

Court File No.  
CV-17-587642-0002

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

BETWEEN:

ROYAL BANK OF CANADA

Applicant

and

TORONTO MACHINE & TOOL COMPANY LIMITED,  
TORONTO MACHINE & TOOL INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O, 1990, c.c43, AS AMENDED

APPLICATION RECORD

**DEVRY SMITH FRANK LLP**  
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Lawyers for the Applicant

TO: **TORONTO MACHINE & TOOL COMPANY LIMITED**  
38 Milne Avenue  
Toronto, Ontario  
M1L 1K1

Respondent

AND TO: **TORONTO MACHINE & TOOL INC.**  
38 Milne Avenue  
Toronto, Ontario  
M1L 1K1

Respondent

AND TO: **METALLI GROUP INC.**  
502-1900 Lake Shore Boulevard  
Toronto, Ontario  
M6S 1A4

AND TO: **DONWAY FORD SALES LIMITED**  
1975 Eglinton Avenue East  
Scarborough, Ontario  
M1L 2N1

AND TO: **JOHN CHRISTENSEN**  
3 Wisteria Road  
Toronto, Ontario  
M1R 4X7

AND TO: **NATIONAL LEASING GROUP INC.**  
1525 Buffalo Place  
Winnipeg, MB  
R3T 1L9



CV-17-587642-00CL

Court File No.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

BETWEEN:

ROYAL BANK OF CANADA

Applicant

and

TORONTO MACHINE & TOOL COMPANY LIMITED,  
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APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.c43, AS AMENDED

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Court File No.

CV-17-587642-002

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL COURT



BETWEEN

ROYAL BANK OF CANADA

APPLICANT

and

TORONTO MACHINE & TOOL COMPANY LIMITED,  
TORONTO MACHINE & TOOL INC.

RESPONDENT

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.c43, AS AMENDED

**NOTICE OF APPLICATION**

TO THE RESPONDENTS:

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

THIS APPLICATION will come on for a hearing before a Judge on **THURSDAY THE 7th DAY OF DECEMBER, 2017**, at 10:00 a.m. at 330 University Avenue, Toronto, Ontario.

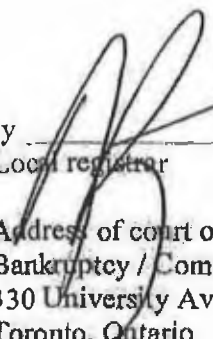
IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the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

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

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

Date: December 1<sup>st</sup>, 2017

Issued by \_\_\_\_\_  
Local registrar

  
Natasha Brown  
Registrar

Address of court office:  
Bankruptcy / Commercial Courts  
330 University Avenue, 7<sup>th</sup> Floor  
Toronto, Ontario M5G 1R7

TO: **TORONTO MACHINE & TOOL COMPANY LIMITED**  
38 Milne Avenue  
Toronto, Ontario  
MIL 1K1

AND TO: **TORONTO MACHINE & TOOL INC.**  
38 Milne Avenue  
Toronto, Ontario  
MIL 1K1



### APPLICATION

THE APPLICANT MAKES AN APPLICATION FOR:

- (a) an order abridging the time for service and/or filing of its application materials herein;
- (b) if necessary, an order validating service of the notice of application and related materials herein;
- (c) 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 msl Spergel Inc. to be receiver ("Receiver") over all of the property, assets and undertaking of Toronto Machine & Tool Company Limited ("TMT Co.") and Toronto Machine & Tool Inc. ("TMT Inc.") in substantially the form of the draft order attached hereto at Tab 1A;
- (d) if necessary, an order pursuant to s. 243(1) dispensing with the requirement for the applicant to deliver a notice pursuant to s. 244(1) prior to bringing the application herein and this Honourable Court's appointment of the Receiver;
- (e) costs of this application on a substantial indemnity basis including disbursements and applicable H.S.T.; and
- (f) such further and/or other relief that this Honourable Court deems just.

THE GROUNDS FOR THE APPLICATION ARE:

- (a) Royal Bank of Canada ("RBC") is a secured creditor of TMT Co. and TMT Inc.
- (b) On January 1, 2014 Toronto Machine & Tool Company Limited and 717166 Ontario Limited amalgamated and continued as TMT Co.;
- (c) TMT Inc. was incorporated on June 25, 2015;
- (d) TMT Co. and TMT Inc. applied to RBC for financing in or around October 2015;
- (e) TMT Co. granted the applicant a security interest, the terms of which are set out in a General Security Agreement dated October 23, 2015. The General Security Agreement provides that upon default the applicant may appoint a receiver;
- (f) TMT Inc. granted the applicant a security interest, the terms of which are set out in a General Security Agreement dated October 23, 2015. The General Security Agreement provides that upon default the applicant may appoint a receiver;
- (g) TMT Co. is indebted to the applicant pursuant to a Confirmation of Credit Facilities Letter;
- (h) TMT Co. is in default of its obligations under the facilities;
- (i) On November 10, 2017, the applicant made demand requiring that TMT Co. pay the full amount outstanding which as of November 22, 2017 is \$2,811,816.85;
- (j) TMT Co. failed to repay the indebtedness to RBC;

- (k) TMT Inc. is indebted to the applicant pursuant to a Confirmation of Credit Facilities Letter;
- (l) TMT Inc. is in default of its obligations under the facilities;
- (m) On November 10, 2017, the applicant made demand requiring that TMT Inc. pay the full amount outstanding which as of November 22, 2017 is \$523,884.22;
- (n) TMT Inc. failed to repay the indebtedness to RBC;
- (o) As of December 1, 2017 the amount owing to RBC by TMT Co. is \$2,814,867.28;
- (p) As of December 1, 2017 the amount owing to RBC by TMT Inc. is \$523,510.92;
- (q) RBC is in receipt of a Third Party Demand from CRA in relation to TMT Inc. in the amount of \$284,345.94;
- (r) RBC is in receipt of a Notice of Garnishment in relation to \$12,795.20 owed by TMT Inc. to Workplace Safety and Insurance Board;
- (s) It is just and equitable to appoint a Receiver;
- (t) msi Spergel Inc. has consented to act as court appointed Receiver with respect to TMT Co. and TMT Inc.;
- (u) Section 101 of the *Courts of Justice Act* and s. 243 of the *Bankruptcy and Insolvency Act*;
- (d) Rule 41.02 of the *Rules of Civil Procedure*; and
- (e) Such further and other relief as counsel may advise and this Honourable Court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:

- (a) the affidavit of Wojciech Karwala sworn December 1, 2017, including its exhibits;
- (b) such further and other evidence as counsel may advise and this Honourable Court permit.

Date of issue: December 1, 2017

**DEVRY SMITH FRANK LLP**  
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95 Barber Greene Road, Suite 100  
Toronto, Ontario  
M3C 3E9

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Lawyers for the Applicant



# TAB 1A

Court File No.

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

THE HONOURABLE

)

THURSDAY, THE 7TH

JUSTICE

)

DAY OF DECEMBER, 2017

)

**ROYAL BANK OF CANADA**

Applicant

- and -

**TORONTO MACHINE & TOOL COMPANY LIMITED,  
TORONTO MACHINE & TOOL INC.**

Respondent

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

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

ON READING the affidavit of Wojciech Karwala sworn December 1, 2017 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for the Respondents although duly served as appears from the affidavit of service of  
sworn and on reading the consent of msi Spergel inc. to act as the Receiver,

### **SERVICE**

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

### **APPOINTMENT**

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

### **RECEIVER'S POWERS**

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

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

- (c) 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;
- (d) 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;
- (e) to settle, extend or compromise any indebtedness owing to the Debtor;
- (f) 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;
- (g) 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;
- (h) 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;
- (i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

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



- (o) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (p) 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 \$150,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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 <http://www.spergel.ca/torontomachine>.

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 Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the 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.

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

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

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

1. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the "Receiver") of the assets, undertakings and properties Toronto Machine & Tool Company Limited and Toronto Machine & Tool Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an action having Court file number \_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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 \_\_\_\_\_, 2016.

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

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

**Name:**

**Title:**

ROYAL BANK OF CANADA

and

TORONTO MACHINE & TOOL COMPANY  
LIMITED, ET. AL..

Court File No.

Applicant

Respondent

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)

IN THE MATTER OF AN APPLICATION UNDER  
SUBSECTION 243(1) OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED,  
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O  
1990, c.C43, AS AMENDED

Proceeding commenced at  
TORONTO

**ORDER**

**DEVRY SMITH FRANK LLP**

Lawyers & Mediators

95 Barber Greene Road, Suite 100  
Toronto, Ontario M3C 3E9

**KELLI PRESTON**

LSUC #: 47467B

Tel : (416) 449-1400

Fax: (416) 449-7071

Lawyers for the Applicant



Court File No.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL COURT

**BETWEEN**

**ROYAL BANK OF CANADA**

**APPLICANT**

**and**

**TORONTO MACHINE & TOOL COMPANY LIMITED,  
TORONTO MACHINE & TOOL INC.**

**RESPONDENT**

**APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.c43, AS AMENDED**

**AFFIDAVIT OF WOJCIECH KARWALA**

I, WOJCIECH KARWALA, of the City of Toronto in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Senior Manager, Group Risk Management at Royal Bank of Canada (the "Bank"). I have carriage of the file involving Toronto Machine & Tool Company Limited ("TMT Co.") and Toronto Machine & Tool Inc. ("TMT Inc."), and as such have knowledge of the following facts.
2. By way of a Confirmation of Credit Facilities Letter dated August 17, 2015 (the "TMT Co. CCF"), the Applicant made credit available to TMT Co. A true copy of the TMT Co. CCF is attached to this affidavit and marked as Exhibit "A".

