:26:59
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
1665916	BOBCAYGEON SHORES DEVELOPMENTS LTD.	2006/01/01
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
11 RUSSELL HILL ROAD RR1	NOT APPLICABLE	A
BOBCAYGEON ONTARIO CANADA K0M 1A0	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
11 RUSSELL HILL ROAD R R 1		NOT APPLICABLE
BOBCAYGEON ONTARIO CANADA K0M 1A0	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	00001 00005	NOT APPLICABLE
Activity Classification		Date Ceased
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 021498400
Transaction ID: 67687358
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/04/09
Time Report Produced: 14:26:59
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1665916

Corporation Name

BOBCAYGEON SHORES DEVELOPMENTS LTD.

Corporate Name History

BOBCAYGEON SHORES DEVELOPMENTS LTD.

Effective Date

2006/01/01

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Amalgamating Corporations

Corporation Name

BOBCAYGEON SHORES SERVICES INC.

BOBCAYGEON SHORES DEVELOPMENTS LTD.

Corporate Number

1415136

848534

Request ID: 021498400
Transaction ID: 67687358
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/04/09
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1665916

BOBCAYGEON SHORES DEVELOPMENTS LTD.

Administrator:

Name (Individual / Corporation)

Address

GEORGE
ANGUS
GODWIN

11 RUSSELL HILL RD

BOBCAYGEON
ONTARIO
CANADA K0M 1A0

Date Began

First Director

2006/01/01

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Administrator:

Name (Individual / Corporation)

Address

GEORGE
ANGUS
GODWIN

11 RUSSELL HILL RD

BOBCAYGEON
ONTARIO
CANADA K0M 1A0

Date Began

First Director

2006/01/01

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

Request ID: 021498400
Transaction ID: 67687358
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

1665916

Corporation Name

BOBCAYGEON SHORES DEVELOPMENTS LTD.

Administrator:

Name (Individual / Corporation)

GEORGE
ANGUS
GODWIN

Address

11 RUSSELL HILL RD

BOBCAYGEON
ONTARIO
CANADA K0M 1A0

Date Began

2006/01/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 021498400
Transaction ID: 67687358
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1665916

BOBCAYGEON SHORES DEVELOPMENTS LTD.

Last Document Recorded

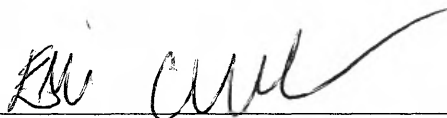
Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2016	1C	2017/07/09 (ELECTRONIC FILING)

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

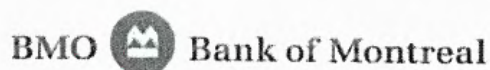
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

This is Exhibit "E" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, appearing to read "RM" followed by a stylized flourish.

Commissioner for Taking Affidavits (or as may be)



BMO Bank of Montreal
Real Estate Finance
 First Canadian Place
 11th Floor
 Toronto, ON M5X 1A1
 Phone: 416-867-4874
 Fax: 416-867-6366
 E-mail: michael.carcasole@bmo.com
 November 14, 2007

LETTER SENT BY E-MAIL and CANADA POSTE

Bobcaygeon Shores Developments Ltd.
 c/o George Godwin
 11 Russell Hill Road
 R.R. #1
 Bobcaygeon, Ontario
 K0M 1A0

Attention: Mr. George Godwin

Dear Mr. Godwin:

RE: THE BOBCAYGEON SHORES PROJECT, BOBCAYGEON, ONTARIO

As per our previous telephone conversations, please be advised that the Bank has made the following changes to the original commitment letter dated July 12, 2005:

- Loan Facility #1 Tranche A, shall be capped at a maximum of \$800,000.
- Loan Facility #1 Tranche A, shall have a repayment date of October 31, 2008.
- Loan Facility #1 Tranche B, Loan Facility #2 and Loan Facility #3, are now cancelled.

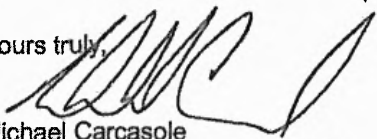
Loan Facility #1 Tranche A has current outstanding loan advances of +/- \$751,000, with remaining loan availability of +/- \$49,000. This remaining availability should be able to pay Loan Interest Capitalization Expenses for the next +/- 9 to 10 months (assuming no significant increases to lending rates in the interim). Once this remaining availability is exhausted, the Borrower shall be responsible for payment of Loan Interest charges thereafter.

Going forward into year 2008, should the project achieve significant home presales, the Bank may consider reviewing the file and reapplying for Servicing and Construction Loan Facilities – subject to completion of a new credit application. However, should Presales continue to be non existent and/or insufficient, the Bank shall seek repayment of its loan by the above date.

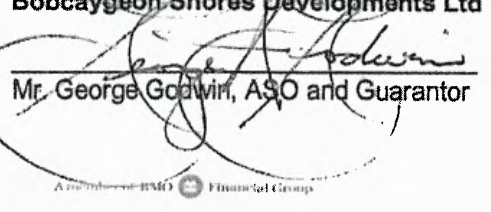
I believe the above arrangements are as we discussed and the twelve months to October 31, 2008 provides the time period you need to concentrate on your marketing efforts to make this project a success and/or find alternate sources of financing.

Please sign the Acknowledgement below, which confirms our mutual understanding regarding this matter, as outlined above, and return a copy of this letter to the undersigned.

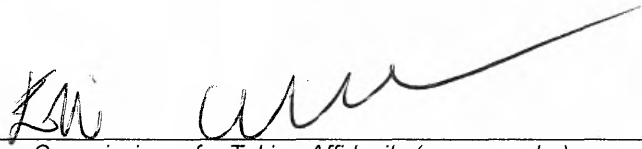
Yours truly,


 Michael Carcasole
 Senior Account Manager

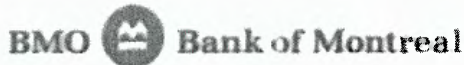
Acknowledged  Date: November, 2007
 Bobcaygeon Shores Developments Ltd


 Mr. George Godwin, ASO and Guarantor

This is Exhibit "F" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, consisting of stylized cursive letters, positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)



BMO Bank of Montreal
Real Estate Finance
 First Canadian Place
 11th Floor
 Toronto, ON M5X 1A1
 Phone: 416-867-4874
 Fax: 416-867-6366
 E-mail: michael.carcasole@bmo.com

LETTER SENT BY E-MAIL

Bobcaygeon Shores Developments Ltd.
 c/o George Godwin
 11 Russell Hill Road
 R.R. #1
 Bobcaygeon, Ontario
 K0M 1A0

November 28, 2008

Attention: Mr. George Godwin

Dear Mr. Godwin:

RE: THE BOBCAYGEON SHORES DEVELOPMENTS LIMITED, BOBCAYGEON, ONTARIO

The Bank has approved the following amendments to the existing Loan Facility, previously described as Loan Facility #1 Tranche A, which is currently fully drawn at \$800,000:

- a twenty-four month extension is approved, amending the Anticipated Loan Repayment Date to October 31, 2010. Irrespective of this revised Loan Repayment date, this extension is not to be construed as changing the facility to a Committed Loan, but rather, the facility remains a Demand Loan and the Bank retains all its rights conferred by this Demand structure.
- Loan interest is being changed from Prime +1.25% to Prime +2.00%, effective December 1st, 2008.

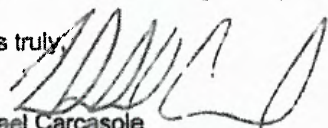
As a condition of granting the Repayment Date extension, the Borrower is to deposit Cdn \$100,000 into a Bank of Montreal cash collateral/pledge account. Upon receipt of your Acceptance to the above matters, my assistant, Miss Nadia Baglieri (416-867-5648), will be contacting you to arrange for the opening of an BMO interest paying cash collateral/pledge account and for the deposit of the Cdn \$100,000. These monies shall be drawn against for the monthly payment/servicing of interest on the Loan Facility.

All other terms and conditions, and security, as previously outlined in the Bank's Offer of Financing, and any subsequent amendments thereto, shall remain in force.

I believe the above addresses the matters we have been discussing and provides the additional time needed to bring this development on-line.

Please sign the Acknowledgement below, which confirms our mutual understanding regarding this matter, as outlined above, returning a copy of this letter to the undersigned as soon as possible.

Yours truly,


 Michael Carcasole
 Senior Account Manager

Acknowledged Date: Nov. 29, 2008
 Bobcaygeon Shores Developments Ltd


 Mr. George Godwin, ASO and Guarantor

This is Exhibit "G" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018



Commissioner for Taking Affidavits (or as may be)



BMO Bank of Montreal
Real Estate Finance
First Canadian Place
11th Floor
Toronto, ON M5X 1A1
Phone: 416-867-2855
Fax: 416-867-6366
anna.klepinin@bmo.com

November 25, 2010

LETTER SENT BY E-MAIL

Bobcaygeon Shores Developments Ltd.
c/o George Godwin
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

Attention: Mr. George Godwin

Dear Mr. Godwin:

RE: THE BOBCAYGEON SHORES DEVELOPMENTS LIMITED, BOBCAYGEON, ONTARIO

The Bank has approved the following amendments to the existing Loan Facility, previously described as Loan Facility #1 Tranche A, which is currently fully drawn at \$800,000:

- A twelve-month extension is approved, amending the Anticipated Loan Repayment Date to **October 31, 2011**, subject to receipt of Quarterly Progress Reports on the Project. Irrespective of this revised Loan Repayment date, this extension is not to be construed as changing the facility to a Committed Loan, but rather, the facility remains a Demand Loan and the Bank retains all its rights conferred by this Demand structure.

As a condition of granting the Repayment Date extension, the Borrower is to deposit **CDN\$50,000** into a Bank of Montreal cash collateral/pledge account. These monies shall be drawn against for the monthly payment/servicing of interest on the Loan Facility.

All other terms and conditions, and security, as previously outlined in the Bank's Offer of Financing, and any subsequent amendments thereto, shall remain in force.

I believe the above addresses the matters we have been discussing and provides the additional time needed to bring this development on-line.

Please sign the Acknowledgement below, which confirms our mutual understanding regarding this matter, as outlined above, returning a copy of this letter to the undersigned as soon as possible.

Yours truly,

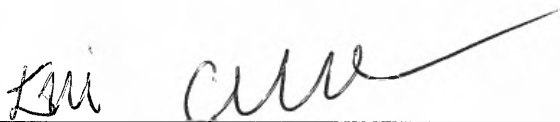
Anna Klepinin
Account Manager

Acknowledged
Bobcaygeon Shores Developments Ltd

Date: November 25, 2010

Mr. George Godwin, ASO and Guarantor

This is Exhibit "H" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in cursive script, appearing to read "LMI", followed by a long, sweeping horizontal line that extends to the right.

Commissioner for Taking Affidavits (or as may be)



BMO Bank of Montreal
Real Estate Finance
First Canadian Place
11th Floor
Toronto, ON M5X 1A1
Phone: 416-867-2855
Fax: 416-867-6366
anna.klepinin@bmo.com

December 2, 2011

Sent via email to George Godwin gg77@i-zoom.net

Bobcaygeon Shores Developments Ltd.
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

Attention: Mr. George Godwin

Dear Mr. Godwin:

RE: THE BOBCAYGEON SHORES DEVELOPMENTS LIMITED, BOBCAYGEON, ONTARIO

The Bank has approved the following amendments to the existing Loan Facility, previously described as Loan Facility #1 Tranche A, which is currently fully drawn at \$800,000:

- A twelve-month extension is approved, amending the Anticipated Loan Repayment Date to **October 31, 2012**, subject to receipt of periodic updates on the Project. Irrespective of this revised Loan Repayment date, this extension is not to be construed as changing the facility to a Committed Loan, but rather, the facility remains a Demand Loan and the Bank retains all its rights conferred by this Demand structure.

As a condition of granting the Repayment Date extension, the Borrower is to deposit **CDN\$50,000** into a Bank of Montreal cash collateral/pledge account. These monies shall be drawn against for the monthly payment/servicing of interest on the Loan Facility.

All other terms and conditions, and security, as previously outlined in the Bank's Offer of Financing, and any subsequent amendments thereto, shall remain in force.

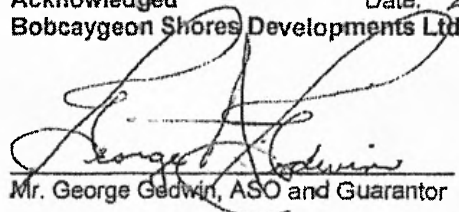
I believe the above addresses the matters we have been discussing and provides the additional time needed to bring this development on-line.

Please sign the Acknowledgement below, which confirms our mutual understanding regarding this matter, as outlined above, returning a copy of this letter to the undersigned as soon as possible.

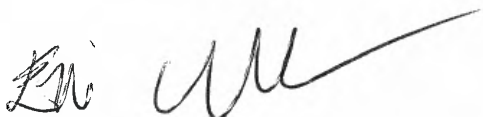
Yours truly,


Anna Klepinin
Associate Director

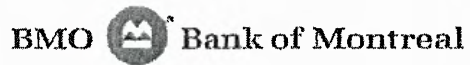
Acknowledged Date: Dec. 05, 2011
Bobcaygeon Shores Developments Ltd


Mr. George Godwin, ASO and Guarantor

This is Exhibit "I" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, consisting of stylized initials and a long, sweeping horizontal stroke.

Commissioner for Taking Affidavits (or as may be)



Bank of Montreal
100 King Street West
11th Floor,
Toronto, Ontario
M5X 1A1
Phone: 416-867-4874
Fax: 416-867-6366
E-mail: michael.carcasole@bmo.com

LETTER SENT BY E-MAIL

Bobcaygeon Shores Developments Ltd.
c/o George Godwin
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

November 7, 2012

Attention: Mr. George Godwin

Dear Mr. Godwin:

RE: THE BOBCAYGEON SHORES DEVELOPMENTS LIMITED, BOBCAYGEON, ONTARIO

The Bank has approved the following amendments to the existing Loan Facility, previously described as Loan Facility #1 Tranche A, which is currently fully drawn at \$800,000:

- a twelve month extension is approved, amending the Anticipated Loan Repayment Date to October 31, 2013, subject to receipt of Quarterly Progress Reports on the project. Irrespective of this revised Loan Repayment date, this extension is not to be construed as changing the facility to a Committed Loan, but rather, the facility remains a Demand Loan and the Bank retains all its rights conferred by this Demand structure.
- Loan interest is being changed from Prime +2.00% to Prime +4.00%, effective December 1st, 2012.

As a condition of granting the Repayment Date extension, the Borrower is to deposit Cdn \$50,000 into a Bank of Montreal cash collateral/pledge account. These monies shall be drawn against for the monthly payment/servicing of interest on the Loan Facility.

All other terms and conditions, and security, as previously outlined in the Bank's Offer of Financing, and any subsequent amendments thereto, shall remain in force.

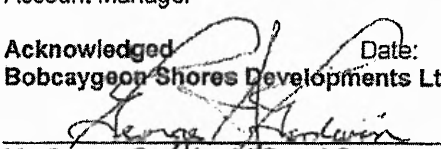
I believe the above addresses the matters we have been discussing and provides the additional time needed to bring this development on-line.

Please sign the Acknowledgement below, which confirms our mutual understanding regarding this matter, as outlined above, returning a copy of this letter to the undersigned as soon as possible.

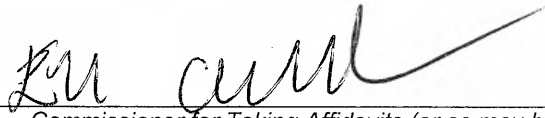
Yours truly,

Michael Carcasole
Account Manager

Acknowledged Date: Nov. 9, 2012
Bobcaygeon Shores Developments Ltd


Mr. George Godwin, ASO and Guarantor

This is Exhibit "J" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, appearing to read "Lu Ann", is written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)



Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #57

63137-0001 (LT)

PAGE 1 OF 1
PREPARED FOR Ioliveira
ON 2018/05/03 AT 15:59:30

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

PROPERTY DESCRIPTION: PCL 14-1 SEC C10-VER; PT LT 14 CON 10 VERULAM PT 1 57R8056; KAWARTHA LAKES

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

FIN CREATION DATE:
2005/05/24

OWNERS' NAMES

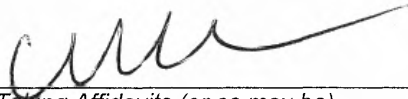
BOBCAYGEON SHORES DEVELOPMENTS LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT						
R357145	1998/12/09	CERT FIRST REGN LT REMARKS: APPLICATION R355242	DELETED INSTRUMENTS SINCE 2005/05/20 **	848534 ONTARIO INC.		C
57R8056	1998/12/09	PLAN REFERENCE				C
LT11994	1999/12/23	CHARGE	*** COMPLETELY DELETED ***	MODPRO FINANCIAL CORPORATION LIMITED		
LT17447	2005/07/29	DISCH OF CHARGE REMARKS: RE: LT11994	*** COMPLETELY DELETED *** MODPRO FINANCIAL CORPORATION LIMITED			
LT17448	2005/07/29	APL CH NAME OWNER	848534 ONTARIO INC.	BOBCAYGEON SHORES DEVELOPMENTS LTD.		C
LT17451	2005/07/29	CHARGE	\$5,000,000 BOBCAYGEON SHORES DEVELOPMENTS LTD.	BANK OF MONTREAL		C

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

This is Exhibit "K" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018



Commissioner for Taking Affidavits (or as may be)

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 4/17/2018
File Currency Date: 04/16/2018
Family(ies): 2
Page(s): 6

SEARCH : Business Debtor : BOBCAYGEON SHORES DEVELOPMENTS LTD.

The attached report has been created based on the data received by Cyberbahn, a Thomson Reuters business from the Province of Ontario, Ministry of Government Services. No liability is assumed by Cyberbahn regarding its correctness, timeliness, completeness or the interpretation and use of the report. Use of the Cyberbahn service, including this report is subject to the terms and conditions of Cyberbahn's subscription agreement.

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 4/17/2018
File Currency Date: 04/16/2018
Family(ies): 2
Page(s): 6

SEARCH : Business Debtor : BOBCAYGEON SHORES DEVELOPMENTS LTD.

FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 6
SEARCH : BD : BOBCAYGEON SHORES DEVELOPMENTS LTD.

00 FILE NUMBER : 617313042 EXPIRY DATE : 26JUL 2021 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20050726 1456 1529 3265 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: BOBCAYGEON SHORES DEVELOPMENTS LTD.

04 ADDRESS : 11 RUSSELL HILL ROAD, R.R. #1 OCN :
CITY : BOBCAYGEON PROV: ON POSTAL CODE: K0M 1A0
05 IND DOB : IND NAME:
06 BUS NAME:

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

08 SECURED PARTY/LIEN CLAIMANT :
BANK OF MONTREAL, REAL ESTATE FINANCE
09 ADDRESS : FIRST CANADIAN PLACE, 11TH FLOOR
CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A1
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
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GENERAL COLLATERAL DESCRIPTION

16 AGENT: FOGLER, RUBINOFF LLP (ATTN/IAN N. KADY)
17 ADDRESS : STE 1200, 95 WELLINGTON ST W, T-D CENTRE
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2Z9

FAMILY : 1 OF 2 ENQUIRY PAGE : 2 OF 6
 SEARCH : BD : BOBCAYGEON SHORES DEVELOPMENTS LTD.

FILE NUMBER 617313042

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 01 OF 001 MV SCHED: 20100604 1452 1530 7247
 21 REFERENCE FILE NUMBER : 617313042
 22 AMEND PAGE: NO PAGE: X CHANGE: B RENEWAL REN YEARS: 2 CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME: BOBCAYGEON SHORES DEVELOPMENTS LTD.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY:

PROV:

POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

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AMOUNT

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MAT DATE

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16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : 4126 NORLAND AVENUE

CITY : BURNABY

PROV : BC

POSTAL CODE : V5G 3S8

FAMILY : 1 OF 2 ENQUIRY PAGE : 3 OF 6
 SEARCH : BD : BOBCAYGEON SHORES DEVELOPMENTS LTD.
 FILE NUMBER 617313042
 PAGE TOT REGISTRATION NUM REG TYPE
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 21 REFERENCE FILE NUMBER : 617313042
 22 AMEND PAGE: NO PAGE: X CHANGE: B RENEWAL REN YEARS: 2 CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME: BOBCAYGEON SHORES DEVELOPMENTS LTD.

 25 OTHER CHANGE:
 26 REASON:
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE:

 OCN:
 04/07 ADDRESS:
 CITY: PROV: POSTAL CODE:
 29 ASSIGNOR:

 08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

 09 ADDRESS :
 CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE
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 16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS
 17 ADDRESS : 4126 NORLAND AVENUE
 CITY : BURNABY PROV : BC POSTAL CODE : V5G 3S8

FAMILY : 1 OF 2 ENQUIRY PAGE : 4 OF 6
 SEARCH : BD : BOBCAYGEON SHORES DEVELOPMENTS LTD.

FILE NUMBER 617313042
 PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 01 OF 001 MV SCHED: 20140610 1443 1530 9133
 21 REFERENCE FILE NUMBER : 617313042
 22 AMEND PAGE: NO PAGE: X CHANGE: B RENEWAL REN YEARS: 2 CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME: BOBCAYGEON SHORES DEVELOPMENTS LTD.

25 OTHER CHANGE:
 26 REASON:
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:
 CITY: PROV: POSTAL CODE:
 29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
 CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : 4126 NORLAND AVENUE

CITY : BURNABY PROV : BC POSTAL CODE : V5G 3S8

FAMILY : 1 OF 2 ENQUIRY PAGE : 5 OF 6
 SEARCH : BD : BOBCAYGEON SHORES DEVELOPMENTS LTD.

FILE NUMBER 617313042

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 1 MV SCHED: 20160510 1446 9011 2059
 21 REFERENCE FILE NUMBER : 617313042
 22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 05 CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME: BOBCAYGEON SHORES DEVELOPMENTS LTD.

25 OTHER CHANGE:
 26 REASON:
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:
 CITY: PROV: POSTAL CODE:
 29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
 CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : BANK OF MONTREAL TR 5193
 17 ADDRESS : 100 KING STREET WEST, 7TH FLOOR
 CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A1

FAMILY : 2 OF 2 ENQUIRY PAGE : 6 OF 6
 SEARCH : BD : BOBCAYGEON SHORES DEVELOPMENTS LTD.

00 FILE NUMBER : 726520896 EXPIRY DATE : 11APR 2020 STATUS :
 01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
 REG NUM : 20170411 1439 1530 0528 REG TYP: P PPSA REG PERIOD: 3
 02 IND DOB : IND NAME:
 03 BUS NAME: BOBCAYGEON SHORES DEVELOPMENTS LTD.

OCN :
 04 ADDRESS : 11 RUSSELL HILL RD.
 CITY : BOBCAYGEON PROV: ON POSTAL CODE: KOM 1A0
 05 IND DOB : IND NAME:
 06 BUS NAME:

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

08 SECURED PARTY/LIEN CLAIMANT :
 FORD CREDIT CANADA LEASING, A DIVISION OF CANADIAN ROAD LEASING COMPANY

09 ADDRESS : PO BOX 2400
 CITY : EDMONTON PROV: AB POSTAL CODE: T5J 5C7
 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 2017 FORD F150 1FTEW1EF7HFB56536
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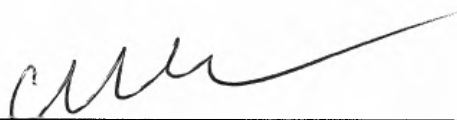
GENERAL COLLATERAL DESCRIPTION

13
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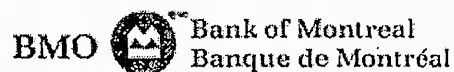
16 AGENT: CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : 4126 NORLAND AVENUE
 CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

This is Exhibit "L" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018



Commissioner for Taking Affidavits (or as may be)



May 28, 2015

VIA EMAIL and COURIER

Bobcaygeon Shores Developments Ltd.
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

and to

Mr. George Angus Godwin
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

Dear Sirs:

Re: Bank of Montreal (the "Bank") loan facilities (the "Loan") to Bobcaygeon Shores Developments Ltd. (the "Borrower") in respect of the Bobcaygeon Shores Project, Bobcaygeon, Ontario, described as Parcel 14-1, Section C10-VER, being Part of Lot 14, Concession 10 (formerly in the Township of Verulam, County of Victoria), City of Kawartha Lakes, designated as Part 1 on Plan 57R-8056, as represented by PIN 63137-0001(LT) (the "Property") guaranteed by George Angus Godwin (the "Guarantor")

In connection with the Loan the Bank hereby notifies you that the sum of \$19,874.45 is due and owing on account of interest as of the date herein and that you are in default of your obligations under the Loan. As a consequence of the subject default the Bank hereby reserves its right to make demand for repayment in full of all indebtedness due and owing to the Bank and to enforce all of the security currently held by the Bank in connection with the Loan, including, inter alia, a demand collateral charge registered on title to the Property as Instrument number LT17451 on July 29, 2005 (the "Mortgage"), and a guarantee in the sum of \$4,000,000.00 executed by the Guarantor (the "Guarantee").

Further to our recent discussions, we confirm that, without prejudice to all of the Bank's rights under its security including the Mortgage and the Guarantee, the Bank has agreed as follows:

- (a) To permit the Borrower to market and list the Property for sale, the proceeds of which sale shall be utilized to repay all indebtedness due and owing to the Bank. The Bank's

agreement to permit you to market and sell the Property is subject to the Borrower entering into a binding agreement of purchase and sale on terms and conditions acceptable to the Bank in its sole and absolute discretion which agreement shall be executed on or before August 31, 2015. In addition, the Bank must be satisfied that you are utilizing best commercial efforts in order to market and sell the Property and in connection with such sale and marketing efforts you will be required to provide the Bank with bi-weekly sales and marketing reports outlining all steps taken in connection with same.

- (b) In the alternative, the Bank requires you to provide the Bank with a repayment plan, on terms and conditions acceptable to the Bank, in its sole and absolute discretion, which repayment plan must be delivered to the Bank on or before July 31, 2015.

Notwithstanding the options set forth above, the Bank requires the immediate delivery of (i) the final tax bill for the Property together with evidence that all realty taxes owing in respect of the Property have been paid in full to date and (ii) the current certificate of insurance for the property naming BMO as loss payee. The Bank also requires the delivery, on or before July 31, 2015, of evidence that a plan of subdivision for the Property has received draft approval from the City of Kawartha Lakes and that all approval and renewal conditions in respect of same have been satisfied to date, including the payment of all fees and charges payable in respect of same.

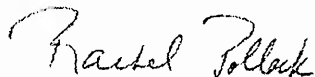
The Bank's delivery of this letter is made strictly without prejudice to all of its rights and entitlements under its security and to make demand for immediate repayment of the Loan.

Please contact the undersigned as soon as possible in order to discuss your proposal for repayment of the Loan, or in the alternative, the listing and sale of the Property in strict accordance with the terms and conditions herein.

Yours truly,

BANK OF MONTREAL

Per:

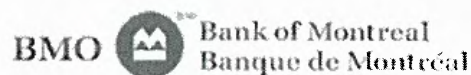


Rachel Pollock
(416) 643-1617

This is Exhibit "M" referred to in the Affidavit of Eden Orbach sworn May 4, 2018

A handwritten signature in black ink, consisting of a stylized 'L' followed by several loops and a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)



October 1, 2015

VIA EMAIL

Bobcaygeon Shores Developments Ltd.
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

and to

Mr. George Angus Godwin
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

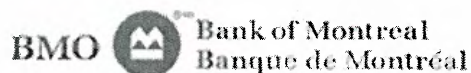
Dear Sirs:

Re: Bank of Montreal (the "Bank") loan facilities (the "Loan") to Bobcaygeon Shores Developments Ltd. (the "Borrower") in respect of the Bobcaygeon Shores Project, Bobcaygeon, Ontario, described as Parcel 14-1, Section C10-VER, being Part of Lot 14, Concession 10 (formerly in the Township of Verulam, County of Victoria), City of Kawartha Lakes, designated as Part 1 on Plan 57R-8056, as represented by PIN 63137-0001(LT) (the "Property") guaranteed by George Angus Godwin (the "Guarantor")

Further to the Bank's letter dated May 27, 2015, the Bank confirms that it is prepared to extend the date for repayment of all indebtedness due and owing to the Bank to April 30, 2016, subject to the Bank's reservation of the right to make demand, at any time, for repayment in full of all indebtedness due and owing to the Bank and to enforce all of the security currently held by the Bank in connection with the Loan.

Without prejudice to the Bank's rights, the Borrower must comply with all of the terms and conditions set forth in the aforementioned letter dated May 27, 2015, save as otherwise amended herein.