3. By way of a Confirmation of Credit Facilities Letter dated August 17, 2015 (the "TMT Inc. CCF"), the Applicant made credit available to TMT Inc. A true copy of the TMT Inc. CCF is attached to this affidavit and marked as **Exhibit "B"**.
4. TMT Co. is a corporation incorporated pursuant to the laws of the province of Ontario. Attached hereto and marked as **Exhibit "C"** is a true copy of the TMT Co. Corporate Profile Report.
5. TMT Inc. is a corporation incorporated pursuant to the laws of the province of Ontario. Attached hereto and marked as **Exhibit "D"** is a true copy of the TMT Inc. Corporate Profile Report.
6. TMT Co. and TMT Inc. are world-class suppliers of machined castings and components, fabrications and assemblies located in the City of Toronto, Ontario.
7. TMT Co. executed a General Security Agreement ("TMT Co. GSA") in favour of the Applicant on October 23, 2015. A true copy of the TMT Co. GSA is attached to this affidavit and marked as **Exhibit "E"**. Paragraph 11 of the TMT Co. GSA defines the events of default. One of the events of default under the TMT Co. GSA is non-payment of an amount under the loan. Paragraph 13 of the TMT Co. GSA sets out the remedies available to the Applicant. Those remedies include the right of the Applicant to appoint a receiver and manager.
8. TMT Co. provided a Mortgage to the Bank, which Mortgage was registered against the properties legally described as:
  - (a) PCL J-2, SEC M572 ; PT BLK J, PL M572, PART 3 , 66R312 ; T/W ROW IN COMMON WITH OTHERS ENTITLED THERETO FOR ALL PURPOSES OVER THE SLY 20 FT IN PERPENDICULAR WIDTH OF PT 1 ON SAID PL 66R312. S/T ROW FOR ALL PURPOSES OVER THE NLY 20 FT IN PERPENDICULAR WIDTH OF SAID PT 3 ON PL 66R312. ;  
SCARBOROUGH, CITY OF TORONTO, and municipally known as 38 Milne Avenue, Toronto (the "Milne "Property") on October 28, 2015 as Instrument No. AT4049362 in the Registry Office for the Land Titles Division of Toronto (No. 66) in the original principal amount of \$3,600,000.00; and

- (b) PCL J-1, SEC M572 ; PT BLK J, PL M572, PART 1 & 5, 66R312 ; T/W ROW PT BLK J PT 6, 66R312 AS IN A47758 AND A59846; S/T ROW PT 5, 66R312 AS IN A47758 AND A59847; T/W A ROW IN COMMON WITH OTHERS ENTITLED THERETO FOR ALL PURPOSES OVER PT BLK J PL M572, BEING THE NLY 20 FT IN PERPENDICULAR WIDTH OF PT 3 66R312; S/T ROW IN FAVOUR OF ALL THOSE ENTITLED THERETO OVER THE SLY 20 FT IN PERPENDICULAR WIDTH PT 1 66R312 ; S/T A116728 SCARBOROUGH , CITY OF TORONTO, and municipally know as 57 Mack Avenue, Scarborough (the "Mack Property") on October 28, 2015 as Instrument No. AT4049362 in the Registry Office for the Land Titles Division of Toronto (No. 66) in the original principal amount of \$3,600,000.00.

A true copy of the Mortgage is attached to this affidavit and marked as Exhibit "F".

9. TMT Inc. executed a General Security Agreement ("TMT Inc. GSA") in favour of the Applicant on October 23, 2015. A true copy of the TMT Inc. GSA is attached to this affidavit and marked as Exhibit "G". Paragraph 11 of the TMT Inc. GSA defines the events of default. One of the events of default under the TMT Inc. GSA is non-payment of an amount under the loan. Paragraph 13 of the TMT Inc. GSA sets out the remedies available to the Applicant. Those remedies include the right of the Applicant to appoint a receiver and manager.
10. The last payments by TMT Co. and TMT Inc. were received July 28, 2017. On or about November 10, 2017, the Applicant made demand on the Respondents. Attached to this affidavit and marked as Exhibit "H" is a true copy of the demand letters.
11. TMT Co. is indebted to the Applicant for unpaid accrued interest and legal and other costs.
12. As of November 30, 2017, there is currently owing by TMT Co. as follows:

<u>Description</u>	<u>Principal</u>	<u>Interest</u>
Demand Loan #1 (Bank prime plus 1.50% per annum)	\$2,294,739.88	\$41,236.16
Demand Loan #2 (Bank prime plus 1.85% per annum)	\$469,483.54	\$8,729.82

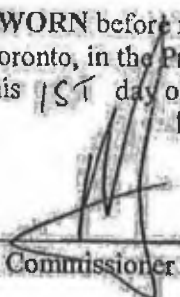
13. TMT Inc. is indebted to the Applicant for unpaid accrued interest and legal and other costs.
14. The Visa has multiple cards attached to it with various payment dates. TMT Inc. missed payments under the Visa on August 14 and August 30, 2017.
15. As of November 30, 2017, there is currently owing by TMT Inc. as follows:

<u>Description</u>	<u>Principal and Interest</u>
Operating Line (limited to the amount of \$500k (Bank prime plus 1.50% per annum)	\$500,192.76
Visa (limited to the amount of \$20k) (19.99% per annum)	\$27,266.26

16. A 3<sup>rd</sup> Party Demand dated November 20, 2017 against TMT Inc. was received from Canada Revenue Agency. A true copy of the 3<sup>rd</sup> Party Demand is attached to this Affidavit and marked as "Exhibit I".
17. A Notice of Garnishment issued November 24, 2017 was received from Workplace Safety and Insurance Board naming TMT Inc. as Garnishee for the amount of \$12,795.20. A true copy of the Notice of Garnishment is attached to this affidavit and marked as Exhibit "J".
18. msi Spergel Inc. has consented to being appointed a receiver by the court. A true copy of the private receivership appointment is attached to this affidavit and marked as Exhibit "K".
19. The Applicant requests that this Court appoint msi Spergel Inc. as receiver and manager of TMT Co. and TMT Inc., as this will assist msi Spergel Inc. in carrying out its duties. msi Spergel Inc. has agreed to act as court-appointed receiver.



SWORN before me at the City of  
Toronto, in the Province of Ontario,  
this 15<sup>th</sup> day of November, 2017  
DECEMBER

  
A Commissioner for taking affidavits.

Peter John Gordon, a Commissioner, etc.,  
City of Toronto, for the Royal Bank of Canada.  
Expires June 10, 2020.

  
Wojciech Karwala



This is Exhibit "A" referred to in the

Affidavit of Wojciech Karwala, sworn before me,

this 11<sup>th</sup> day of December, 2017

.....  
A Commissioner, etc.

Peter John Gordon, a Commissioner, etc.,  
City of Toronto, for the Royal Bank of Canada.  
Expires June 10, 2020.



Royal Bank of Canada  
 Commercial Financial Services  
 3300 Highway 7 W - 2nd Flr  
 Concord, ON L4K 4M3

August 17, 2015

Private and Confidential

**TORONTO MACHINE & TOOL COMPANY LIMITED**  
 38 Milne Avenue  
 Scarborough, ON  
 M1L 1K1

ROYAL BANK OF CANADA (the "Bank") hereby offers the credit facilities described below (the "Credit Facilities") subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "Agreement"). Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

**BORROWER:** Toronto Machine & Tool Company Limited (the "Borrower").

**CREDIT FACILITIES**

**Facility #1:** \$2,422,500.00 non-revolving term facility by way of:

- a) RBP based loans ("RBP Loans")
- b) Fixed Rate Term Loans ("FRT Loans")

Interest rate (per annum): RBP + 1.50%  
 Fixed Interest rate to be determined at time of Borrowing

**AVAILABILITY**

The Borrower may borrow and convert up to the amount of this term facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time from time to time without notice.

**REPAYMENT**

Payment Amount:	To be determined at drawdown	Payment Frequency:	Monthly
Payment Type:	Blended / Blended (payment amount subject to annual adjustments to ensure amortization) Principal Plus Interest	First payment date:	30 days from drawdown
Repayable in full on:	The last day of a 1 year term from drawdown if variable	Original Amortization (months)	240

\* Registered Trademark of Royal Bank of Canada

	Interest rate selected or the last day of a 1, 2, 3, 4 or 6 year term from drawdown if fixed interest rate selected		
Amount eligible for prepayment of FRT Loan: 0%			

The specific repayment terms for Borrowings under this facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Borrowing Request substantially in the form of Schedule "I" provided by the Borrower and accepted by the Bank.

**Facility #2:** \$677,500.00 non-revolving term facility by way of:

- a) RBP based loans ("RBP Loans") Interest rate (per annum) RBP + 1.85%  
 b) Fixed Rate Term Loans ("FRT Loans") Fixed interest rate to be determined at time of Borrowing

#### AVAILABILITY

The Borrower may borrow and convert up to the amount of this term facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time from time to time without notice.

The amount of any Borrowing must not exceed 87.64% of the purchase price of the equipment being financed with such Borrowing.

#### REPAYMENT

Payment Amount:	To be determined at drawdown	Payment Frequency:	Monthly
Payment Type:	Blended / Blended (payment amount subject to annual adjustments to ensure amortization) Principal Plus Interest	First payment date:	30 days from drawdown
Repayable in full on:	The last day of a 1 year term from drawdown if variable interest rate selected or the last day of a 1, 2, 3, 4 or 6 year term from drawdown if fixed interest rate selected	Original Amortization (months)	60
Amount eligible for prepayment of FRT Loan: 0%			

The specific repayment terms for Borrowings under this facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Borrowing Request substantially in the form of Schedule "I-1" provided by the Borrower and accepted by the Bank.

#### Other Fees:

##### Renewal Fee:

If the Bank renews or extends any term facility or term loan beyond its Maturity Date, an additional renewal fee may be payable in connection with any such renewal in such amount as the Bank may determine and notify the Borrower.

**SECURITY**

Security for the Borrowings and all other obligations of the Borrower to the Bank (collectively, the "Security"), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;  
+ 3,600,000 MN
- b) Collateral mortgage in the amount of \$3,200,000.00 signed by the Borrower, constituting a first fixed charge on the lands and improvements located at 57 Mack Avenue, Toronto, ON;
- c) Security agreement (chattel mortgage) on the Bank's form 927 signed by the Borrower constituting a first ranking and specific security interest in equipment and machinery financed;
- d) Postponement and assignment of claim on the Bank's form 918 signed by Metall Group Inc.;
- e) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$3,100,000.00 signed by Metall Group Inc., supported by:
- ~~i) a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of Metall Group Inc.;~~ MN DB
- ii) assignment/pledge of the shares of Toronto Machine & Tool Company Limited and Toronto Machine & Tool Inc.; and
- iii) a letter signed by Metall Group Inc., agreeing to not grant anyone any collateral security interest in the company and to not encumber any assets of the company.
- f) Collateral mortgage in the amount of \$3,200,000.00 signed by the Borrower, constituting a first fixed charge on the lands and improvements located at 38 Milne Avenue, Toronto, ON;
- g) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$3,100,000.00 signed by Toronto Machine & Tool Inc., supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of Toronto Machine & Tool Inc.;
- h) Assignment of rents on the Bank's form 780 signed by the Borrower constituting a first ranking assignment of all rents arising from the lands and improvements located at 38 Milne Avenue, Toronto, ON and 57 Mack Avenue, Toronto, ON;
- i) Postponement and assignment of claim on the Bank's form 918 signed by Scott Wilson;
- j) Postponement and assignment of claim on the Bank's form 918 signed by Daniel Blum;
- k) Postponement and assignment of claim on the Bank's form 918 signed by John Christensen, together with a letter signed by the Bank whereby the Bank agrees that notwithstanding the terms and conditions of the postponement and assignment of claim, the Borrower may make payments to John Christensen, as outlined in the letter, provided the Borrower is in compliance with all terms and conditions of this Agreement and with all terms and conditions of the Security both before and after the making of any such payment;
- l) Certificate of insurance evidencing fire and other perils coverage on the property located at 38 Milne Avenue, Toronto, ON, showing the Bank as first mortgagee;
- ~~m) Certificate of insurance evidencing fire and other perils coverage on the property located at 57 Mack Avenue, Toronto, ON, showing the Bank as first mortgagee;~~ MN DB
- n) Certificate of insurance evidencing fire and other perils coverage on the property located at 57 Mack Avenue, Toronto, ON, showing the Bank as first mortgagee.

**FINANCIAL COVENANTS**

In the event that the Borrower, Toronto Machine & Tool Inc., or Metall Group Inc., changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain on a combined basis for the Borrower, Toronto Machine & Tool Inc., and Metall Group Inc., to be measured as at the end of each fiscal quarter:
  - i. Debt Service Coverage, calculated on a rolling 4 quarters basis for the fiscal quarter then ended and the immediately preceding 3 fiscal quarters, of not less than 1.25:1;
  - ii. a ratio of Funded Debt to EBITDA of not greater than 8.10:1 as of fiscal quarter ending September 30, 2015, reducing to 4.00:1 as of fiscal quarter ending December 31, 2016, and further reducing to 2.75:1 as of fiscal quarter ending December 31, 2018 and thereafter maintain to be measured as at the end of each fiscal quarter, a ratio of Funded Debt to EBITDA of not greater than 2.75:1.

**REPORTING REQUIREMENTS**

The Borrower will provide the following to the Bank:

- a) quarterly Compliance Certificate, substantially in the form of Schedule "H" signed by an authorized signing officer of the Borrower, within 30 days of each fiscal quarter end, certifying compliance with this Agreement including the financial covenants set forth in the Agreement;
- b) annual notice to reader financial statements for the Borrower, Metall Group Inc., and Toronto Machine & Tool Inc., within 90 days of each fiscal year end;
- c) annual review engagement combined financial statements for the Borrower, Toronto Machine & Tool Inc., and Metall Group Inc., within 90 days of each fiscal year end;
- d) quarterly company prepared combined financial statements for the Borrower, Toronto Machine & Tool Inc., and Metall Group Inc., within 30 days of each fiscal quarter end;
- e) annual financial forecasted balance sheet and income/expense statement and cash flow and assumptions statements for the Borrower, Toronto Machine & Tool Inc., and Metall Group Inc., prepared on a quarterly basis for the next following, within 90 days of each fiscal year end;
- f) biennial personal statement of affairs for Scott Wilson and Daniel Blum, within 90 days of the end of every second fiscal year of the Borrower, commencing with the fiscal year ending in 2016;
- g) such other financial and operating statements and reports, and when the Bank may reasonably require.

**CONDITIONS PRECEDENT**

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require;
- d) copy of the executed purchase and sale agreement, containing terms and conditions reviewed/vetted by the Bank's external legal counsel and satisfactory to the Bank;

- copy of the executed share certificates of the Borrower and Toronto Machine & Tool Inc., prior to the advance of any funds, satisfactory to the Bank; and
- such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

**Additionally:**

- a) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank;
- b) no Borrowing under Facility #1 will be made available unless the Bank has received a Borrowing Request from the Borrower substantially in the form of Schedule "I" together with a reliance letter from Altech Environmental Consulting Ltd., in respect of the Environmental Site Assessment dated June 23, 2016 confirming the Bank may rely on such report;
- c) no Borrowing under Facility #2 will be made available unless the Bank has received a Borrowing Request from the Borrower substantially in the form of Schedule "I-1".

**BUSINESS LOAN INSURANCE PLAN**

The Borrower acknowledges that the Bank has offered it insurance on the Borrowings under the Business Loan Insurance Plan Policy 61000 ("Policy") issued by the Sun Life Assurance Company of Canada to the Bank and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased amount for the Borrowings that may be eligible.

Should the Borrower decide to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3400 Eng or 53460 Fr). However, should the Borrower decide not to apply, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the offer.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums, if applicable, are taken with your scheduled loan payments. In the case of blended payments of principal and interest, as premiums fluctuate based on various factors such as, by way of example, the age of the Insured and changes to the insured loan balance, a part of the premium payment may be deducted and taken from the scheduled blended loan payment with the result that the amortization period may increase in the case of any loan to which this coverage applies. Refer to the Business Loan Insurance Plan application for further explanation and disclosure.

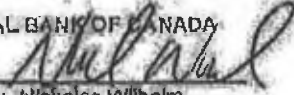
**GOVERNING LAW JURISDICTION**

Province of Ontario.

**ACCEPTANCE**

This Agreement is open for acceptance until September 25, 2016, after which date it will be null and void, unless extended in writing by the Bank.

ROYAL BANK OF CANADA

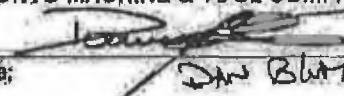
Per:   
Name: Nicholas Wilhelm  
Title: Senior Account Manager

/s/



We acknowledge and accept the terms and conditions of this Agreement on this 23 day of October, 2015.

**TORONTO MACHINE & TOOL COMPANY LIMITED**

Per:   
Name: Dan Blum  
Title: \_\_\_\_\_

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

I/We have the authority to bind the Borrower

Attachments:

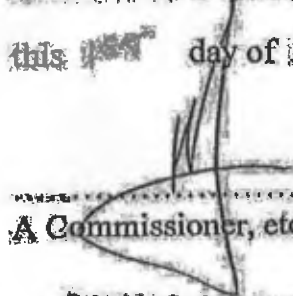
Terms and Conditions

Schedules:

- ☒ Definitions
- ☒ Calculation and Payment of Interest and Fees
- ☒ Additional Borrowing Conditions
- ☒ Compliance Certificate
- ☒ Non-Revolving Term Facility – Borrowing Request "1"
- ☒ Non-Revolving Term Facility – Borrowing Request "1-1"
- ☒ RBC Coverly Dashboard Terms and Conditions



This is Exhibit <sup>as B</sup> referred to in the  
Affidavit of Wojciech Karwala, sworn before me,  
this ~~15th~~ day of December, 2017

  
A Commissioner, etc.

Peter John Gordon, a Commissioner, etc.  
City of Toronto, for the Royal Bank of Canada  
Expires June 10, 2020.