Accordingly, the Bank will continue to permit the Borrower to market and list the Property for sale, the proceeds of which sale shall be utilized to repay all indebtedness due and owing to the Bank. The Bank's agreement to permit you to market and sell the Property is subject to the Borrower entering into a binding agreement of purchase and sale on terms and conditions acceptable to the Bank, in its sole and absolute discretion, which agreement shall be executed on



or before March 1, 2016. In addition, the Bank must be satisfied that you are utilizing best commercial efforts in order to market and sell the Property and in connection with such sale and marketing efforts you will be required to provide the Bank with bi-weekly sales and marketing reports outlining all steps taken in connection with same. In the alternative, the Bank requires you to provide the Bank with a repayment plan, on terms and conditions acceptable to the Bank, in its sole and absolute discretion, which repayment plan must be delivered to the Bank on or before March 1, 2016.

The Bank also requires the Borrower to provide evidence as soon as possible that all realty taxes due and owing (including any interest and penalties) have been paid in full for 2015. Furthermore, the Borrower must pay all 2016 interim realty taxes for the Property on or before the due date for the payment of same and to provide the Bank with evidence of such payment.

The Bank's delivery of this letter is made strictly without prejudice to all of its rights and entitlements under its security and to make demand for immediate repayment of the Loan.

We look forward to receiving your proposal for repayment of the Loan, or in the alternative, receiving a report regarding the listing and sale of the Property in strict accordance with the terms and conditions herein.

Yours truly,

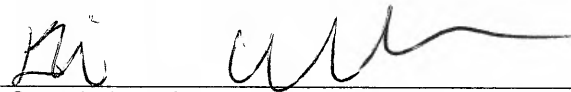
BANK OF MONTREAL

A handwritten signature in black ink, appearing to read "M. Hontscharuk", is written over a horizontal line.

Per:

Matt Hontscharuk
Senior Manager – BMO Special Account Management Unit

This is Exhibit "N" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, consisting of stylized cursive letters, positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)



May 20, 2016

VIA EMAIL

Bobcaygeon Shores Developments Ltd.
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

and to

Mr. George Angus Godwin
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

Dear Sirs:

Re: Bank of Montreal (the "Bank") loan facilities (the "Loan") to Bobcaygeon Shores Developments Ltd. (the "Borrower") in respect of the Bobcaygeon Shores Project, Bobcaygeon, Ontario, described as Parcel 14-1, Section C10-VER, being Part of Lot 14, Concession 10 (formerly in the Township of Verulam, County of Victoria), City of Kawartha Lakes, designated as Part 1 on Plan 57R-8056, as represented by PIN 63137-0001(LT) (the "Property") guaranteed by George Angus Godwin (the "Guarantor")

Further to the Bank's letter dated October 1, 2015, the Bank confirms that it is prepared to extend the date for repayment of all indebtedness due and owing to the Bank to August 31, 2016, subject to the Bank's reservation of the right to make demand, at any time, for repayment in full of all indebtedness due and owing to the Bank and to enforce all of the security currently held by the Bank in connection with the Loan.

Without prejudice to the Bank's rights, the Borrower must comply with all of the terms and conditions set forth in the aforementioned letters dated May 27, 2015 and October 1, 2015 save as otherwise amended herein.

Accordingly, the Bank will continue to permit the Borrower to market and list the Property for sale, the proceeds of which sale shall be utilized to repay all indebtedness due and owing to the Bank. The Bank's agreement to permit you to market and sell the Property is subject to the Borrower entering into a binding agreement of purchase and sale on terms and conditions acceptable to the Bank, in its sole and absolute discretion, which agreement shall be executed on



or before August 1, 2016. In addition, the Bank must be satisfied that you are utilizing best commercial efforts in order to market and sell the Property and in connection with such sale and marketing efforts you will be required to provide the Bank with bi-weekly sales and marketing reports outlining all steps taken in connection with same. In the alternative, the Bank requires you to provide the Bank with a repayment plan, on terms and conditions acceptable to the Bank, in its sole and absolute discretion, which repayment plan must be delivered to the Bank on or before August 1, 2016.

The Bank also requires that the Borrower must pay all 2016 interim realty taxes for the Property on or before the due date for the payment of same and to provide the Bank with evidence of such payment.

The Bank's delivery of this letter is made strictly without prejudice to all of its rights and entitlements under its security and to make demand for immediate repayment of the Loan.

We look forward to receiving your proposal for repayment of the Loan, or in the alternative, receiving a report regarding the listing and sale of the Property in strict accordance with the terms and conditions herein.

Yours truly,

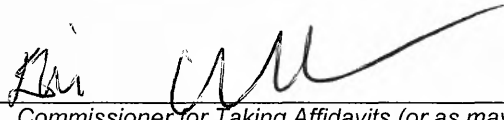
BANK OF MONTREAL

Per:

A handwritten signature in black ink, appearing to read "M. Hontscharuk", is written over a horizontal line.

Matt Hontscharuk
Senior Manager – BMO Special Account Management Unit

This is Exhibit "O" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, consisting of stylized cursive letters, positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

BMO Bank of Montreal
Real Estate Finance
First Canadian Place
7th Floor
Toronto, ON M5X 1A1
Phone: 416-643-1617
Fax: 416-643-1653
matthew.hontscharuk@bmo.com

August 31, 2016

Bobcaygeon Shores Developments Ltd.
c/o George Godwin
11 Russell Hill Rd., R. R. #1
Bobcaygeon, Ontario
K0M 1A0

Attention: George Godwin

**RE: REVISED TERM SHEET FOR BOBCAYGEON SHORES DEVELOPMENTS LIMITED
IN BOBCAYGEON, ONTARIO**

We are pleased to confirm that the following credit facilities for Bobcaygeon Shores Developments Ltd. are being amended under the terms and conditions outlined herein. The subject Offer of Financing shall replace the existing terms sheet dated July 12, 2005 and as amended on November 14, 2007, November 28, 2008, November 25, 2010, December 2, 2011, November 7, 2012, October 31, 2013, and August 3, 2014.

Borrower: Bobcaygeon Shores Developments Ltd.

Guarantor: Mr. George Godwin

Property: The Borrower's property comprises 80 acres of land located on the southern waterfront on the east side Highway 36 in Bobcaygeon, Ontario. The land is draft plan approved for development of 271 lots, including 59 waterfront lots and 212 interior lots (hereinafter, the "Property").

FACILITY #1

- Loan Amount: \$781,865.37 (plus unpaid interest of \$68,947.88) as of August 22, 2016.
- Loan Type: Demand Loan, Non-Revolving.
- Loan Purpose: To repay land debt and assist the Borrower with predevelopment costs in connection to the Property.
- Repayment: Interest Only until August 31, 2017 after which time, Facility is to be repaid in full.
- On demand. Notwithstanding compliance with the terms and conditions of this facility (including, without limitation, any covenants set out in this Agreement), the Bank may at any time demand repayment of any and all amounts under this facility and the Borrower hereby agrees to pay such amounts to the Bank upon such demand being made.
- Annual Review Fee: \$7,500 – payable September 12, 2016.
- Interest Rate: Bank of Montreal's Prime Rate + 5.00% per annum, floating, calculated and payable monthly in arrears.
- Anticipated Source of Repayment: From net closing proceeds of lot sales to end users units and/or resources of the Borrower and/or Guarantors.
- General Conditions:
(All Facilities)
1. The Banking Facilities are extended on a demand basis and the Bank will retain the right to review the account at any time and at least annually with the Borrower and Guarantor to provide the current accountant-prepared financial statements within 120 days of year-end.
 2. All third party out-of-pocket costs and expenses incurred by the Bank in establishing or operating these facilities (including but not limited to legal and consulting costs) are for the account of the Borrower.
 3. The Borrower will open a current account at a convenient branch of BMO Bank of Montreal and, during the course of Bank financing for this project, this account is to be utilized for all deposits and withdrawals related to the project.
 4. Municipal tax certificate showing all real estate taxes are paid up-to-date is to be provided annually.
 5. The Borrower and the Guarantor are to provide the Bank with any other information that may be reasonably requested from time to time.
 6. All closing proceeds from the sale of the units, net of normal adjustments, are to be deposited to a current account in the Borrower's name at BMO Bank of Montreal.
 7. If requested by the Bank, the Borrower agrees to erect a sign (provided by the Bank) advertising financing of the project.

8. No dividends, equity withdrawals, or repayment of shareholder loans are to be made without prior written approval by the Bank prior to cancellation and/or cash collateralization of credit facilities hereunder.
9. Vendor Take Back Mortgages to end-purchasers are not permitted without the prior written consent of the Bank.
10. The Bank retains the right to engage Consulting Engineers and/or Costs Consultants at its sole discretion with cost to be borne solely by the Borrower.
11. Periodic site visits are to be conducted by the Bank.
12. The Bank is to be provided the first right of refusal to provide development and construction financing for the remaining phases of the subject property.

Security:

As security for the Loans, the following documents, instruments, agreements and other assurances (collectively the "Security Documents") are to be held by the Bank:

Held:

The Bank or its counsel shall have received fully executed copies of the following documents, instruments, agreements prior to the first advance of funds, which shall be in form and substance satisfactory to the Bank and its solicitors:

1. Demand Collateral Mortgage on the Bank's standard form in the amount of \$5,000,000 containing a fixed charge over the entire Project. To be registered under Land Titles / Registry. Receiver / Manager clause and acceleration clause in the event of sale to be included.
2. General Security Agreement providing a first floating charge over the projects to be registered under the Personal Property Security Act.
3. Guarantee in the amount of \$4,000,000 executed by the Guarantor.
4. General Assignment of all contracts, project plans, specifications, permits, agreements of purchase and sale, etc.
5. Deficiency Agreement to be executed by the Borrower and Guarantor agreeing to fund costs not included or in excess of forecast expenditures.
6. Letters of Indemnity for issued Commercial Letters of Credit.
7. Pledge Agreement for cash collateral.
8. Environmental Checklist & Indemnity on the Bank's form signed by the Borrower and Guarantor.
9. Articles of Incorporation, Certificates, and appropriate Borrowing and Enabling Resolutions of the Borrower, and Borrower's solicitor's opinion regarding corporate authority and enforceability in form satisfactory to the Bank's solicitors, acting reasonably.
10. A favourable Letter of Opinion from the Bank's solicitor confirming the validity and enforceability of the Bank's security.
11. Any other security documents considered necessary by the Bank's solicitors.

To Be Obtained:

12. Executed Amendment Letter

No Subsequent
Encumbrances:

The Borrower covenants and agrees that it shall not without the prior written consent of the Bank, consent for which shall not be unreasonably withheld, execute or deliver any mortgage, charge, lien or other encumbrance of the properties intended to rank subordinate to any of the Security Documents.

Noteless Advances:

The Borrower acknowledges that the actual recording of the amount of any advance or repayment thereof under the above credit facilities, and interest, fees, and other amounts due in connection with the above credit facilities, in an account of the Borrower maintained by the Bank, shall constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under the credit facilities; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with terms and conditions of the credit facilities as set out in this offer of financing shall not be affected by the failure of the Bank to make such recording. The Borrower also acknowledges being indebted to the Bank for principal amounts shown as outstanding from time to time in the Bank's account records, and all accrued unpaid interest in respect thereto, which principal and interest the Borrower hereby undertakes to pay to the Bank in accordance with the terms and conditions applicable to the credit facilities as set out in this letter.

Documents
for Execution:

A \$100 fee per document will be levied on documents requiring execution by Bank officers (excluding partial discharges).

Applicable Law:

All matters relating to these facilities, including but without limitation, all notes, other agreements and documentation provided or entered into pursuant to these shall be governed by and construed under the laws of the Province of Ontario, Canada.

We would be pleased if you would indicate your acceptance by signing and returning the enclosed copy of this Offer of Financing to the undersigned by August 31, 2016.

Yours truly,



Matthew Hontscharuk
Senior Manager

Acceptance

The terms and conditions of the above Offer of Financing are acceptable.

Dated this 15th day of September, 2016.

BORROWER:

Bobcaygeon Shores Developments Ltd.

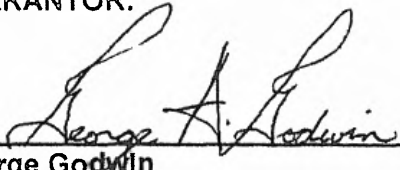
PER: 

Name, Title: George Godwin, President


PER: _____

Name, Title: _____

GUARANTOR:


George Godwin

This is Exhibit "P" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018



Commissioner for Taking Affidavits (or as may be)



September 20, 2016

VIA EMAIL

Bobcaygeon Shores Developments Ltd.
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

and to

Mr. George Angus Godwin
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

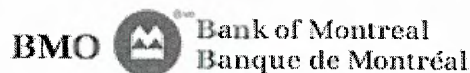
Dear Sirs:

Re: Bank of Montreal (the "Bank") loan facilities (the "Loan") to Bobcaygeon Shores Developments Ltd. (the "Borrower") in respect of the Bobcaygeon Shores Project, Bobcaygeon, Ontario, described as Parcel 14-1, Section C10-VER, being Part of Lot 14, Concession 10 (formerly in the Township of Verulam, County of Victoria), City of Kawartha Lakes, designated as Part 1 on Plan 57R-8056, as represented by PIN 63137-0001(LT) (the "Property") guaranteed by George Angus Godwin (the "Guarantor")

Further to the Bank's letter dated October 1, 2015, the Bank confirms that it is prepared to extend the date for repayment of all indebtedness due and owing to the Bank to August 31, 2017, subject to the Bank's reservation of the right to make demand, at any time, for repayment in full of all indebtedness due and owing to the Bank and to enforce all of the security currently held by the Bank in connection with the Loan.

Without prejudice to the Bank's rights, the Borrower must comply with all of the terms and conditions set forth in the aforementioned letters dated May 27, 2015, October 1, 2015, and May 20, 2016 save as otherwise amended herein.

Accordingly, the Bank will continue to permit the Borrower to market and list the Property for sale, the proceeds of which sale shall be utilized to repay all indebtedness due and owing to the Bank. The Bank's agreement to permit you to market and sell the Property is subject to the Borrower entering into a binding agreement of purchase and sale on terms and conditions acceptable to the Bank, in its sole and absolute discretion, which agreement shall be executed on



or before August 1, 2017. In addition, the Bank must be satisfied that you are utilizing best commercial efforts in order to market and sell the Property and in connection with such sale and marketing efforts you will be required to provide the Bank with bi-weekly sales and marketing reports outlining all steps taken in connection with same. In the alternative, the Bank requires you to provide the Bank with a repayment plan, on terms and conditions acceptable to the Bank, in its sole and absolute discretion, which repayment plan must be delivered to the Bank on or before August 1, 2017.

The Bank also requires that the Borrower must pay all 2016 and 2017 interim realty taxes for the Property on or before the due date for the payment of same and to provide the Bank with evidence of such payment.

The Bank's delivery of this letter is made strictly without prejudice to all of its rights and entitlements under its security and to make demand for immediate repayment of the Loan.