Royal Bank of Canada  
 Commercial Financial Services  
 3300 Highway 7 W - 2nd Flr  
 Concord, ON L4K 4M3

August 17, 2015

Private and Confidential

**TORONTO MACHINE & TOOLING**  
 38 Milne Avenue  
 Scarborough, ON  
 M1L 1K1

ROYAL BANK OF CANADA (the "Bank") hereby offers the credit facilities described below (the "Credit Facilities") subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "Agreement"). Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or events of default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or event of default.

**BORROWER:** Toronto Machine & Tool Inc. (the "Borrower").

**CREDIT FACILITIES**

Facility #1: \$500,000.00 revolving demand facility by way of:

a) RBP based loans ("RBP Loans")

Revolve in increments of:	\$5,000.00	Minimum retained balance:	\$0.00
Revolved by:	Bank	Interest rate (per annum):	RBP + 1.50%

**AVAILABILITY**

The Borrower may borrow, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

**REPAYMENT**

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Borrowings under this facility are repayable on demand.

**GENERAL ACCOUNT**

The Borrower shall establish a current account with the Bank (the "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of the General Account and:

a) If such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans under this facility;

\* Registered Trademark of Royal Bank of Canada

- b) If such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans under this facility.

#### OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "Other Facilities"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) VISA Business to a maximum amount of \$5,000.00.

#### FEES

##### One Time Fee:

Payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

##### Monthly Fee:

Payable in arrears on the same day of each month.

Application Fee: \$3,000.00

Management Fee: \$250.00

#### SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank (collectively, the "Security"), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$505,000.00 signed by Toronto Machine & Tool Company Limited, supported by:
- i) a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of Toronto Machine & Tool Company Limited;
  - ii) a collateral mortgage in the amount of ~~\$3,230,000.00~~ <sup>\$3,600,000.00 (W)</sup> constituting a first fixed charge on the lands and improvements located at 57 Mack Avenue, Toronto, ON;
  - iii) a collateral mortgage in the amount of ~~\$3,230,000.00~~ <sup>\$3,600,000.00 (W)</sup> constituting a first fixed charge on the lands and improvements located at 38 Milne Avenue, Toronto, ON;
- c) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$505,000.00 signed by Metall Group Inc., supported by:
- ~~i) a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of Metall Group Inc.~~ (W) (WB)
  - ii) assignment/pledge of the shares of Toronto Machine & Tool Company Limited and Toronto Machine & Tool Inc.; and
  - iii) a letter signed by Metall Group Inc., agreeing to not grant anyone any collateral security interest in the company and to not encumber any assets of the company.
- d) Postponement and assignment of claim on the Bank's form 918 signed by Metall Group Inc.;
- e) Postponement and assignment of claim on the Bank's form 918 signed by Scott Wilson;
- f) Postponement and assignment of claim on the Bank's form 918 signed by Daniel Blum;

**FINANCIAL COVENANTS**

In the event that the Borrower, Toronto Machine & Tool Company Limited, or Metall Group Inc., changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain on a combined basis for the Borrower, Toronto Machine & Tool Company Limited, and Metall Group Inc., to be measured as at the end of each fiscal quarter:
  - i. Debt Service Coverage, calculated on a rolling 4 quarters basis for the fiscal quarter then ended and the immediately preceding 3 fiscal quarters, of not less than 1.25:1;
  - ii. a ratio of Funded Debt to EBITDA of not greater than 8.10:1, reducing to 4.00:1 as of fiscal quarter ending December 31, 2015, and further reducing to 2.75:1 as of fiscal quarter ending December 31, 2016 and thereafter maintain to be measured as at the end of each fiscal quarter, a ratio of Funded Debt to EBITDA of not greater than 2.75:1.

**REPORTING REQUIREMENTS**

The Borrower will provide the following to the Bank:

- a) quarterly Compliance Certificate, substantially in the form of Schedule "H" signed by an authorized signing officer of the Borrower, within 30 days of each fiscal quarter end, certifying compliance with this Agreement including the financial covenants set forth in the Agreement;
- b) annual notice to reader financial statements for the Borrower, Metall Group Inc., and Toronto Machine & Tool Company Limited, within 90 days of each fiscal year end;
- c) annual review engagement combined financial statements for the Borrower, Toronto Machine & Tool Company Limited, and Metall Group Inc., within 90 days of each fiscal year end;
- d) quarterly company prepared combined financial statements for the Borrower, Toronto Machine & Tool Company Limited, and Metall Group Inc., within 30 days of each fiscal quarter end;
- e) annual financial forecasted balance sheet and income/expenses statement and cash flow and assumptions statements for the Borrower, Toronto Machine & Tool Company Limited, and Metall Group Inc., prepared on a quarterly basis for the next following, within 90 days of each fiscal year end;
- f) biennial personal statement of affairs for Scott Wilson and Daniel Skum, within 90 days of the end of every second fiscal year of the Borrower, commencing with the fiscal year ending to 2016;
- g) quarterly aged list of accounts receivable, aged list of accounts payable and status of inventory for the Borrower, within 30 days of each fiscal quarter end;
- h) such other financial and operating statements and reports as and when the Bank may reasonably require.

**CONDITIONS PRECEDENT**

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;

- d) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require;
- e) copy of the executed purchase and sale agreement, containing terms and conditions reviewed/vetted by the Bank's external legal counsel and satisfactory to the Bank;
- f) copy of the executed share certificates of the Borrower and Toronto Machine & Tool Company Limited, prior to the advance of any funds, satisfactory to the Bank;
- g) a reliance letter from Altech Environmental Consulting Ltd., in respect of the Environmental Site Assessment dated June 23, 2015 confirming the Bank may rely on such report; and
- h) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally:

- i) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

**BUSINESS LOAN INSURANCE PLAN:**

The Borrower acknowledges that the Bank has offered it insurance on the Borrowings under the Business Loan Insurance Plan Policy 61000 ("Policy") issued by the Sun Life Assurance Company of Canada to the Bank and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased amount for the Borrowings that may be eligible.

Should the Borrower decide to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 Eng or 63460 Fr). However, should the Borrower decide not to apply, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the offer.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums, if applicable, are taken with your scheduled loan payments. In the case of blended payments of principal and interest, as premiums fluctuate based on various factors such as, by way of example, the age of the insured and changes to the insured loan balance, a part of the premium payment may be deducted and taken from the scheduled blended loan payment with the result that the amortization period may increase in the case of any loan to which this coverage applies. Refer to the Business Loan Insurance Plan application for further explanation and disclosure.


**GOVERNING LAW JURISDICTION**

Province of Ontario.

**ACCEPTANCE**

This Agreement is open for acceptance until September 26, 2015, after which date it will be null and void, unless extended in writing by the Bank.

ROYAL BANK OF CANADA

Per:   
Name: Nicholas Wilhelm  
Title: Senior Account Manager

Toronto Machine & Tool Inc.

1  
5

August 17, 2015

We acknowledge and accept the terms and conditions of this Agreement  
on this 23 day of October, 2015.

TORONTO MACHINE & TOOL INC.

Per:   
Name: Dave Scott  
Title:

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

~~We have the authority to bind the Borrower~~

Attachments:

Terms and ~~Conditions~~

Schedules:

- Definitions
- Calculation and ~~Payment~~ of Interest and Fees
- Compliance Certificate
- ~~RBC Covarity Dashboard~~ Terms and Conditions





This is Exhibit VE referred to in the  
Affidavit of Wojciech Karwala, sworn before me,  
this 12<sup>th</sup> day of December, 2017

.....  
A Commissioner, etc.

Peter John Gordon, a Commissioner, etc.,  
City of Toronto, for the Royal Bank of Canada.  
Expires June 10, 2020.

Request ID: 019994140  
Transaction ID: 63777041  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/03/06  
Time Report Produced: 16:54:21  
Page: 1

## CORPORATION PROFILE REPORT

<b>Ontario Corp Number:</b>	<b>Corporation Name:</b>	<b>Amalgamation Date:</b>
1908690	TORONTO MACHINE & TOOL COMPANY LIMITED	2014/01/01
		<b>Jurisdiction:</b>
		ONTARIO
<b>Corporation Type:</b>	<b>Corporation Status:</b>	<b>Former Jurisdiction:</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address:</b>	<b>Date Amalgamated:</b>	<b>Amalgamation Info:</b>
38 MILNE AVENUE	NOT APPLICABLE	A
	<b>New Amal. Number:</b>	<b>Notice Date:</b>
TORONTO	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		<b>Letter Date:</b>
CANADA M1L 1K1		NOT APPLICABLE
<b>Mailing Address:</b>	<b>Revival Date:</b>	<b>Continuation Date:</b>
38 MILNE AVENUE	NOT APPLICABLE	NOT APPLICABLE
	<b>Transferred Out Date:</b>	<b>Cancel/Inactive Date:</b>
TORONTO	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		<b>EP Licence Exp. Date:</b>
CANADA M1L 1K1		NOT APPLICABLE
		<b>EP Licence Term Date:</b>
		NOT APPLICABLE
	<b>Number of Directors</b>	<b>Date Commenced</b>
	Minimum Maximum	In Ontario
	00001 00010	NOT APPLICABLE
<b>Activity Classification:</b>		<b>Date Ceased</b>
NOT AVAILABLE		In Ontario
		NOT APPLICABLE

Request ID: 019894140  
Transaction ID: 63777041  
Category ID: UNE

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/03/08  
Time Report Produced: 15:54:21  
Page: 2

## CORPORATION PROFILE REPORT

Ontario Corp. Number

1908620

Corporation Name

TORONTO MACHINE & TOOL COMPANY LIMITED

Corporate Name History

TORONTO MACHINE & TOOL COMPANY LIMITED

Effective Date

2014/01/01

Current Business Name(s) Excl5

NO

Expired Business Name(s) Excl5

NO

Amalgamating Corporations

Corporation Name

TORONTO MACHINE & TOOL COMPANY LIMITED

717168-ONTARIO LIMITED

Corporate Number

91769

717169

Request ID: 019994140  
Transaction ID: 63777041  
Category ID: UNE

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/03/06  
Time Report Produced: 16:54:21  
Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number:

1908620

Corporation Name:

TORONTO MACHINE & TOOL COMPANY LIMITED

Administrator:  
Name (Individual / Corporation):

DAN  
BLUM

Address:

1900 LAKE SHORE BOULEVARD WEST

Suite # 502  
TORONTO  
ONTARIO  
CANADA M6S 1A4

Date Began:

2015/10/23

First Director:

NOT APPLICABLE

Designation:

DIRECTOR

Officer Type:

Resident Canadian:

Y

Administrator:  
Name (Individual / Corporation):

DAN  
BLUM

Address:

1900 LAKE SHORE BOULEVARD WEST

Suite # 502  
TORONTO  
ONTARIO  
CANADA M6S 1A4

Date Began:

2015/10/23

First Director:

NOT APPLICABLE

Designation:

OFFICER

Officer Type:

PRESIDENT

Resident Canadian:

Y

Request ID: 019994140  
Transaction ID: 63777041  
Category ID: UNE

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/03/06  
Time Report Produced: 15:54:21  
Page: 4

## CORPORATION PROFILE REPORT

Ontario Corp Number: 1908820  
Corporation Name: TORONTO MACHINE & TOOL COMPANY LIMITED

Administrator Name (Individual / Corporation): JOHN CHRISTENSEN  
Address: 38 MILNE AVENUE  
TORONTO  
ONTARIO  
CANADA M1L 1K1

Date Began: 2014/01/01  
First Director: NOT APPLICABLE  
Designation: DIRECTOR  
Officer Type:  
Resident Canadian: Y

Administrator Name (Individual / Corporation): JOHN CHRISTENSEN  
Address: 38 MILNE AVENUE  
TORONTO  
ONTARIO  
CANADA M1L 1K1

Date Began: 2014/01/01  
First Director: NOT APPLICABLE  
Designation: OFFICER  
Officer Type: PRESIDENT  
Resident Canadian:

Request ID: 019994140  
Transaction ID: 63777041  
Category ID: UNE

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/03/06  
Time Report Produced: 15:54:21  
Page: 6

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1908620

TORONTO MACHINE & TOOL COMPANY LIMITED

Administrator:  
Name (Individual / Corporation)

Address

JOHN  
CHRISTENSEN

38 MILNE AVENUE  
  
TORONTO  
ONTARIO  
CANADA M1L 1K1

Date Began

First Director

2014/01/01

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Administrator:  
Name (Individual / Corporation)

Address

SCOTT  
WILSON

2238 PARKMOUNT BOULEVARD  
  
OAKVILLE  
ONTARIO  
CANADA L6H 6T5

Date Began

First Director

2015/10/23

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 019994140  
Transaction ID: 83777041  
Category ID: UNE

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/03/06  
Time Report Produced: 15:54:21  
Page: 6

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1908620

TORONTO MACHINE & TOOL COMPANY LIMITED

Administrator:  
Name (Individual / Corporation)

Address

SCOTT  
WILSON

2236 PARKMOUNT BOULEVARD  
  
OAKVILLE  
ONTARIO  
CANADA L6H 6T5

Date Began

First Director

2015/10/23

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Administrator:  
Name (Individual / Corporation)

Address

SCOTT  
WILSON

2236 PARKMOUNT BOULEVARD  
  
OAKVILLE  
ONTARIO  
CANADA L6H 6T5

Date Began

First Director

2015/10/23

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

TREASURER

Y



Request ID: 019984140  
Transaction ID: 63777041  
Category ID: UNE

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/03/06  
Time Report Produced: 15:54:21  
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## CORPORATION PROFILE REPORT

**Ontario Corp Number**

1808620

**Corporation Name**

TORONTO MACHINE & TOOL COMPANY LIMITED

**Last Document Recorded**

**Act/Code Description**

**Form**

**Date**

QIA ANNUAL RETURN 2015

10

2016/08/09 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1997, 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 "D" referred to in the  
Affidavit of Wojciech Karwala, sworn before me,  
this ~~15th~~ day of December, 2017

  
.....  
A Commissioner, etc.

Peter John Gordon, a Commissioner, etc.,  
City of Toronto, for the Royal Bank of Canada.  
Expires June 10, 2020.

Request ID: 019994144  
Transaction ID: 63777048  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/09/06  
Time Report Produced: 15:54:52  
Page: 1

## CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>	<b>Incorporation Date</b>
2472522	TORONTO MACHINE & TOOL INC.	2015/06/25
		<b>Jurisdiction</b>
		ONTARIO
<b>Corporation Type</b>	<b>Corporation Status</b>	<b>Former Jurisdiction</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address</b>	<b>Date Amalgamated</b>	<b>Amalgamation Ind.</b>
38 MILNE AVENUE,	NOT APPLICABLE	NOT APPLICABLE
SCARBOROUGH	<b>New Amal. Number</b>	<b>Notice Date</b>
ONTARIO	NOT APPLICABLE	NOT APPLICABLE
CANADA M1L 1K1		<b>Letter Date</b>
<b>Mailing Address</b>		NOT APPLICABLE
38 MILNE AVENUE	<b>Revival Date</b>	<b>Continuation Date</b>
SCARBOROUGH	NOT APPLICABLE	NOT APPLICABLE
ONTARIO	<b>Transferred Out Date</b>	<b>Cancel/Inactive Date</b>
CANADA M1L 1K1	NOT APPLICABLE	NOT APPLICABLE
	<b>EP Licence Eff. Date</b>	<b>EP Licence Term Date</b>
	NOT APPLICABLE	NOT APPLICABLE
	<b>Number of Directors</b>	<b>Date Commenced</b>
	Minimum Maximum	In Ontario
	00001 00010	NOT APPLICABLE
<b>Activity Classification</b>		<b>Date Ceased</b>
NOT AVAILABLE		In Ontario
		NOT APPLICABLE

Request ID: 019994144  
Transaction ID: 63777048  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/03/06  
Time Report Produced: 15:64:52  
Page: 2

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2472522

TORONTO MACHINE & TOOL INC.

Corporate Name History

Effective Date

TORONTO MACHINE & TOOL INC.

2015/06/25

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:  
Name (Individual / Corporation)

Address

DAN

1900 LAKESHORE BOULEVARD

BLUM

Suite # 502  
TORONTO  
ONTARIO  
CANADA M6S 1A4

Date Began

First Director

2015/06/25

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 019994144  
Transaction ID: 63777048  
Category ID: UNE

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/03/06  
Time Report Produced: 16:54:52  
Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number

2472529

Corporation Name

TORONTO MACHINE & TOOL INC.

Administrator:  
Name (Individual / Corporation)

DAN  
BLUM

Address

1900 LAKESHORE BOULEVARD  
Suite # 502  
TORONTO  
ONTARIO  
CANADA M6S 1A4

Date Began

2015/06/25

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:  
Name (Individual / Corporation)

SCOTT  
WILSON

Address

2230 PARKMOUNT BOULEVARD  
DARKVILLE  
ONTARIO  
CANADA L8H 6T6

Date Began

2015/08/25

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 019994144  
Transaction ID: 63777048  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/03/06  
Time Report Produced: 16:54:52  
Page: 4

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2472522

TORONTO MACHINE & TOOLING

Administrator:  
Name (Individual / Corporation)

Address

SCOTT  
WILSON

2238 PARKMOUNT BOULEVARD

OAKVILLE  
ONTARIO  
CANADA L6H 6T5

Date Began

Firm Director

2015/06/25

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

X

Request ID: 019994144  
Transaction ID: 63777048  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/03/06  
Time Report Produced: 16:54:52  
Page: 5

## CORPORATION PROFILE REPORT

Ontario Corp Number

2472522

Corporation Name

TORONTO MACHINE & TOOL INC.

Last Document Recorded

Act/Code Description

Form

Date

OIA ANNUAL RETURN 2016

1C

2016/07/31 (ELECTRONIC FILING)

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

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





This is Exhibit 'E' referred to in the  
Affidavit of Wojciech Karwala, sworn before me,  
this 1<sup>st</sup> day of December, 2017

.....  
A Commissioner, etc.

Peter John Gordon, a Commissioner, etc.,  
City of Toronto, for the Royal Bank of Canada.  
Expires June 10, 2020.

## GENERAL SECURITY AGREEMENT

E-FORM 624 (06/2015)

### 1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to ROYAL BANK OF CANADA ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all inventory of whatever kind and wherever situate;
- (ii) all equipment (other than inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all lists, records and files relating to Debtor's customers, clients and patients;
- (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims;
- (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral" or any part thereof.