We look forward to receiving your proposal for repayment of the Loan, or in the alternative, receiving a report regarding the listing and sale of the Property in strict accordance with the terms and conditions herein.

Yours truly,

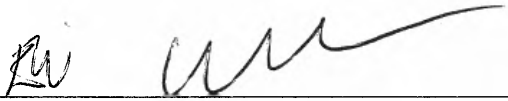
BANK OF MONTREAL

Per:

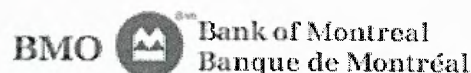
A handwritten signature in black ink, appearing to read "M. Hontscharuk", is written over a horizontal line.

Matt Hontscharuk
Senior Manager – BMO Special Account Management Unit

This is Exhibit "Q" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, consisting of a stylized 'L' followed by a series of loops and a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)



September 1, 2017

VIA EMAIL

Bobcaygeon Shores Developments Ltd.
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

and to

Mr. George Angus Godwin
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

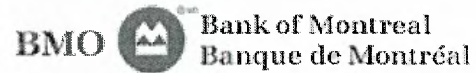
Dear Sirs:

Re: Bank of Montreal (the "Bank") loan facilities (the "Loan") to Bobcaygeon Shores Developments Ltd. (the "Borrower") in respect of the Bobcaygeon Shores Project, Bobcaygeon, Ontario, described as Parcel 14-1, Section C10-VER, being Part of Lot 14, Concession 10 (formerly in the Township of Verulam, County of Victoria), City of Kawartha Lakes, designated as Part 1 on Plan 57R-8056, as represented by PIN 63137-0001(LT) (the "Property") guaranteed by George Angus Godwin (the "Guarantor")

Further to the Bank's letter dated October 1, 2015, the Bank confirms that it is prepared to extend the date for repayment of all indebtedness due and owing to the Bank to October 31, 2017, subject to the Bank's reservation of the right to make demand, at any time, for repayment in full of all indebtedness due and owing to the Bank and to enforce all of the security currently held by the Bank in connection with the Loan.

Without prejudice to the Bank's rights, the Borrower must comply with all of the terms and conditions set forth in the aforementioned letters dated May 27, 2015, October 1, 2015, May 20, 2016 and September 20, 2016 save as otherwise amended herein.

Accordingly, the Bank will continue to permit the Borrower to market and list the Property for sale, the proceeds of which sale shall be utilized to repay all indebtedness due and owing to the Bank. The Bank's agreement to permit you to market and sell the Property is subject to the Borrower entering into a binding agreement of purchase and sale on terms and conditions acceptable to the Bank, in its sole and absolute discretion, which agreement shall be executed on



or before October 31, 2017. In addition, the Bank must be satisfied that you are utilizing best commercial efforts in order to market and sell the Property and in connection with such sale and marketing efforts you will be required to provide the Bank with monthly sales and marketing reports outlining all steps taken in connection with same. In the alternative, the Bank requires you to provide the Bank with a repayment plan, on terms and conditions acceptable to the Bank, in its sole and absolute discretion, which repayment plan must be delivered to the Bank on or before October 23, 2017.

The Bank also requires that the Borrower must pay all 2017 interim realty taxes for the Property on or before the due date for the payment of same and to provide the Bank with evidence of such payment.

The Bank's delivery of this letter is made strictly without prejudice to all of its rights and entitlements under its security and to make demand for immediate repayment of the Loan.

We look forward to receiving your proposal for repayment of the Loan, or in the alternative, receiving a report regarding the listing and sale of the Property in strict accordance with the terms and conditions herein.

Yours truly,

BANK OF MONTREAL

Per:

A handwritten signature in black ink, appearing to read "M. Hontscharuk", is written over a horizontal line.

Matt Hontscharuk
Senior Manager – BMO Special Account Management Unit

This is Exhibit "R" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018



Commissioner for Taking Affidavits (or as may be)

REDACTED

REDACTED

On Wed, Nov 1, 2017 at 10:20 AM, ORBACH, EDEN <EDEN.ORBACH@bmo.com> wrote:

George,

Understood. I am hopeful that you are able to make arrangements prior to that date so that you remain in control of the decision. I will have the reservation or rights letter sent to you in the interim.

As a slight aside – I want to note something which I have tried to emphasize previously –_monetary value is whatever the market dictates the value of the property to be, irrespective of personal sentiments/beliefs towards the value of the subject property by the owner. Whatever the end result is, the market will dictate the actual price, which is not a loss of monetary value; Frankly – the price received is the actual monetary value of the property at that prevailing period in time.

Eden Orbach, CFA || Special Accounts Management Unit || [416.643.2474](tel:416.643.2474)

From: George Godwin [<mailto:ggodwin77@gmail.com>]
Sent: November-01-17 9:59 AM
To: ORBACH, EDEN
Cc: Hontscharuk, Matthew
Subject: Re: Bobcaygeon Shores Loan

Re: Avoidance of the March 31st Doomsday Date Scenario

Eden,

1. Curing the default interest amount is one option that I was considering in terms of BMO's March 31st 'Doomsday Date' as I would describe it. Like the other options (such as a sale or refinancing) it will take me an amount of time that is uncertain to work with other people be they family or other unrelated parties to try to get the necessary resources in place. So choosing a specific date prior to BMO's March 31st date is not feasible for me. Even that date might be insufficient time.

2. Since our teleconference on Monday, October 30th at 2:00 pm, I have had extensive discussions with my wife and 38 year old son regarding the March 31st date and what might be able to be done to avoid the loss of control that you describe under a Receiver. For us, we face the ultimate loss of much of the value of my (our family's) work product which I began in 1987, 30 years ago, with the search for a waterfront property near the GTA that would in time have municipal services available. That search took 2 years. I acquired this property in October, 1989. Services were not available at the time. A new water tower was needed for water pressure at the south end of town. I lobbied for the Water Tower, for amalgamation of the Township of Verulam with Bobcaygeon for services, and for bringing the sewer and water across the bridge in adequately-sized pipes, etc. All these goals were achieved over time including a much improved boating access bridge to the Channel later on. I have owned the property for 28 years.

Some of the options discussed with my wife and son include the obvious ones, namely, (1.) getting the property sold perhaps possibly even by auction since CBRE as 'gatekeeper', has not been effective to date. They had contact with PlazaCorp for over 1 year without ever mentioning them to me. Who knows what 'arrangements' have been made to serve interests other than our own? (2.) The option of arranging a new lender to buy more time for a sale after the March 31st Doomsday Date. (3.) The option of arranging for an equity participant to work with my Son going forward on the land/lot side of the business after the Doomsday Date.

If I fail to achieve a solution by March 31st, I may choose to not stay around to experience the loss of control and to watch the massive loss of value that I worked so hard for over 30 years. I have discussed that Doomsday option with my wife including the necessary arrangements and preparations that would be required to ease the transition after March 31st. Hopefully, a solution can be found in time but one never knows. I do not want to be standing by watching some Accountant/Receiver, a CBRE agent of whomever, a Bank, and perhaps a Bank's customer get the property and project for a pittance and feast off of my work to date.

Time will tell. But the Doomsday Clock will be ticking. I have always done my best. I have no enemies and I have never been sued. I have served my disabled wife of 49 years to the best of my ability and have done my best to guide my Son in the paths of righteousness. We pray often, several times a day in dealing with the situation. What will be is what we will have to accept.

George

On Tue, Oct 31, 2017 at 11:35 AM, ORBACH, EDEN <EDEN.ORBACH@bmo.com> wrote:

George,

1. If you were interested in curing the default interest amount, we could work towards a timeline (think a month, give or take, not six months) to pay the outstanding interest owing.
2. The Receiver has no obligation in terms of time/maximizing value. Their ultimate objective is to sell the property, in a fair and unbiased process, with the best value that can be achieved – not drag it out over numerous years in the hopes of a potential change in market to allow for a maximum yield. It will ultimately be their determination whether a 'clean deal' at a lesser price is the best route vs. a more complicated transaction at a higher price, if given both options. Neither yourself nor BMO would have any say in the matter as the process is run through the courts (and any justification for actions is approved by a judge; neither you nor us). As stated yesterday, a Receiver eliminates any thinking, as the process is what it is; the decision will be out of both of our respective hands.

In terms of fair price – the fair price is what the market determines the property to be worth (and what someone is willing to pay for the property). While proformas on estimated price are nice, the value is ultimately what someone is willing to pay for it; not what is estimated on a spreadsheet.

I can see if I can find information on a receiver but, to be honest, that is not usually a voluntary position; most would prefer to make decisions themselves and give themselves optionality – as previously mentioned, if a Receiver is used, there is no input– the process is run through the courts.

Let me know your preferred route/thoughts.

Thanks,

-Eden

Eden Orbach, CFA || Special Accounts Management Unit || [416.643.2474](tel:416.643.2474)

From: George Godwin [mailto:ggodwin77@gmail.com]
Sent: October 31-17 11:19 AM

To: ORBACH, EDEN
Subject: Re: Bobcaygeon Shores Loan

Eden,

1. I can't cure the default by November 6th.
2. If a Receiver is put in place, what obligation does the Receiver have to try to get a reasonable price relative to estimated value and how much time would he apply to achieving a fair price that ensures that I do not lose many millions of dollars of value?

To put the loan outstanding relative to estimated value in perspective, as of October 31st, I will owe approximately \$936,816.61 on a property that CBRE proformas show should generate a net yield from land (2.5 years ago) of \$69,000,000. In simple terms, that is a loan to estimated land value ratio of 1/69th which would be adjusted to today's house prices for an even smaller ratio.

What obligation does the Bank or the Receiver have to get me a reasonable price? Also, I presume the Receiver would have to achieve a clean and simple sale as opposed to a complex conditional sale that could drag out for years in order to address tax obligations etc. Could you provide me with information or a good source of information on what I should expect from this process so that I can get started on understanding my rights and expectations? Any help would be appreciated.

Thanks, - George

On Tue, Oct 31, 2017 at 10:42 AM, ORBACH, EDEN <EDEN.ORBACH@bmo.com> wrote:

George,

I had some discussions internally. Unfortunately, the possibility of a continued default, with accrual of interest payments, is not palatable. The following options are available:

1. Continue relationship: This would entail payment of any accrued interest to catch-up on amounts owing, with continued interest payments in the future (removing any default currently on file); or
2. Discontinue relationship: The date given to extend the re-payment of indebtedness will be until March 31, 2018. At that date, if not repaid, a Receiver will be put in place. From now until March 31, 2018, potential avenues to explore could be re-financing the loan and paying us out with another institution, a sale of the property, or any other avenue you wish to explore to pay us the amounts owing.

Currently, there is \$789,718.50 in principal outstanding, \$141,775.62 in accrued interest owing (October interest will be an additional \$5,322.49 if not paid today) and future monthly interest payments are at the current terms (prime + 5%).

If you wish to continue the relationship, please let me know by 5:00 PM EST on Monday, November 6, 2017. If I do not receive a response by this date, the option to re-pay accrued amounts owing/cure the default will no longer exist and a reservation of rights/extension letter until March 31, 2018, will be presented to you.

Thanks,

-Eden

Eden Orbach, CFA || Special Accounts Management Unit || [416.643.2474](tel:416.643.2474)

From: George Godwin [<mailto:ggodwin77@gmail.com>]

Sent: October-30-17 11:06 PM

To: ORBACH, EDEN

Subject: Re: Bobcaygeon Shores Loan

Eden,

That is correct.

In the meantime, I would continue to try to sell the property for a viable price until March 31st as we agreed today.

If I could meet this option, I would then have more time to sell for a viable price after March 31st, if needed.

George

P.S> Brochure attached.

On Mon, Oct 30, 2017 at 6:41 PM, ORBACH, EDEN <EDEN.ORBACH@bmo.com> wrote:

George,

For clarity, your question is whether you have up to March 31, 2018, to make the interest payments whole (implying potential continued non-payment from now, until then, until a decision is made)?

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: ORBACH, EDEN

Sent: Monday, October 30, 2017 6:37 PM

To: George Godwin

Cc: Hontscharuk, Matthew

Subject: Re: Bobcaygeon Shores Loan

George,

It was a pleasure to meet you as well.

When in the office tomorrow, I will get you the requested info re: interest and principal.

Re: possible options - let me have a conversation internally to understand whether there is flexibility on when the payment is made.

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: George Godwin

Sent: Monday, October 30, 2017 6:10 PM

To: ORBACH, EDEN

Cc: Hontscharuk, Matthew

Subject: Bobcaygeon Shores Loan

Eden,

I am pleased to make your acquaintance and hope we will have a positive working relationship as was the case with Matt and I.

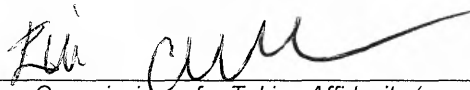
Correct me if I am wrong on the following information.

One option that I believe you mentioned was: I could (1) pay off the accrued interest, (2) pay on-going interest, say monthly, and (3) BMO would allow me to keep the loan going until I sold the property. Assuming this is correct, would you tell me the amount of the loan principal and the current amount of accrued interest outstanding say to the end of October. Since we agreed to a March 31st, 2018 extension, I assume that I could make these arrangements at any time until March 31st, 2018.

Please confirm.

Thanks, George

This is Exhibit "S" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in dark ink, appearing to be "Lia Cui", written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Bank of Montreal

November 1, 2017

VIA EMAIL

Bobcaygeon Shores Developments Ltd.
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

and to

Mr. George Angus Godwin
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

Dear Sirs:

Re: Bank of Montreal (the "Bank") loan facilities (the "Loan") to Bobcaygeon Shores Developments Ltd. (the "Borrower") in respect of the Bobcaygeon Shores Project, Bobcaygeon, Ontario, described as Parcel 14-1, Section C10-VER, being Part of Lot 14, Concession 10 (formerly in the Township of Verulam, County of Victoria), City of Kawartha Lakes, designated as Part 1 on Plan 57R-8056, as represented by PIN 63137-0001(LT) (the "Property") guaranteed by George Angus Godwin (the "Guarantor")

In connection with the Loan, the Bank hereby notifies you that the following amounts: \$789,718.50, on account of outstanding principal, and \$147,275.53, on account of outstanding accrued interest, are due and owing as of October 31, 2017. The outstanding payments constitute a default of your obligations under the Loan. The Bank confirms that it is prepared to extend the date for repayment of all indebtedness due and owing to the Bank to March 31, 2018, subject to the Bank's reservation of all of its rights and remedies, including, without limitation, the right to make demand, at any time, for repayment in full of all indebtedness due and owing to the Bank and to enforce all of the security currently held by the Bank in connection with the Loan, including, the right to appoint a receiver for the Property.