### 2. INDEBTEDNESS SECURED

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

### 3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;

(b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;

(c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;

(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situated at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

#### 4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral;
- (ii) the details of any significant acquisition of Collateral;
- (iii) the details of any claims or litigation affecting Debtor or Collateral;
- (iv) any loss or damage to Collateral;
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral; and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to those presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;

(i) to deliver to RBC from time to time promptly upon request:

- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business;
- (iv) all policies and certificates of insurance relating to Collateral; and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

**5. USE AND VERIFICATION OF COLLATERAL**

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

**6. SECURITIES, INVESTMENT PROPERTY**

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

**7. COLLECTION OF DEBTS**

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

**8. INCOME FROM AND INTEREST ON COLLATERAL**

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

**9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS**

(a) Whether or not default has occurred, Debtor authorizes RBC:

(i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;

(ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

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

**10. DISPOSITION OF MONEY**

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

**11. EVENTS OF DEFAULT**

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

(a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;

(b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;

(c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;



h) If any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

## 12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to effect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

## 13. REMEDIES

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situated, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A.

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomsoever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

## 14. MISCELLANEOUS

(a) Debtor hereby authorizes RBC to file such financing statements, financing charge statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral) or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situated) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to,

perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment or accept anything which constitutes or would constitute indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby

(i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

(ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**15. COPY OF AGREEMENT**

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces except Ontario).

18. Debtor represents and warrants that the following information is accurate:

**INDIVIDUAL DEBTOR**

SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

**BUSINESS DEBTOR**


NAME OF BUSINESS DEBTOR <b>TORONTO MACHINE &amp; TOOL COMPANY LIMITED</b>			
ADDRESS OF BUSINESS DEBTOR <b>38 MILNE AVENUE</b>	CITY <b>SCARBOROUGH</b>	PROVINCE <b>ON</b>	POSTAL CODE <b>M1L 1K1</b>

**TRADE NAME (IF APPLICABLE)**

TRADE NAME OF DEBTOR			
PRINCIPAL ADDRESS (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 13 day of October, 2015

**TORONTO MACHINE & TOOL COMPANY LIMITED**

WITNESS \_\_\_\_\_  \_\_\_\_\_ Seal

WITNESS \_\_\_\_\_ \_\_\_\_\_ Seal

**BRANCH ADDRESS**

<b>YORK COMM-SUPPLY CHAIN 1181 DAVIS DR. 2ND FLR. NEWMARKET ON L3Y 8H4</b>
--



**SCHEDULE "A"**

**(ENCUMBRANCES AFFECTING COLLATERAL)**

**SCHEDULE "B"**

**1. Locations of Debtor's Business Operations:**

38 MILNE AVENUE  
SCARBOROUGH ONTARIO  
MILIKI

**2. Locations of Records relating to Collateral (if different from 1. above):**

**SAME AS ABOVE**

**3. Locations of Collateral (if different from 1. above):**

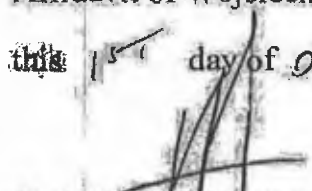
**SAME AS ABOVE**

**SCHEDULE "C"**  
**(DESCRIPTION OF PROPERTY)**



This is Exhibit "F" referred to in the  
Affidavit of Wojciech Karwala, sworn before me,

this 1<sup>st</sup> day of December, 2017

  
.....  
A Commissioner, etc.

Peter John Gordon, a Commissioner, etc.,  
City of Toronto, for the Royal Bank of Canada,  
Expires June 10, 2020.

**Properties**

**PIN** 06448 - 0007 LT **Interest/Estate** Fee Simple  
**Description** PCL J-2, SEC M572 ; PT BLK J, PL M572 , PART 3 , 66R312 ; T/W ROW IN COMMON WITH OTHERS ENTITLED THERETO FOR ALL PURPOSES OVER THE SLY 20 FT IN PERPENDICULAR WIDTH OF PT 1 ON SAID PL 66R312, S/T ROW FOR ALL PURPOSES OVER THE NLY 20 FT IN PERPENDICULAR WIDTH OF SAID PT 3 ON PL 66R312 ; SCARBOROUGH , CITY OF TORONTO  
**Address** 38 MILNE AVENUE  
 TORONTO

**PIN** 06448 - 0008 LT **Interest/Estate** Fee Simple  
**Description** PCL J-1, SEC M572 ; PT BLK J, PL M572 , PART 1 & 5 , 66R312 ; T/W ROW PT BLK J PT 6, 66R312 AS IN A47756 AND A59846; S/T ROW PT 5, 66R312 AS IN A47756 AND A59847; T/W A ROW IN COMMON WITH OTHERS ENTITLED THERETO FOR ALL PURPOSES OVER PT BLK J PL M572, BEING THE NLY 20 FT IN PERPENDICULAR WIDTH OF PT 3 66R312; S/T ROW IN FAVOUR OF ALL THOSE ENTITLED THERETO OVER THE SLY 20 FT IN PERPENDICULAR WIDTH PT 1 66R312; S/T A116726 SCARBOROUGH , CITY OF TORONTO  
**Address** 57 MACK AVENUE  
 SCARBOROUGH

**Chargor(s)**

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

**Name** TORONTO MACHINE & TOOL COMPANY LIMITED  
**Address for Service** 38 Milne Avenue  
 Toronto, Ontario  
 M1L 1K1

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

**Chargee(s)** **Capacity** **Share**

**Name** ROYAL BANK OF CANADA  
**Address for Service** 36 York Mills Road, 4th Floor, Toronto, Ontario, M2P 0A4.  
 BRF#314-701-277

**Provisions**

**Principal** \$3,000,000.00 **Currency** CDN  
**Calculation Period**  
**Balance Due Date** On Demand  
**Interest Rate** Prime Rate + 5.00%  
**Payments**  
**Interest Adjustment Date**  
**Payment Date** On Demand  
**First Payment Date**  
**Last Payment Date**  
**Standard Charge Terms** 20015  
**Insurance Amount** See standard charge terms  
**Guarantor**

**Signed By**

Sophia Dia Karagianni 100-95 Barber Greene Rd. acting for Chargor Signed 2016 10 28  
 Toronto (s)  
 M3C 3E9

**Tel** 416-448-1400  
**Fax** 416-448-7071

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

LRO # 80 Charge/Mortgage

Registered as AT4040362 on 2018.10.28 at 11:43

The applicant(s) hereby applies to the Land Registrar

yyyymmdd Page 2 of 2

<b>Submitted By</b>	
DEVRY, SMITH & FRANK	100-95 Barber Greene Rd. Toronto M3C 3E9
2018.10.28	
TEL: 416-449-1400	
Fax: 416-449-7071	

<b>Fees/Taxes/Payment</b>	
Statutory Registration Fee	\$80.00
Total Paid	\$80.00





This is Exhibit 'G' referred to in the  
Affidavit of Wojciech Karwala, sworn before me,  
this 1<sup>ST</sup> day of DECEMBER, 2017

.....  
A Commissioner, etc.

Peter John Gordon, a Commissioner, etc.,  
City of Toronto, for the Royal Bank of Canada.  
Expires June 10, 2020.

## GENERAL SECURITY AGREEMENT

E-FORM 924 (06/2015)

### 1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to ROYAL BANK OF CANADA ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all inventory of whatever kind and wherever situate;
- (ii) all equipment (other than inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatever nature or kind;
- (iii) all Accounts and ~~book debts and generally all debts~~, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all lists, records and files relating to Debtor's customers, clients and patents;
- (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims;
- (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

### 2. INDEBTEDNESS SECURED

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

### 3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;

(b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;

(c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;

(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situated at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

#### 4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease inventory and, subject to Clause 7 hereof, use Money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor's business or Collateral;
- (ii) the details of any significant acquisition of Collateral;
- (iii) the details of any claims or litigation affecting Debtor or Collateral;
- (iv) any loss or damage to Collateral;
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral; and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums thereon and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;

(i) to deliver to RBC from time to time promptly upon request:

- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business;
- (iv) all policies and certificates of insurance relating to Collateral; and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

**5. USE AND VERIFICATION OF COLLATERAL**

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

**6. SECURITIES, INVESTMENT PROPERTY**

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

**7. COLLECTION OF DEBTS**

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

**8. INCOME FROM AND INTEREST ON COLLATERAL**

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

**9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS**

(a) Whether or not default has occurred, Debtor authorizes RBC:

- (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

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

**10. DISPOSITION OF MONEY**

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

**11. EVENTS OF DEFAULT**

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

(a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;

(b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;

(c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;



h) If any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

**12. ACCELERATION**

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to effect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

**13. REMEDIES**

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situated, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A.

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomsoever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

**14. MISCELLANEOUS**

(a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situated) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to,

perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or modify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby

(i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

(ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

## 15. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces except Ontario).

18. Debtor represents and warrants that the following information is accurate:


INDIVIDUAL DEBTOR			
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

BUSINESS DEBTOR			
NAME OF BUSINESS DEBTOR TORONTO MACHINE & TOOL INC.			
ADDRESS OF BUSINESS DEBTOR 38 MILNE AVENUE	CITY TORONTO	PROVINCE ON	POSTAL CODE M1L 1K1

TRADE NAME (IF APPLICABLE)			
TRADE NAME OF DEBTOR			
PRINCIPAL ADDRESS (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 23 day of October, 2015.

TORONTO MACHINE & TOOL INC.