Without prejudice to the Bank's rights, the Bank will permit the Borrower to continue listing and marketing the Property for sale, the proceeds of which sale shall be utilized to repay all indebtedness due and owing to the Bank. The Bank's consent permitting you to market and sell the Property is subject to the Borrower entering into a binding agreement of purchase and sale on

terms and conditions acceptable to the Bank, in its sole and absolute discretion, which agreement must contemplate a closing of the sale on or before March 31, 2018. In addition, the Bank must be satisfied, in its sole and absolute discretion, that you are utilizing best commercial efforts in order to market and sell the Property.

The Bank also requires the Borrower to provide evidence as soon as possible that all realty taxes due and owing (including any interest and penalties) have been paid in full for 2017. Furthermore, the Borrower must pay all 2018 interim realty taxes for the Property on or before the due date for the payment of same and to provide the Bank with evidence of such payment.

The Bank's delivery of this letter is made strictly without prejudice to all of its rights and entitlements under its security and to make demand for immediate repayment of the Loan.

We look forward to receiving an up-to-date a report regarding the listing and sale of the Property in strict accordance with the terms and conditions herein.

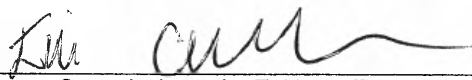
Yours truly,

BANK OF MONTREAL

Per: 

Eden Orbach
Senior Manager

This is Exhibit "T" referred to in the Affidavit of Eden Orbach sworn May 4, 2018



Commissioner for Taking Affidavits (or as may be)

REDACTED

REDACTED



REDACTED

REDACTED

REDACTED

From: George Godwin [mailto:ggodwin77@gmail.com]
Sent: November-04-17 8:32 PM

To: ORBACH, EDEN
Subject: Re: Extension & Reservation of Rights Letter

Eden,

I will get back to you on your request of Friday, Nov.3rd.

My son and I have been trying to get feedback from CBRE since October 22nd and we made brief telephone contact this past week. We will be having a discussion with CBRE soon, I expect. At that point, I can comment further.

Later, I want to address the matter of price and market. For now, please note that a signed Offer came in dated June 16, 2017 [REDACTED] There were conditions that I could not accept which I will explain later and CBRE told me to sign back at a higher price if I could live with the conditions. This says something about 'market'. However, I need to elaborate on the conditions so you are able understand my position.

Regarding 'market' in general, you may recall the Beckett Farm sale which I discussed with BMO's Anna Klepinin and Roy Dias back in the day. I had inside information on that sale from 2 agents and 1 lawyer who were involved with the sale. Initial offers came in around \$30M but 18 months later an offer came in at \$100M which the vendors accepted. This is how these deals work in some cases and it is not easy to explain why.

In the meantime, I have 2 background attachments that relate to price and views of market value which you might have already seen via Matt.

I will get back to you after further exchange with CBRE.

Regards, George

On Fri, Nov 3, 2017 at 10:25 AM, ORBACH, EDEN <EDEN.ORBACH@bmo.com> wrote:

George,

I would like to reach out to the CBRE broker to understand what is going on and why the property is not selling for the valuation you envision. Will you provide me with your consent to do so?

If so, can you provide me with the broker's contact info?

Let me know.

Thanks,

-Eden

Eden Orbach, CFA || Special Accounts Management Unit || 416.643.2474

From: George Godwin [mailto:ggodwin77@gmail.com]

Sent: November-01-17 6:13 PM

To: ORBACH, EDEN

Subject: Re: Extension & Reservation of Rights Letter

Tax Certificate for 2017 is attached.

On Wed, Nov 1, 2017 at 3:11 PM, ORBACH, EDEN <EDEN.ORBACH@bmo.com> wrote:

George,

As discussed, find attached the extension and reservation of rights letter. The extension is to be effective until March 31, 2018. Per the note, please provide evidence that all property taxes have been paid and are up to date in the interim.

Thanks,

-Eden

Eden Orbach, CFA

BMO Bank of Montreal || Special Accounts Management Unit

First Canadian Place, 7th Floor, 100 King St. West, Toronto, ON, M5X 1A1

(T) 416.643.2474 || (F) 416.643.1653

This is Exhibit "U" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, consisting of the letters 'RM' followed by a stylized, cursive flourish that extends to the right.

Commissioner for Taking Affidavits (or as may be)

Eden Orbach, CFA || Special Accounts Management Unit || 416.643.2474

From: George Godwin [<mailto:ggodwin77@gmail.com>]

Sent: February-20-18 5:56 PM

To: ORBACH, EDEN

Subject: Proposal Outline for Consideration

Hi Eden,

I am waiting for the City of Kawartha Lakes to clarify the terms of the extension of the draft plan. This will have a bearing on what kind of financing structure I will be seeking. I have responded to their request for an updated Phasing Plan as quickly as possible with a 2 day turn-around. They have more 'cooks in the kitchen' and so they can't respond as quickly as I can.

I am attaching an Outline of a Proposal for BMO's consideration.

Looking back, I chose CBRE as a likely agency to find a buyer. But they have been unsuccessful in coming up with a 'good faith' offer at a respectable price. REDACTED

REDACTED

REDACTED

In the absence of a sale at a respectable price on an 'as is' basis, I see no alternative but to go forward to realize the obvious potential of the property. Port 32, 2 blocks away, has proven the concept and has maintained a stable market for re-sales.

Accordingly, I respectfully request that BMO consider the attached Proposal Outline. The situation with the property is similar to when BMO made the initial financing offer. What has changed is that the land value is almost 3 times greater, Port 32 is completed, and the active retiree market is larger and growing.

Take your time in reviewing this outline. Thanks.

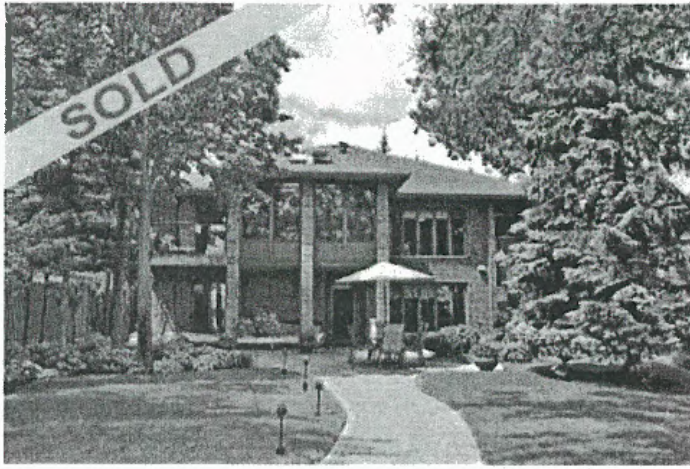
Regards, - George

An Outline for a Positive Proposal for Going Forward

- Perspective:**
1. Approximately 2 serviced waterfront lots would cover the existing debt.
 2. The existing draft plan has 19 waterfront lots in Phase 1 (a draft Phasing Plan is attached). There would also be some interior lots, the number of which will be determined by lands required for a storm-water pond and a pumping station.
 3. Three or four more serviced waterfront lots would cover the Phase 1 servicing cost.
 4. That would leave up to 14 waterfront lots plus the interior lots for operating funds.
- (Waterfront lots on services are very rare and have special attraction in the marketplace.)
- Steps to Take:**
1. Extend the draft plan approval with any adjustments that may be required. This process has begun. The Planning Department has been positive but the details are not yet defined.
 2. Arrange for an Engineering Firm to re-design the servicing concept for the full site and complete the detailed engineering for Phase 1. The contract would include satisfying the draft plan conditions and tendering the Phase 1 servicing to Contractors for quotations.
 3. Choose a Contractor. Prepare a contract with the Contractor in conjunction with the Engineering Firm who will supervise the installation of the services. Prepare a servicing budget.
 4. Enter into a Phase 1 Servicing Agreement with the City of Kawartha Lakes (the "City").
 5. The Engineering firm supervises the installation of the services and certifies the installed services for compliance with the design and specifications with the City.
 5. Choose a Builder. While the installation of Phase 1 services is being done, find a suitable builder to build out Phase 1. The builder would be a BMO client or a Joint Venture would be set up to utilize BMO banking services in the building process.
 6. After the sale of say 5 lots, instruct the Engineers to do detailed engineering for Phase 2 which has 24 waterfront lots.
 7. Begin Phase 2 servicing after clearing the timing and documentation with the City.
- Alternatives:**
- If BMO is interested in this proposal, BMO has the \$5 million loan Charge on title as security to cover Phase 1.
- If BMO is not interested, then a new lender would be sought which would take some time. It took BMO about 6 months to arrange the original loan closing after a verbal agreement in principle. I would like to have the particulars of the draft plan extension negotiated with the City before approaching any new lender so that I can adapt the proposal to take into account any modifications. So far, I have been led to believe that the process should be straight forward.

Port 32 Waterfront Lot Home Sale - Rear Elevation Shown

74 Navigators Trail, Bobcaygeon, Ontario



\$1,185,000 - Sold

MLS®: 631360222

Exceptional Port 32 waterfront home on PIGEON LAKE. An outstanding 3 bdrm. brick bungalow, 2230 sq.ft. + 2000 sq.ft. lower level. Bright foyer with stunning view through to the lake, spacious LR & formal DR., open concept great rm. Kitchen w/breakfast bar & dinette, granite counters, maple cupboards, stainless steel appliances plus walk-out to 3 season sunrm. with wall to wall windows making a great seasonal entertaining space with walk out to deck (10x8.4). MB w/w-in closet and 4 piece ensuite. W-out lower level with large family rm., stone F/P and wetbar, large guest bdrm. w/3 pc semi-ensuite and lots of storage. Attached, lined & insulated, double garage w/walk down to basement. You can entertain family & friends in your very own lakeside garden oasis with mature perennial gardens, limestone rock landscaping, waterfall, fishpond, sprinkler system, dock & marine rail. Enjoy the Shore Spa club house, in-ground pool, tennis courts, rec. centre etc.

Port 32 Interior Lot Home Sale - Front Elevation Shown

33 South Harbour Drive, Bobcaygeon, Ontario



\$769,000 - Sold

MLS®: 631360509

'PORT 32' - DESIRABLE SOUGHT AFTER '1960' MODEL w/Shore Spa Membership & Numerous SPECIAL FEATURES - Hardwood & Ceramic Fl. 's, Granite Counters, Fireplace, Cathedral Ceilings, Gourmet Kitchen w/Granite Island Counter, Butlers Pantry, Main Fl. Laundry, Family Room, Office/Den/DR, 3 Bedrooms, 3 baths, OPEN CONCEPT LIVING, Spacious Sunroom with walk-out to Back Deck (13x8), Overlooking beautiful Back yard with some Large Trees for Privacy, Drilled Well, Garage (18.5'x22'), Sprinkler System, Limestone Rock Gardens, Stone Driveway & Walkway PLUS MORE!

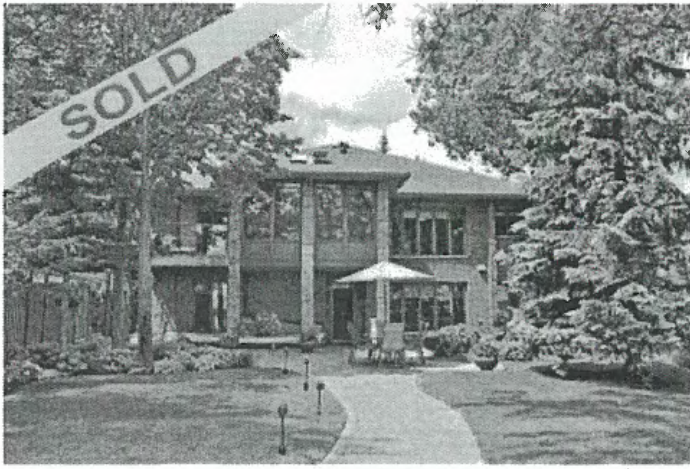
Property Details

Property Type: Residential

February, 2018

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Exceptional Port 32 waterfront home on PIGEON LAKE. An outstanding 3 bdrm. brick bungalow, 2230 sq.ft. + 2000 sq.ft. lower level. Bright foyer with stunning view through to the lake, spacious LR & formal DR., open concept great rm. Kitchen w/breakfast bar & dinette, granite counters, maple cupboards, stainless steel appliances plus walk-out to 3 season sunrm. with wall to wall windows making a great seasonal entertaining space with walk out to deck (10x8.4). MB w/w-in closet and 4 piece ensuite. W-out lower level with large family rm., stone F/P and wetbar, large guest bdrm. w/3 pc semi-ensuite and lots of storage. Attached, lined & insulated, double garage w/walk down to basement. You can entertain family & friends in your very own lakeside garden oasis with mature perennial gardens, limestone rock landscaping, waterfall, fishpond, sprinkler system, dock & marine rail. Enjoy the Shore Spa club house, in-ground pool, tennis courts, rec. centre etc.

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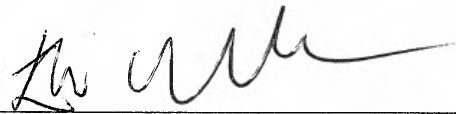
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Property Details

Property Type: Residential

February, 2018

This is Exhibit "V" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018



Commissioner for Taking Affidavits (or as may be)

Eden Orbach, CFA || Special Accounts Management Unit || 416.643.2474

From: George Godwin [mailto:ggodwin77@gmail.com]
Sent: February-21-18 2:16 PM
To: ORBACH, EDEN
Subject: Re: Proposal Outline for Consideration

Hi Eden,

I will address in brief your first sentence with 2 questions.

1. As for how to pay for the development steps, I am attaching the BMO \$5 million mortgage/charge to cover Phase 1, the BMO Commitment Letter for Phase 1, and the Appraisal Opinion with Excerpts that were the foundation documents of the loan. Because of the size of the PDF file, I will send the Full Appraisal separately immediately after this email.

The Commitment Letter shows that BMO committed \$2.5 million in funds to pay for the steps to get the property to the stage of servicing Phase 1.

2. I have been involved in the development of several properties during my career both as a lawyer and a principal. I will mention a few that come to mind from the most recent to backwards in time. As you can see from my Proposal Steps, the Engineers assume the most responsibility for designing the services and for supervising and certifying their installation by the Contractor(s) to the satisfaction of the City.

- A 12 lot high-end waterfront subdivision on Sturgeon Lake (the same lake as Bobcaygeon Shores).
- Various industrial and commercial projects in Canada and the U.S. with Indal Ltd.
- A 400 lot subdivision in Edmonton with Shell Canada personnel to lot registration and tendering lots to builders.
- Legal involvement with some small subdivisions in Scarborough.
- Development of Canadian Tire store sites in Ontario with Canadian Tire staff.
- Co-founded a 276 villa development in Nerja, Spain on the Costa del Sol north of Malaga.

Regards, George

On Wed, Feb 21, 2018 at 7:42 AM, ORBACH, EDEN <EDEN.ORBACH@bmo.com> wrote:

George,

I will review. Upon a quick glance I have a question - How do you intend to pay to all of the various steps? Have you ever developed a property previously (which is what you are describing here)?

Have you made any progress or made an attempt in either (i) arranging financing for BMO to be taken out at Mar. 31/18, the extension deadline, via the numerous avenues I gave you as examples to explore (or other avenues you may have thought of) or (ii) given thought as to how to make us whole on the principal and interest payment (which, as previously discussed, may be a possibility I can attempt to bring to our credit department if you can come up with the funds)?

Please be specific in answering these questions.

Eden Orbach, CFA || Special Accounts Management Unit || 416.643.2474

From: George Godwin [mailto:ggodwin77@gmail.com]
Sent: February-20-18 5:56 PM
To: ORBACH, EDEN
Subject: Proposal Outline for Consideration

Hi Eden,

I am waiting for the City of Kawartha Lakes to clarify the terms of the extension of the draft plan. This will have a bearing on what kind of financing structure I will be seeking. I have responded to their request for an updated Phasing Plan as quickly as possible with a 2 day turn-around. They have more 'cooks in the kitchen' and so they can't respond as quickly as I can.

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Looking back, I chose CBRE as a likely agency to find a buyer. But they have been unsuccessful in coming up with a 'good faith' offer at a respectable price. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] REDACTED
[REDACTED]

REDACTED

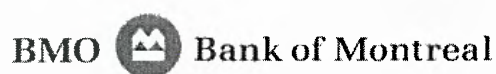
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Take your time in reviewing this outline. Thanks.

Regards, - George

<div style="text-align: center;"> <p>FOR OFFICE USE ONLY</p> <p style="font-size: 24px; font-weight: bold;">T0017451</p> <p>NEW PROPERTY IDENTIFIERS</p> <p>CLERK OF THE COURT</p> <p>2005 JUL 29 PM 2 13</p> <p>LAND REGISTRAR</p> <p>Additional: See Schedule <input type="checkbox"/></p> </div>		(1) Registry <input type="checkbox"/> Land Titles <input checked="" type="checkbox"/>		(2) Page 1 of 3 pages													
		(3) Property Identifier(s) Block 63137 - 0001 (LT)		Additional: See Schedule <input type="checkbox"/>													
		(4) Principal Amount Five million dollars Dollar \$ 5,000,000.00															
		(5) Description Parcel 14-1, Section C10-VER being Part of Lot 14, Concession 10, formerly in the Township of Verulam, County of Victoria designated as Part 1 on Plan 57R-8056 now City of Kawartha Lakes															
<p>Executions</p> <p>Additional: See Schedule <input type="checkbox"/></p>		<p>Land Registry Office for the Land Titles Division of Victoria (No. 57).</p>															
<p>(6) This Document Contains</p> <p>(a) Redescription New Easement Plan/Sketch <input type="checkbox"/></p>		<p>(b) Schedule for: Description <input type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input checked="" type="checkbox"/></p>		<p>(7) Interest/Estate Charged Fee Simple</p>													
<p>(8) Standard Charge Terms - The parties agree to be bound by the provisions in Standard Charge Terms filed as number 882 and the Chorgor(s) hereby acknowledge(s) receipt of a copy of these terms.</p>																	
<p>(9) Payment Provisions</p> <p>(a) Principal Amount \$ 5,000,000.00</p>		<p>(b) Interest Rate Prime Rate + 1.25 % per annum</p>		<p>(c) Calculation Period</p>													
<p>(d) Interest Adjustment Date Y M D</p>		<p>(e) Payment Date and Period ON DEMAND</p>		<p>(f) First Payment Date Y M D</p>													
<p>(g) Last Payment Date</p>		<p>(h) Amount of Each Payment Dollars \$</p>		<p>(i) Balance Due Date ON DEMAND</p>													
<p>(j) Insurance See Standard Charge Terms Dollars \$</p>																	
<p>(10) Additional Provisions "Prime Rate" means the floating annual rate of interest established by the Bank of Montreal from time to time as the reference rate it will use to determine rates of interest payable by the Bank's borrowers to the Bank on loans in Canadian dollars made by the Bank to such borrowers in Canada and designated by the Bank as its Prime Rate.</p> <p style="text-align: right;">Continued on Schedule <input checked="" type="checkbox"/></p>																	
<p>(11) Chorgor(s) The chorgor hereby charges the land to the chargee BOBCAYGEON SHORES DEVELOPMENTS LTD.</p>																	
<p>The Chorgor(s) acknowledge(s) receipt of a true copy of this charge.</p> <p>Name(s) BOBCAYGEON SHORES DEVELOPMENTS LTD.</p> <p>Signature(s) Date of Signature Y M D 2005 07 22</p> <p>Name: George A. Godwin Title: President/Secretary</p> <p>I have authority to bind the Corporation.</p>																	
<p>(12) Spouse(s) of Chorgor(s) I hereby consent to this transaction.</p> <p>Name(s) _____ Signature(s) _____ Date of Signature Y M D</p>																	
<p>(13) Chorgor(s) Address for Service 11 Russell Hill Road, R.R. #1, Bobcaygeon, Ontario K0M 1A0</p>																	
<p>(14) Chargee(s) BANK OF MONTREAL</p>																	
<p>(15) Chargee(s) Address for Service Real Estate Finance, First Canadian Place, 11th Floor, 100 King Street West, Toronto, Ontario M5X 1A1</p>																	
<p>(16) Assessment Roll Number of Property</p>		<p>Cty. 16 Mun. 51 Map 026 Sub. 020 Par. 17900</p>		<p>(17) Municipal Address of Property Vacant land Bobcaygeon, Ontario</p>													
<p>(18) Document Prepared by: IAN N. KADY Fogler, Rubinoff LLP Barristers & Solicitors 95 Wellington Street West Suite 1200 Toronto-Dominion Centre Toronto, Ontario M5J 2Z9</p> <p style="text-align: right;">05/3777 ert</p>		<p style="text-align: center;">FOR OFFICE USE ONLY</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2">Fees</th> </tr> <tr> <td>Registration Fee</td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>60.00</td> </tr> </table>				Fees		Registration Fee								Total	60.00
Fees																	
Registration Fee																	
Total	60.00																



BMO Bank of Montreal
Real Estate Finance
 First Canadian Place
 11th Floor
 Toronto, ON M5X 1A1

Phone: 416-867-5790
 Fax: 416-867-6366
 E-mail: steven.mackinnon@bmo.com

July 12, 2005

Bobcaygeon Shores Developments Ltd.
 c/o George Godwin
 11 Russell Hill Road
 R.R. #1
 Bobcaygeon, Ontario
 K0M 1A0

Attention: Mr. George Godwin

Dear Mr. Godwin:

RE: BMO BANK OF MONTREAL PROPOSAL OF FINANCING FOR
THE BOBCAYGEON SHORES PROJECT, BOBCAYGEON, ONTARIO

We are pleased to present the following Commitment Letter confirming that BMO Bank of Montreal (hereinafter referred to as the "Bank") has authorized the following credit facilities for Bobcaygeon Shores Developments Ltd. and the Bobcaygeon Shores project under the terms and conditions outlined herein.

Borrower: Bobcaygeon Shores Developments Ltd.

Guarantor: Mr. George Godwin.

FACILITY #1

Loan Amount: \$2,500,000.

This facility will be available as follows:

Tranche A: \$ 800,000 (Repay land debt & predevelopment costs)

Tranche B: \$ 1,700,000 (Phase I Servicing)

Total \$ 2,500,000

Loan Type: Demand Loan, Non-Revolver.

Loan Purpose: To assist with the development of Phase I of the Bobcaygeon Shores subdivision located on the southern waterfront on the east side Highway 36 in Bobcaygeon, Ontario (hereinafter referred to as the "Project"). The entire site for the Bobcaygeon Shores subdivision comprises 80 acres that is draft plan approved for 272 lots and is expected to be developed in 6 Phases, with Phase I consisting of 19 waterfront lots and 13 interior lots. Tranche A is to refinance the Borrower's existing land debt in the amount of \$600,000 and provide funds for predevelopment costs. Tranche B is to finance the servicing costs associated with Phase I of the project.

Interest Rate: Bank of Montreal's Prime Rate + 1.25% per annum, floating, calculated and payable monthly in arrears.

Repayment: On demand. Notwithstanding compliance with the terms and conditions of this facility (including, without limitation, any covenants set out in this Agreement), the Bank may at any time demand repayment of any and all amounts under this facility and the Borrower hereby agrees to pay such amounts to the Bank upon such demand being made.

Anticipated Source of Repayment: From net closing proceeds of lot sales to end users units and/or resources of the Borrower and/or Guarantors. Full loan repayment is anticipated within 24 months of initial drawdown.

Based upon the information provided to date, we understand the cost of servicing for the Project and sources of financing for Phase I to be as follows (in 000s):

<u>PROJECTED COSTS</u>		<u>SOURCES OF FINANCING</u>	
Land	\$2,424	Equity in Land	\$1,824
Site Servicing	1,132		
Soft Costs (including interest)	565	Bank Loan	2,500
Contingency	203		
TOTAL	\$4,324	TOTAL	\$4,324
 <u>PROJECTED VALUE</u>			
19 Waterfront Lots	\$5,700		
13 Internal Lots	\$1,105		
Total Phase I Lots	\$6,805		

Notes to the Project Budget:

- (a) With prior written approval of the Bank, the Borrower shall be able to revise the budget and apply any budget item saving, as determined by the Bank, in its sole discretion and acting reasonably, to another budget item subject to the following:
 - (i) The general contingency allowance has been fully utilized;
 - (ii) The revised aggregate budget items do not cause the Bank loan to exceed the authorized amount or the maximum advances allowed under the "Margin Conditions" outlined below;
 - (iii) Agreement by Bank that the project budget continues to be fully adequate to complete the project.
- (b) The land included in the Project Budget is the total actual cost of all land (i.e. Phase I and residual acreage) to the Borrower, including carrying costs since purchase in 1989, such as legal, land financing costs and property taxes;
- (c) GST payable on hard and soft costs during development is not included in the Project Budget and will be funded from this facility on a temporary basis pending requests for rebates and receipt of reimbursements.

Margin Conditions:

1. Accumulated advances are not at any time to exceed total cost of work in place including land, hard costs, soft costs, and bank charges, less required equity,

less accounts not to be paid before the next draw, less GST rebates (as received), and less holdbacks. The undrawn portion of this facility is at all times to be sufficient to cover costs to complete, pay outstanding payables and holdbacks.

2. Draw requests are to be provided to the Bank monthly. Draws will be released and applied on the basis of draw requests as submitted by the Borrower. Draw requests are to be accompanied by a list of accounts to be paid, Borrower's certificate relative to soft costs, and an engineer's certificate relative to hard costs, indicating cost of work in place, amount of holdback and cost to complete.
3. If at any time pending or during disbursement of the loan, the undrawn loan balance shall not be sufficient to complete the project in accordance with the approved plan and specifications and pay for all costs thereof, the Borrower and/or Guarantor shall inject cash equity into the project equal to the deficiency prior to any further loans being permitted.
4. Bank is to subsearch title at time of each draw, except for advances exclusively for interest, at the expense of the Borrower and there shall be no liens or encumbrances prior to the Bank's security or subsequent thereto unless the Bank has given its approval therefore.
5. The provisions of the Construction Lien Act are to apply at all times.

FACILITY #2

Loan Amount: \$500,000.

Loan Type: Commercial Letters of Credit, Non-Revolving.

Purpose: To be issued in favour of local utilities and the municipality to guarantee performance relative to the Project.

Term: Maximum 1 year, renewals as required.

Commission: 1.50% per annum, payable in advance minimum \$350.00. In the event that an issued Letter of Credit is reduced / cancelled prior to 90 days before maturity, the Letter of Credit fee shall be refunded on a pro-rata basis.

Conditions (Facility #2):

1. After demand advances and authorization under Facility #1 are reduced to nil, all surplus incoming funds will be placed in a Bank of Montreal interest bearing deposit account and pledged to the Bank as specific security for the Letters of Credit on a dollar per dollar basis.
2. Property searches are to be conducted at the date of each Letter of Credit advance at the expense of the Borrower and there shall be no liens or encumbrances prior to the Bank's security or subsequent thereto unless the Bank has given its approval therefor.

FACILITY #3

- Loan Amount: \$1,000,000.
- Loan Type: Demand Loan, Revolving.
- Loan Purpose: To assist with the construction of presold single family homes (including up to a maximum of 1 model home) for the Project.
- Interest Rate: Bank of Montreal's Prime Rate + 1.25% per annum, floating, calculated and payable monthly in arrears.
- Repayment: On demand. Notwithstanding compliance with the terms and conditions of this facility (including, without limitation, any covenants set out in this Agreement), the Bank may at any time demand repayment of any and all amounts under this facility and the Borrower hereby agrees to pay such amounts to the Bank upon such demand being made.
- Anticipated Source of Repayment: From net sale proceeds of single family homes as per Discharge Privilege.
- Margin Conditions:
1. Accumulated Advances are to be contained within 100% of hard and soft work in place (excluding land costs) for presold homes and up to a maximum of 1 model/spec homes, as evidenced by a Builder's Report, less:
 - accounts payable which are not to be paid before the next reporting date;
 - holdbacks as retained by the Borrower;
 - purchasers' deposits.
 2. Draw requests are to be provided to the Bank monthly. At time of each monthly draw, the Bank is to be provided with a signed Builder's Report indicating the status of the unit, work in place, cost to complete, purchaser's name, purchaser's deposit received and to be received, holdbacks and accounts payable not being paid prior to the next reporting date.
 3. Bank financing is restricted to presold single-family homes, up to a maximum of 1 model/spec units. In order to be included in the Margin Condition formula as a pre-sold unit, the following conditions shall apply:
 - a) A copy of the Purchase and Sale Agreement is to be provided to the Bank for substantiation;
 - b) Purchase and Sale Agreement is to provide for a minimum staggered deposit of no less than 10% of the purchase price of the unit (to a maximum of \$40,000), and the Borrower is to have received a minimum cash deposit of \$20,000 of the purchase price of the unit prior to initial advance;
 - c) Bank will be provided with evidence that purchasers are pre-qualified for mortgage financing or have the financial capacity to close on a best-efforts basis.

Bank will be provided with a copy of all purchase and sale agreements covering the single-family units within 15 days of execution and acceptance.
 4. Copy of the building permit and copy of the registration of the house/unit under Tarion Warranty Plan to be provided to the Bank, if requested, prior to commencement of construction of a specific house/unit.