WITNESS \_\_\_\_\_  \_\_\_\_\_ (Seal)

WITNESS \_\_\_\_\_ \_\_\_\_\_ (Seal)

BRANCH ADDRESS
YORK COMM-SUPPLY CHAIN 1181 DAVIS DR 2ND FLR NEWMARKET ON L3Y 8K1

**SCHEDULE "A"**

**(ENCUMBRANCES AFFECTING COLLATERAL)**



**SCHEDULE "B"**

**1. Locations of Debtor's Business Operations**

**39 MILNE AVENUE,  
TORONTO, ONTARIO  
MILIKI**

**2. Locations of Records relating to Collateral (if different from 1. above)**

**SAME AS ABOVE**

**3. Locations of Collateral (if different from 1. above)**

**SAME AS ABOVE**

**SCHEDULE "C"**  
**(DESCRIPTION OF PROPERTY)**



This is Exhibit *H* referred to in the  
Affidavit of Wojciech Karwala, sworn before me,  
this *14<sup>th</sup>* day of *December*, 2017

  
.....  
A Commissioner, etc.

Peter John Gordon, a Commissioner, etc.,  
City of Toronto, for the Royal Bank of Canada.  
Expires June 10, 2020.



**DEVRY SMITH FRANK LLP**  
Lawyers & Mediators

Kelli.Preston@devrylaw.ca  
416-446-3344

November 10, 2017

**VIA REGISTERED AND REGULAR MAIL**

Toronto Machine & Tool Company Limited  
36 Milne Avenue  
Toronto, Ontario  
M1L 1K1

Dear Sirs:

**Re: Royal Bank of Canada loans to Toronto Machine & Tool Company Limited, et al.**

We act as solicitors for Royal Bank of Canada (the "Bank"). According to our records, you are indebted to the Bank as of November 10, 2017 in the principal amount of \$2,294,739.88 with accrued interest thereon in the amount of \$35,920.54 with respect to non-revolving term facility ("Demand Loan #1) and the principal amount of \$469,483.54 with accrued interest thereon in the amount of \$7,605.64 with respect to non-revolving term facility ("Demand Loan #2"), the particulars of which are as follows:

<u>Description</u>	<u>Principal Amount</u>	<u>Interest</u>
Demand Loan #1 (Bank prime plus 1.50% per annum)	\$2,294,739.88	\$35,920.54
Demand Loan #2 (Bank prime plus 1.85% per annum)	\$469,483.54	\$7,605.64

Interest continues to accrue on Demand Loan #1 from November 11, 2017 to the date of payment at the Bank's prime rate of interest in effect from time to time plus 1.50% and on Demand Loan #2 from November 11, 2017 to the date of payment at the Bank's prime rate of interest in effect from time to time plus 1.85% per annum. The prime rate is currently 2.95% per annum.

Your indebtedness to the Bank is secured, *inter alia*, by a General Security Agreement dated October 23, 2015, a Security Agreement (Chattel Mortgage for Other than Inventory and Consumer Goods) dated October 23, 2015, a Charge/Mortgage of Land registered in the Land

Toronto | Barrie | Whitby  
95 Barber Greene Rd., Suite 100, Toronto, ON, M3C 3E9,  
Tel: 416.449.1400 | Fax: 416.449.7071 | www.devrylaw.ca



Registry Office for the Land Titles Division of Toronto (No. 80) on October 28, 2015 on property municipally known as 38 Milne Avenue, Toronto, Ontario and 57 Mack Avenue, Toronto, Ontario, and an Assignment of Rents dated October 28, 2015 and registered on title to both properties on October 28, 2015.

We hereby demand payment of your indebtedness to our client. Unless payment of the total sum owing as aforesaid together with additional interest accrued and legal costs actually incurred to the date of payment or other satisfactory arrangements therefor are made within 10 days from the date thereof, the Bank shall take such steps as it deems necessary or desirable to recover payment of your indebtedness in full without further demand upon or notice to you. Such proceedings may include enforcement of the Bank's security.

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, as well as notice being provided to you pursuant to Section 63(4) of the *Personal Property Security Act*, R.S.O. 1990, as amended.

Yours very truly,

DEVRY SMITH FRANK LLP



Kelli Preston

KRP:lm  
Encl.

**NOTICE PURSUANT TO SECTION 63(4) OF THE  
PERSONAL PROPERTY SECURITY ACT**

TO: Those persons set forth in Schedule "A" annexed hereto

TAKE NOTICE that default has been made in the payment of monies secured under the following security agreement (the "Security") granted by Toronto Machine & Tool Company Limited to Royal Bank of Canada (the "Bank"):

- (a) a General Security Agreement and Security Agreement (Chattel Mortgage for Other than Inventory and Consumer Goods), both dated October 23, 2015 in respect of which a financing statement was registered under the Personal Property Security Act (Ontario) as Registration No. 20150821 1045 1529 4549; and
- (b) an Assignment of Rents dated October 28, 2015 in respect of which a financing statement was registered under the Personal Property Security Act (Ontario) as Registration No. 20150925 1422 1862 8368.

The collateral covered by the Security comprises all the undertaking, property and assets of Toronto Machine & Tool Company Limited (the "Collateral").

AND TAKE NOTICE that the Bank intends to dispose of the Collateral unless redeemed.

1. The amount required to satisfy the obligations secured by the Security as at November 10, 2017 in the amount of \$2,807,749.60 as more particularly set forth in Schedule "B" hereto.
2. The estimated expenses of the Bank in taking, holding, preparing for disposition and disposing of the Collateral is \$5,000.00.
3. Upon receipt of payment, the payer will be credited with any rebates or allowances to which Toronto Machine & Tool Company Limited may be entitled.

4. The Bank hereby gives you notice that upon payment of the amounts due as above-described together with additional interest accrued and expenses actually incurred to the date of payment you may redeem the Collateral.

5. Unless payment of the amounts due as above-described is received by the earlier of 15 days from the date you actually receive this notice or 25 days after this notice is served upon you by registered mail, the Bank will dispose of the Collateral by private sale, public tender, public auction or otherwise and Toronto Machine & Tool Company Limited, as well as any other person liable for payment of the obligations secured will be liable for any deficiency.

This notice is given to you because you may have an interest in the Collateral and you may be entitled to redeem the same.

DATED at Toronto, Ontario, this 10<sup>th</sup> day of November, 2017.

ROYAL BANK OF CANADA  
by its lawyers,  
Messrs. Devry Smith Frank LLP  
95 Barber Greene Road, Suite 100  
Toronto, Ontario M3C 3E9



Per:

\_\_\_\_\_  
KELLI PRESTON



**SCHEDULE "A"**

Toronto Machine & Tool Company Limited  
36 Milne Avenue  
Toronto (Scarborough), Ontario  
M1L 1K1

Toronto Machine & Tool Inc.  
38 Milne Avenue  
Toronto (Scarborough), Ontario  
M1L 1K1

Metalli Group Inc.  
c/o Blum Associates  
1900 Lake Shore Boulevard  
Suite 502  
Toronto, Ontario  
M6S 1A4

Metalli Group Inc.  
502 - 1900 Lakeshore Boulevard  
Toronto, Ontario  
M6S 1A4

Donway Ford Sales Limited  
1975 Eglinton Avenue East  
Scarborough, Ontario  
M1L 2N1

John Christensen  
3 Wisteria Road  
Toronto, Ontario  
M1R 4X7

National Leasing Group Inc.  
1525 Buffalo Place  
Winnipeg, MB  
R3T 1L9

**SCHEDULE "B"**

1.	<u>Demand Loan #1</u>	
	Principal	\$2,294,739.88
	Interest at Bank prime plus 1.50% per annum to November 10, 2017	<u>35,920.54</u>
		\$2,330,660.42
	<del>per item:</del> <b>\$279.77</b>	
2.	<u>Demand Loan #2</u>	
	Principal	\$469,483.54
	Interest at Bank prime plus 1.85% per annum to November 10, 2017	<u>7,605.64</u>
		\$477,089.18
	<del>per item:</del> <b>\$59.17</b>	

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**Bankruptcy and Insolvency Act (Canada)**  
**(Subsection 244(1))**


TO: Toronto Machine & Tool Company Limited, an insolvent person.

Take Notice That:

1. ROYAL BANK OF CANADA, a secured creditor, intends to enforce its security on the property of the above-mentioned insolvent person. The property is described as all property, assets and undertaking of the insolvent person, including but not limited to a collateral a Charge/Mortgage given in support of the debts and obligations of Toronto Machine & Tool Company Limited.
2. The security that is to be enforced is in the form of the following (the "Security"):
  - (a) a General Security Agreement and Security Agreement (Chattel Mortgage for Other than Inventory and Consumer Goods), both dated October 23, 2015 in respect of which a financing statement was registered under the Personal Property Security Act (Ontario) as Registration No. 20150821 1045 1529 4549;
  - (b) a Collateral Charge/Mortgage registered on October 28, 2015 in the Land Registry Office for the Land Titles Division of Toronto (No. 80) as Instrument No. AT4049362 made by Toronto Machine & Tool Company Limited, as Chargor(s), in favour of the Royal Bank of Canada; and
  - (c) an Assignment of Rents dated October 28, 2015 in respect of which a financing statement was registered under the Personal Property Security Act (Ontario) as Registration No. 20150925 1422 1862 8368, and in the Land Registry Office for the Land Titles Division of Toronto (No. 80) as Instrument No. AT4049374 made by Toronto Machine & Tool Company Limited, as Chargor(s), in favour of the Royal Bank of Canada.
3. The total amount of indebtedness secured by the Security is \$2,807,749.60, inclusive of principal and interest to November 10, 2017, plus costs and further interest accruing to the date of payment.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, Ontario, this 10<sup>th</sup> day of November, 2017.