5. Bank is to subsearch title of all lots/blocks under construction at time of each draw, except for advances exclusively for interest, at the expense of the Borrower and there shall be no liens or encumbrances prior to the Bank's security or subsequent thereto unless the Bank has given its approval therefor.
6. The provisions of the Construction Lien Act are to apply at all times.

Conditions Precedent:

Prior to the initial advance of funds under Tranche A of Facility #1 and advance of funds for 1 model home under Facility #3, the Bank or its counsel shall have received confirmation that the following conditions have been met:

1. All security and loan documentation is to be provided in form and substance satisfactory to the Bank and its legal counsel, including the following:
 - a) All material agreements, permits and documents which are the subject of the project that are securing these facilities;
 - b) A detailed development budget and cashflow statement for the servicing of the project in form and substance acceptable to the Bank;
 - c) Draft Plan of Subdivision and boundary plan of survey.
2. The Bank is to be provided with a Phase I Environmental Audit on the subject property from a Bank approved engineering firm. The audit is to be deemed acceptable by the Bank in its sole discretion. **(WAIVED)**
3. The Bank is to be provided with a Municipal tax certificate showing all real estate taxes are paid up-to-date.
4. The Bank is to be provided with evidence of Liability Insurance.
5. Account Management will perform a site visit of the subject property and be satisfied with the subject site. **(SATISFIED)**
6. Evidence of Draft Plan approval to be provided to the Bank prior to any advances. Subdivision Agreement to be provided as available. **(SATISFIED)**

Conditions Precedent:

Prior to the initial advance of funds under Tranche B of Facility #1 and Facilities #2 and #3, the Bank or its counsel shall have received confirmation that the following conditions have been met:

1. All Conditions Precedent for Tranche A of Facility #1 are to have been met.
2. The Bank is to be provided with evidence of a minimum of 6 end-user presales on waterfront lots at the subject site.
3. Services are to be installed under fixed-price contracts. Copy of contracts to be provided to the Bank for review, if requested, and will reflect cost consistent with project budget. A Banker's Report will be obtained on the Contractor if not favourably known to the Bank.
4. The Borrower will hire an experienced local builder, acceptable to the Bank, to assist with the on-site supervision of the project (with a copy of the contract to be provided to the Bank).

General Conditions:
(All Facilities)

1. The Banking Facilities are extended on a demand basis and the Bank will retain the right to review the account at any time and at least annually with the Borrower and Guarantor to provide current accountant-prepared financial statements within 120 days of year-end.
2. All third party out-of-pocket costs and expenses incurred by the Bank in establishing or operating these facilities (including but not limited to legal and consulting costs) are for the account of the Borrower.
3. The Borrower will open a current account at a convenient branch of BMO Bank of Montreal and, during the course of Bank financing for this project; this account is to be utilized for all deposits and withdrawals related to the project.
4. Municipal tax certificate showing all real estate taxes are paid up-to-date is to be provided annually.
5. The Borrower and the Guarantor are to provide the Bank with any other information that may be reasonably requested from time to time.
6. All closing proceeds from the sale of the units, net of normal adjustments, are to be deposited to a current account in the Borrower's name at BMO Bank of Montreal.
7. If requested by the Bank, the Borrower agrees to erect a sign (provided by the Bank) advertising financing of the project.
8. No dividends, equity withdrawals, or repayment of shareholder loans are to be made without prior written approval by the Bank prior to cancellation and/or cash collateralization of credit facilities hereunder.
9. Vendor Take Back Mortgages to end-purchasers are not permitted without the prior written consent of the Bank.
10. The Bank retains the right to engage Consulting Engineers and/or Costs Consultants at its sole discretion with cost to be borne solely by the Borrower.
11. Periodic site visits are to be conducted by the Bank.
12. The Bank is to be provided the first right of refusal to provide development and construction financing for the remaining phases of the subject property.

Security:

As security for the Loans, the following documents, instruments, agreements and other assurances (collectively the "Security Documents") are to be held by the Bank:

To Be Obtained:

The Bank or its counsel shall have received fully executed copies of the following documents, instruments, agreements prior to the first advance of funds, which shall be in form and substance satisfactory to the Bank and its solicitors:

1. Demand Collateral Mortgage on the Bank's standard form in the amount of \$5,000,000 containing a fixed charge over the entire Project. To be registered under Land Titles / Registry. Receiver / Manager clause and acceleration clause in the event of sale to be included.

2. General Security Agreement providing a first floating charge over the projects to be registered under the Personal Property Security Act.
3. Guarantee in the amount of \$4,000,000 executed by the Guarantor.
4. General Assignment of all contracts, project plans, specifications, permits, agreements of purchase and sale, etc..
5. Deficiency Agreement to be executed by the Borrower and Guarantor agreeing to fund costs not included or in excess of forecast expenditures.
6. Letters of Indemnity for issued Commercial Letters of Credit.
7. Pledge Agreement for cash collateral.
8. Environmental Checklist & Indemnity on the Bank's form signed by the Borrower and Guarantor.
9. Articles of Incorporation, Certificates, and appropriate Borrowing and Enabling Resolutions of the Borrower, and Borrower's solicitor's opinion regarding corporate authority and enforceability in form satisfactory to the Bank's solicitors, acting reasonably.
10. A favourable Letter of Opinion from the Bank's solicitor confirming the validity and enforceability of the Bank's security.
11. Any other security documents considered necessary by the Bank's solicitors.

No Subsequent
Encumbrances:

The Borrower covenants and agrees that it shall not without the prior written consent of the Bank, consent for which shall not be unreasonably withheld, execute or deliver any mortgage, charge, lien or other encumbrance of the properties intended to rank subordinate to any of the Security Documents.

Noteless Advances:

The Borrower acknowledges that the actual recording of the amount of any advance or repayment thereof under the above credit facilities, and interest, fees, and other amounts due in connection with the above credit facilities, in an account of the Borrower maintained by the Bank, shall constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under the credit facilities; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with terms and conditions of the credit facilities as set out in this offer of financing shall not be affected by the failure of the Bank to make such recording. The Borrower also acknowledges being indebted to the Bank for principal amounts shown as outstanding from time to time in the Bank's account records, and all accrued unpaid interest in respect thereto, which principal and interest the Borrower hereby undertakes to pay to the Bank in accordance with the terms and conditions applicable to the credit facilities as set out in this letter.

Discharge Privilege:

Discharges of the lots in Phase I of the Project will be provided upon payment of the full net closing proceeds from each lot to be directed firstly to repay Facility #3 in the amount advanced relative to each unit, secondly to repay Facility #1 in the amount listed below.

<u>#</u>	<u>Type</u>	<u>Discharge</u>
----------	-------------	------------------

19	Waterfront Lots	\$300,000
13	Internal Lots	\$ 85,000
32	Total	

In the event no outstandings exist under Facility #1, all further sales proceeds are to be directed towards cash collateralizing Facility #2 hereunder. All development credits and rebate revenues are to be utilized to repay Bank advances as/when received.

Discharge Fee: \$100 per lot.

Documents for Execution: A \$100 fee per document will be levied on documents requiring execution by Bank officers (excluding partial discharges).

Draw Fee: Bank shall receive a \$400 fee for each draw request under Facility #1 and #3.

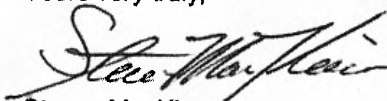
Applicable Law: All matters relating to these facilities, including but without limitation, all notes, other agreements and documentation provided or entered into pursuant to these shall be governed by and construed under the laws of the Province of Ontario, Canada.

Application Fee: An initial application fee in the amount of \$10,000 has been paid. In the event this offer of financing is accepted, a fee in the amount of \$25,000 is to be paid upon acceptance of this offer of financing.

Any requests for material changes to these credit facilities will be entertained at the Bank's sole discretion and potentially subject to additional fees, negotiable at such time.

We appreciate the opportunity granted to provide financing for Bobcaygeon Shores Developments Ltd. and the Bobcaygeon Shores project and trust the above terms meet with your approval. We would be pleased if you would indicate your acceptance by signing and returning the enclosed copy of this Commitment Letter by July 31, 2005 failing which this Commitment will be deemed to have expired.

Yours very truly,



Steven MacKinnon
Relationship Manager

per 

Steven Traub
Senior Manager

ACCEPTANCE

The terms and conditions of the above Commitment Letter are acceptable. We enclose the required fee of \$25,000.

Dated this 15th day of July, 2005.

BORROWER:

Bobcaygeon Shores Developments Ltd.

PER:

Name, Title:

PER:

Name, Title:

GUARANTOR:

Mr. George Godwin

June 16, 2003 - \$11,700,000

APPRAISAL REPORT

Vacant Development Land,
being Part of Lot 14, Concession 10,
in the Geographic Township of Verulam,
now in the City of Kawartha Lakes.

File No. 2003-062

Prepared by:
Gary T. Kylie, AACI, P.App.

Development Approach (cont'd)

Real Estate/Financing Costs:

(from costs for other developments) (estimate at 2.5% of gross) \$729,375.

Total Development Costs:

\$8,947,944.

Deducting the total costs from the gross yield results in an indicated net value for the land before developers risk and profit of \$20,227,056.

Discussions with developers in the wider area indicate that a risk and profit factor of between 15% and 20% of net is reasonable in the industry. Given the size of the subject subdivision together with the fact that it comprises the only major subdivision land which can be developed on full urban servicing in the immediate area, it was felt that a risk and profit factor of 15% would be reasonable in this instance. Applying that factor would result in an indication of the net value of the subdivision of \$17,192,998.

As outlined above, the subdivision on the subject property has Draft Plan Approval, and the Draft Plan conditions are well on their way to being fulfilled. Completion of those Draft Plan conditions and the negotiation of the servicing agreement is anticipated in the very near future. The plan can only be developed when it is registered and this requires completion of the Draft Plan Approval stage, fulfillment of the Draft Plan Conditions, including negotiations of the Subdivision Agreement and then registration of the subdivision. It has been estimated that the time required to fulfill the necessary requirements could be a little as two months.

In addition, however, one faces the fact of absorption. As noted, the Port 32 development has taken about 12 years from inception to completion, however, that development faced almost 6 years of recessionary type conditions. The subject property may in fact encounter similar conditions over a longer period, however, current trends indicate that there will be a continued strong demand for the houses to be developed in the subject subdivision particularly for the increasing number of retirees who will be looking for retirement homes over the next decade. Considering all factors it is our opinion that the subject property would have an absorption period of about 10 years. Fairly obviously the time required for negotiating the servicing agreement and registration of lots would account for part of that 10 year span.

Development Approach (cont'd)

If one assumes that the properties will be absorbed on a reasonably regular basis such that about 10% of the gross yield would be made during each year, then 50% of profits would be made within five years which should then ease the load on financing. Accordingly, we have discounted the net yield of the subdivision at 8% for a period of five years using the factor 0.680583. This results in an indicated present worth of the net value of the subject property of \$11,701,262., which we would round to \$11,700,000.

Accordingly, it is our opinion that the Market Value of the subject property as indicated by the Development Approach, as at the effective date of appraisal herein would be **\$11,700,000.**

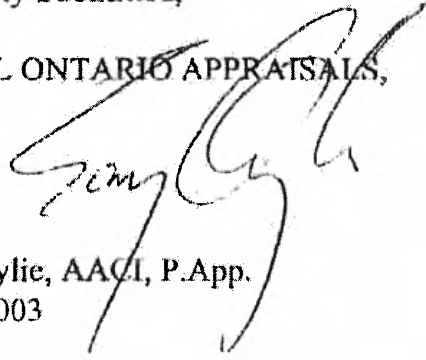
Certification (cont'd)

The Appraisal Institute of Canada has a mandatory recertification program for designated members. As of the date of this report, I have fulfilled the requirements of this program.

In my opinion, the Market Value of the Subject Property, as at June 16, 2003 would be \$11,700,000.

Respectfully Submitted,

CENTRAL ONTARIO APPRAISALS,

A large, stylized handwritten signature in dark ink, appearing to read 'Gary T. Kylie', is written over the printed name and date.

Gary T. Kylie, AACI, P.App.
June 26, 2003

PROFESSIONAL QUALIFICATIONS AND EXPERIENCE OF
GARY T. KYLIE

AACI Accredited Member, Appraisal Institute of Canada, holding Certificate #1839 and receiving accreditation in 1977.

EXPERIENCE

- 1971 - 1979 Appraiser with York Property Appraisers Ltd. and associate company Right-of-Way Associates. Appraising all types of property in Metropolitan Toronto, Regions of Durham, York, Peel and Halton and Lambton County, and other areas throughout Ontario. Acted as Expropriation and Property Consultants to Ministry of Environment, Ontario York/Durham Servicing Schemes.
- 1980 Senior Appraiser with Canada Mortgage and Housing Corporation, Oshawa branch. Involved in appraisal of all types of residential appraisals in Durham Region.
- 1980 - 1981 Appraiser with John G. Kuyten Limited, a fee appraisal company with offices in Stouffville. Appraising all types of property in the area of Southern Ontario, particularly in the Metropolitan Toronto area.
- 1981 - 1989 Appraiser with Central Ontario Appraisals, an independent fee appraisal company with offices in Ajax.
- 1989 - 1994 Partner and Senior Appraiser with Central Ontario Appraisals.
- 1995 Owner and Senior Appraiser of Central Ontario Appraisals.

GARY T. KYLIE has completed Appraisals for the following clients:

Ministry of the Environment, Ontario
Ministry of Government Services, Ontario
Township of Sarnia
Board of Education, Borough of Scarborough
Department of Public Works, Canada
Municipality of Metropolitan Toronto
City of Oshawa
Town of Whitby
Trans-Canada Pipelines Limited
Northern and Central Gas Corporation Ltd.
Durham Board of Education
Durham Separate School Board
Major banks and many other clients.

PROFESSIONAL ACTIVITIES

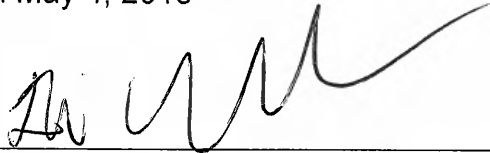
Past Chapter Chairman and Past Chairman
Membership, Program and Experience Rating
Committees, Oshawa-Durham Chapter, AIC.

EXPERT WITNESS

Gary Kylie has appeared and given evidence, as an expert witness in the following:

Supreme Court of Canada
Ontario Municipal Board
Ontario Land Compensation Board

This is Exhibit "W" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

Commissioner for Taking Affidavits (or as may be)

Kady, Ian N.

From: Kady, Ian N.
Sent: Wednesday, March 14, 2018 9:52 AM
To: 'ggodwin77@gmail.com'
Cc: 'ORBACH, EDEN'; Julien, Stanley
Subject: Bank of Montreal loan facilities to Bobcaygeon Shores Developments Ltd.
Attachments: L - Bobcaygeon (March 14, 2018).pdf

Mr. Godwin,

We are counsel to Bank of Montreal and enclose herewith a letter sent on behalf of the Bank.

fogler
rubinoff

Ian N. Kady
Partner
Fogler, Rubinoff LLP
Lawyers
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, ON M5K 1G8
Direct: 416.941.8809
Email: ikady@foglers.com
foglers.com



Fogler, Rubinoff LLP
Lawyers

77 King Street West
Suite 3000, PO Box 95
TD Centre North Tower
Toronto, ON M5K 1G8
t: 416.864.9700 | f: 416.941.8852
foglers.com

March 14, 2018

Reply To: Ian N. Kady
Direct Dial: 416.941.8809
E-mail: ikady@foglers.com
Our File No. 16/6247

VIA EMAIL

Bobcaygeon Shores Developments Ltd.
11 Russell Hill Road
R.R. #1
Bobcaygeon, ON K0M 1A0

Attention: Mr. George Godwin

and to

Mr. George Angus Godwin
11 Russell Hill Road
R.R. #1
Bobcaygeon, ON K0M 1A0

Dear Mr. Godwin:

Re: Bank of Montreal (the "Bank") loan facilities (the "Loan") to Bobcaygeon Shores Developments Ltd. (the "Borrower") in respect of the Bobcaygeon Shores Project, Bobcaygeon, Ontario, described as Parcel 14-1, Section C10-VER, being Part of Lot 14, Concession 10 (formerly in the Township of Verulam, County of Victoria), City of Kawartha Lakes, designated as Part 1 on Plan 57R-8056, as represented by PIN 63137-0001(LT) (the "Property") guaranteed by George Angus Godwin (the "Guarantor")

We are counsel to the Bank in respect of the above referenced matter. We are writing to you in response to your memo dated March 4, 2018 addressed to the Bank's representatives. For reasons set out below, the Bank cannot and will not accede to the proposal set out in your memo.

The proposal made by you is neither realistic nor reasonable. It overlooks the long history of this credit facility and your attempts to develop the Property. It also overlooks the Bank's most recent forbearance letter dated November 1, 2017, permitting you to continue the listing and marketing of the Property until the extended date for repayment of March 31, 2018.

The Loan was originally advanced to the Borrower in July, 2005. The Loan was always repayable on demand. The Bank has been abundantly accommodating to the Borrower and has


granted numerous extensions for repayment of the Loan. The Bank has afforded you numerous opportunities to list the Property for sale as well as to refinance the Property in order to repay the Loan. To date, the Loan remains outstanding and there is still no proposal for repayment of the Loan. We remind you that there have been no principal or interest payments on account of the Loan since December 1, 2014.

This letter will serve as notice that absent payment in full of all amounts outstanding to the Bank by the extended due date of March 31, 2018, the Bank intends to make formal demand for repayment of the Loan, and failing that, will take steps to enforce its security.

In closing, we would urge you to take steps to repay the Bank's credit facilities by March 31, 2018, failing which our client will take the steps it is entitled to take in the exercise of its rights under its mortgage security, including without limitation, its right to sell the Property under the power of sale provisions contained in the Bank's mortgage security.

Yours truly,

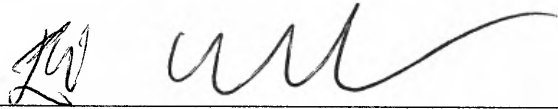
FOGLER, RUBINOFF LLP



Ian N. Kady
INK/mm

c.c. Bank of Montreal

This is Exhibit "X" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, consisting of a stylized 'L' followed by a series of loops and a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)



April 2, 2018

Via Registered Mail

lellis@casselsbrock.com

tel: 416.869.5406

fax: 416.640.3004

Bobcaygeon Shores Developments Ltd.

c/o George Godwin
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

Attention: George Godwin

Dear Sir:

Re: Bobcaygeon Shores Developments Ltd. (the "Debtor")

Please note we are the new counsel for Bank of Montreal ("**BMO**") in respect of the Debtor's account with the bank.

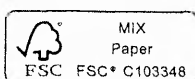
BMO and the Debtor entered into a Commitment Letter dated July 15, 2005, whereby BMO established certain credit facilities (the "**Credit Facilities**") for the benefit of the Debtor (the "**Commitment Letter**").

Pursuant to the terms of the Commitment Letter, the Credit Facilities are repayable on demand and interest is payable monthly in arrears.

The Debtor has failed to make both interest and principal payments under the Commitment Letter for an extended period of time and therefore has materially breached the Commitment Letter.

BMO has worked cooperatively with the Debtor to ensure that all amounts outstanding under the Commitment Letter are repaid. Recently BMO gave the Debtor until March 31, 2018, to provide BMO with a definitive solution for the repayment of the amounts outstanding under the Commitment Letter. However, not only did the Debtor fail to present a definitive solution within the generous timeline provided by BMO, the Debtor neglected to communicate with the bank in any way regarding a solution.

As of April 2, 2018, the Debtor is indebted to BMO in the amount of \$964,361.56, plus interest and costs (the "**Indebtedness**").





Page 2

On behalf of BMO, we formally make demand upon the Debtor for payment of the Indebtedness in full by no later than April 12, 2018.

If the Indebtedness is not paid in full by April 12, 2018, BMO may take such steps and actions as it considers necessary to collect the Indebtedness, to enforce the security that it holds against the Debtor or other parties, or to otherwise protect or enforce its interests, including without limitation, the appointment of a receiver or the initiation of a power of sale process.

In accordance with the requirements of section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended, we hereby enclose a Notice of Intention to Enforce Security. Upon the expiry of the notice period, BMO will be free to pursue its remedies against the Debtor. In order to avoid enforcement action by BMO the Debtor must complete repayment of the Indebtedness in full on or before April 12, 2018.

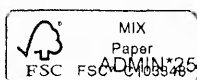
We inform you that BMO expressly reserves its rights to take such further steps as are necessary at any time without further notice to you if BMO becomes aware of any matter that may impair its security.

Yours truly,
Cassels Brock & Blackwell LLP

Larry Ellis for:

Larry Ellis

EC/



ADMIN 2589271.1

Cassels Brock & Blackwell LLP

2100 Scotia Plaza, 40 King Street West, Toronto, ON Canada M5H 3C2
 tel 416 869 5300 fax 416 360 8877 www.casselsbrock.com

**NOTICE OF INTENTION TO ENFORCE SECURITY UNDER SECTION 244(1) OF
THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: BOBCAYGEN SHORES DEVELOPMENTS LTD. (the "Debtor")

Take notice that:

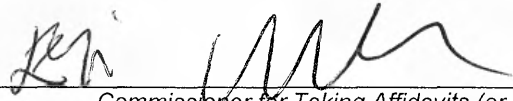
1. Under section 244(1) of the *Bankruptcy and Insolvency Act* (Canada), Bank of Montreal (the "**Secured Party**") intends to enforce its security on the Debtor's property and assets described below (collectively, the "**Collateral**").
 - (a) The real property legally described in PIN 63137-0001 (LT) PCL 14-1 SEC C10-VER; PT LT 14 CON 10 VERULAM PT 1 57R8056; KAWARTHA LAKES (the "**Real Property**").
2. The security that is to be enforced is in the form of the following (collectively, the "**Security**"):
 - (a) a charge mortgage registered against the Real Property as instrument number LT17451 in the Land Registry Office #57, in the Province of Ontario, and
3. The amount of indebtedness secured by the Security as at April 2, 2018 is \$964,361.56, plus interest and costs to the date of payment.
4. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

Dated April 2, 2018.

**BANK OF MONTREAL, by its solicitors
CASSELS BROCK & BLACKWELL LLP**

By: *Larry Ellis*
 Name: Larry Ellis
 Title: Partner

This is Exhibit "Y" referred to in the Affidavit of Eden Orbach
sworn May 4, 2018

A handwritten signature in black ink, consisting of stylized, overlapping loops and strokes, positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)



CASSELS BROCK
LAWYERS

April 9, 2018

Bobcaygeon Shores Developments Ltd.
c/o George Godwin
11 Russell Hill Road
R.R. #1
Bobcaygeon, Ontario
K0M 1A0

lellis@casselsbrock.com
tel: +1 416 869 5406
fax: +1 416 640 3004
File no. 33336-401

Dear George:

Re: Bobcaygeon Shores Developments Ltd. (the "Debtor")

Defined terms used in this letter, but not defined herein, shall have the meaning provided for in our April 2, 2018 correspondence.

BMO has kindly passed along the correspondence package that you sent to them on Friday, April 6, 2018. The correspondence package includes the following:

- a) a one page memorandum dated April 6, 2018;
- b) a three page proforma notes & assumptions;
- c) a one page outline for a proposal to BMO (the "**Payout Proposal**");
- d) a one page development site plan;
- e) a one page note setting out comparable real estate transactions;
- f) a two page outline for a proposal to refinance the BMO debt (the "**Refinancing Proposal**" and collectively with the Payout Proposal, the "**Proposals**"); and
- g) a one page letter from yourself to Richard Holy.

Collectively, the "**April 6 Correspondence Package**".

This letter is to:

- a) clear up a few points made in the April 6 Correspondence Package;
- b) provide BMO's response to the Payout Proposal;
- c) provide BMO's response to the Refinancing Proposal; and
- d) provide BMO's clear intentions for moving forward.

Point of Clarification

Our firm has reviewed a sampling of your historical correspondence to BMO. You allege, on a few occasions, that BMO employees have made certain representations, that would estop the Bank from pursuing power of sale proceedings. You reiterate this assertion in the April 6 Correspondence Package. Please note that the relationship between yourself, as guarantor, the



Page 2

Debtor, as borrower and BMO, is strictly governed by the Commitment Letter together with the executed security documents (collectively the "**Loan Documents**"). At no point in time has any BMO employee acted in any way as to limit BMO's rights or amend the Loan Documents. Your baseless assertions are not helpful to your relationship with the Bank. You are free to continue to invent accusations, however, the Bank will not be responding on these points going forward.

Payout Proposal and Refinancing Proposal

The Bank appreciates your efforts in presenting the Proposals. The Bank has a number of questions with respect to the Proposals. However, the challenge is that the Debtor has committed numerous breaches of the Commitment Letter. The primary breaches to note include non-payment of principal for an extended period of time together with non-payment of interest for an extended period of time. If you would like the Bank to consider your Proposals you must first bring the loan into good standing with the Bank. Until you achieve good standing, the Bank will not consider Proposals and will seek to take the steps necessary to recover the Indebtedness.

Moving Forward

George, the Bank is simply a lender to the Debtor. The Bank loaned money to the Debtor in 2005. The Debtor and the Bank are parties to the Loan Documents, which govern their relationship. The Debtor has and continues to breach the Loan Documents. The Bank simply wants to be repaid the amount it is owed and exit the relationship. The April 6 Correspondence Package presents a compelling case with respect to the value of the Debtor's property. However, the Bank isn't an equity holder in the property. The Bank isn't a developer with an upside stake in the future profits of the Company. The Bank is simply a bank that would like its loan repaid.

In an effort to provide the Debtor and yourself with one more opportunity to locate alternative financing such that the Bank can be repaid, the Bank is going to provide you with thirty days before it appears before a judge to seek the appointment of a receiver. To be clear, the following steps will lay out the Bank's path forward:

- a) later today, the Bank is going to schedule a court hearing on or around May 9, 2018 (the "**Court Date**"), for the appointment of a receiver. Our office will confirm this date with you once scheduled;
- b) on or before April 25, 2018, our firm is going to serve you with an application record for the appointment of a receiver over the Debtor's assets and undertaking;
- c) on the Court Date, the Bank will seek the appointment of a receiver and its sole mandate will be to take custody of the property and sell it. The proceeds of sale will be distributed in accordance with the applicable legal priorities.



Page 3

George, our sincere hope is that you avoid this entire process by bringing the loan into good standing or by locating alternative financing. If you have any questions with respect to the information noted in this letter please do not hesitate to write to the undersigned.

Sincerely,

Cassels Brock & Blackwell LLP

A handwritten signature in black ink, appearing to be "Larry Ellis". The signature is written in a cursive, somewhat stylized manner with several loops.

Larry Ellis

EC/

Tab 3

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

(Court Seal)

BANK OF MONTREAL

Applicant

- and -

BOBCAYGEON SHORES DEVELOPMENTS LTD.

Respondent

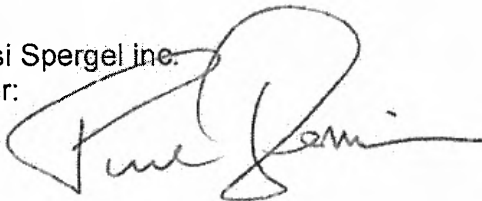
APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C.
1985, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990. c. C-43

CONSENT

MSI SPERGEL INC. hereby consents to act as receiver, without security, of all of the
assets, undertaking and properties of Bobcaygeon Shores Developments Ltd.

msi Spergel Inc.

Per:



May 3, 2018

Philip H. Gennis, J.D., CIRP, LIT

Tab 4

Court File No.

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

THE HONOURABLE

)

FRIDAY, THE 18TH

JUSTICE

)

DAY OF MAY, 2018

)

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

BOBCAYGEON SHORES DEVELOPMENTS LTD.

Respondent

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

**ORDER
(appointing Receiver)**

THIS MOTION made by Bank of Montreal ("**BMO**") 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. ("**Spergel**") as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Bobcaygeon Shores Developments Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Eden Orbach sworn May 9, 2018, and the Exhibits thereto and on hearing the submissions of counsel for BMO, no one appearing for the Debtor although duly served as appears from the affidavit of service of 9 sworn 9 and on reading the consent of Spergel to act as the Receiver,

SERVICE

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

APPOINTMENT

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

RECEIVER'S POWERS

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

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

inventories and the placement of such insurance coverage as may be necessary or desirable;

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

hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of this Court;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall

provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any

employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

Ontario *Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

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

RECEIVER’S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$150,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

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

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

GENERAL

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

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

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

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

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

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

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 Bobcaygeon Shores Developments Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 18th day of May, 2018 (the "**Order**") made in an action having Court file number ____-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$150,000 which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the _____ day of _____, 2018.

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

Per: _____

Name:

Title:

BANK OF MONTREAL

BOBCAYGEON SHORES DEVELOPMENT LTD.

Applicant

Respondent

Court File No. CV-18-597299-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

APPLICATION RECORD

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