ROYAL BANK OF CANADA  
by its solicitors  
DEVRY, SMITH & FRANK LLP  
95 Barber Greene Road, Suite 100  
Toronto, Ontario M3C 3E9

A handwritten signature in black ink, appearing to be 'Kelli Preston', written over a horizontal line.

Per

KELLI PRESTON



DEVRY SMITH FRANK LLP  
Lawyers & Mediators

Kelli.Preston@devrylaw.ca  
416-446-3344

November 10, 2017

VIA REGISTERED AND REGULAR MAIL

Toronto Machine & Tool Inc.  
38 Milne Avenue  
Toronto (Scarborough), Ontario  
M1L 1K1

Dear Sir:

Re: Royal Bank of Canada loans to Toronto Machine & Tool Company Limited, et. al.

We are the solicitors for Royal Bank of Canada (the "Bank").

Please find enclosed a copy of our letter dated November 10, 2017 to Toronto Machine & Tool Company Limited ("TMT Company"), demanding payment of its indebtedness and liabilities to the Bank.

Payment of all debts and liabilities owing by TMT Company were guaranteed by you pursuant to a Guarantee and Postponement of Claim dated October 23, 2015. Your liability under the said Guarantee and Postponement of Claim is limited in the amount of \$3,100,000.00, together with interest thereon at a rate of Bank prime in effect from time to time plus 5.0% per annum from the date of the demand for payment.

We hereby demand payment under your Guarantee and Postponement of Claim, as well as legal fees incurred to date.

Please be advised that unless payment or satisfactory arrangements therefor are made within 10 days from the date of this correspondence, the Bank shall take such steps as it deems necessary or desirable in order to recover payment under your Guarantee and Postponement of Claim without demand upon or notice to you.

Toronto | Barrie | Whitby  
95 Barber Greene Rd., Suite 100, Toronto, ON, M3C 3E9,  
Tel: 416.449.1400 | Fax: 416.449.7071 | www.devrylaw.ca



DEVRY SMITH FRANK LLP

Page 2

Yours very truly,

DEVRY SMITH FRANK LLP

A handwritten signature in black ink, appearing to read 'Kelli Breton', written over a horizontal line.

Kelli Breton

KRP:lm  
Encl.



Kelli.Preston@devrylaw.ca  
416-446-3344

DEVRY SMITH FRANK LLP  
Lawyers & Mediators

November 10, 2017

VIA REGISTERED AND REGULAR MAIL

Metalli Group Inc.  
c/o Blum Associates  
1900 Lake Shore Boulevard  
Suite 502  
Toronto, Ontario  
M6S 1A4

Metalli Group Inc.  
502 – 1900 Lakeshore Boulevard  
Toronto, Ontario  
M6S 1A4

Dear Sir:

Re: Royal Bank of Canada loans to Toronto Machine & Tool Company Limited, et. al.

We are the solicitors for Royal Bank of Canada (the "Bank").

Please find enclosed a copy of our letter dated November 10, 2017 to Toronto Machine & Tool Company Limited ("TMT Company"), demanding payment of its indebtedness and liabilities to the Bank.

Payment of all debts and liabilities owing by TMT Company were guaranteed by you pursuant to a Guarantee and Postponement of Claim dated October 23, 2015. Your liability under the said Guarantee and Postponement of Claim is limited in the amount of \$3,100,000.00, together with interest thereon at a rate of Bank prime in effect from time to time plus 5.0% per annum from the date of the demand for payment.

We hereby demand payment under your Guarantee and Postponement of Claim, as well as legal fees incurred to date.

Please be advised that unless payment or satisfactory arrangements therefor are made within 10 days from the date of this correspondence, the Bank shall take such steps as it deems necessary

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95 Barber Greene Rd., Suite 100, Toronto, ON, M3C 3E9,  
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DEVRY SMITH FRANK LLP

Page 2

or desirable in order to recover payment under your Guarantee and Postponement of Claim  
without demand upon or notice to you.

Yours very truly,

DEVRY SMITH FRANK LLP

A handwritten signature in black ink, appearing to be 'Kelli Preston', written over a horizontal line.

Kelli Preston

KRP:lm  
Encl,





**DEVRY SMITH FRANK LLP**  
Lawyers & Mediators

Kelli.Preston@devrylaw.ca  
416-446-3344

November 10, 2017

**VIA REGISTERED AND REGULAR MAIL**

Toronto Machine & Tool Inc.  
38 Milne Avenue  
Toronto (Scarborough), Ontario  
M1L 1K1

Dear Sirs:

**Re: Royal Bank of Canada loans to Toronto Machine & Tool Inc., et. al.**

We act as solicitors for Royal Bank of Canada (the "Bank"). According to our records, you are indebted to the Bank as of November 10, 2017 in the amount of \$405,882.70, including accrued interest thereon with respect to an Operating Line and the amount of \$27,971.53 including accrued interest thereon with respect to Corporate Visas, the particulars of which are as follows:

<u>Description</u>	<u>Amount</u>
Operating Line	\$405,882.70
Corporate Visas	\$27,971.53

Interest continues to accrue on the Operating Line and the Corporate Visas from November 11, 2017 to the date of payment.

Your indebtedness to the Bank is secured, *inter alia*, by a General Security Agreement dated October 23, 2015.

We hereby demand payment of your indebtedness to our client. Unless payment of the total sum owing as aforesaid together with additional interest accrued and legal costs actually incurred to the date of payment or other satisfactory arrangements therefor are made within 10 days from the date thereof, the Bank shall take such steps as it deems necessary or desirable to recover payment of your indebtedness in full without further demand upon or notice to you. Such proceedings may include enforcement of the Bank's security.

Toronto | Barrie | Whitby  
95 Barber Greene Rd., Suite 100, Toronto, ON, M3C 3E9,  
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DEVRY SMITH FRANK LLP

Page 2

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, as well as notice being provided to you pursuant to Section 63(4) of the *Personal Property Security Act*, R.S.O. 1990, as amended.

Yours very truly,

DEVRY SMITH FRANK LLP

A handwritten signature in dark ink, appearing to be 'Kelli Preston', written over a horizontal line.

Kelli Preston

KRP:lm  
Encl.

**NOTICE PURSUANT TO SECTION 63(4) OF THE  
PERSONAL PROPERTY SECURITY ACT**

**TQ:** Those persons set forth in Schedule "A" annexed hereto:

**TAKE NOTICE** that default has been made in the payment of monies secured under the following security agreement (the "Security") granted by Toronto Machine & Tool Inc. to Royal Bank of Canada (the "Bank"):

- (3)** a General Security Agreement and Security Agreement (Chattel Mortgage for Other than Inventory and Consumer Goods), both dated October 23, 2015 in respect of which a financing statement was registered under the Personal Property Security Act (Ontario) as Registration No. 20150821 1045 1529 4498.

The collateral covered by the Security comprises all the undertaking, property and assets of Toronto Machine & Tool Inc. (the "Collateral"),

**AND TAKE NOTICE** that the Bank intends to dispose of the Collateral unless redeemed.

1. The amount required to satisfy the obligations secured by the Security as at November 10, 2017 in the amount of \$433,854.23 as more particularly set forth in Schedule "B" hereto.
2. The estimated expenses of the Bank in taking, holding, preparing for disposition and disposing of the Collateral is \$5,000.00.
3. Upon receipt of payment, the payer will be credited with any rebates or allowances to which Toronto Machine & Tool Inc. may be entitled.

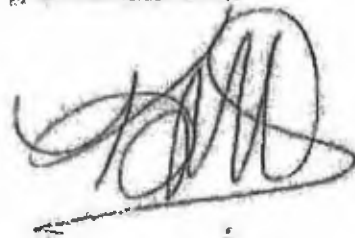
4. The Bank hereby gives you notice that upon payment of the amounts due as above-described together with additional interest accrued and expenses actually incurred to the date of payment you may redeem the Collateral.

5. Unless payment of the amounts due as above-described is received by the earlier of 15 days from the date you actually receive this notice or 25 days after this notice is served upon you by registered mail, the Bank will dispose of the Collateral by private sale, public tender, public auction or otherwise and Toronto Machine & Tool Inc., as well as any other person liable for payment of the obligations secured will be liable for any deficiency.

This notice is given to you because you may have an interest in the Collateral and you may be entitled to redeem the same.

DATED at Toronto, Ontario, this 10<sup>th</sup> day of November, 2017.

ROYAL BANK OF CANADA  
by its lawyers,  
Messrs. Devry Smith Frank LLP  
95 Barber Greene Road, Suite 100  
Toronto, Ontario M3C 3E9



Per:

\_\_\_\_\_ KELLI PRESTON

**SCHEDULE "A"**

Toronto Machine & Tool Inc.  
38 Milne Avenue  
Toronto (Scarborough), Ontario  
M1L 1K1

Toronto Machine & Tool Company Limited  
36 Milne Avenue  
Toronto (Scarborough), Ontario  
M1L 1K1

Metalli Group Inc.  
c/o Blum Associates  
1900 Lake Shore Boulevard  
Suite 502  
Toronto, Ontario  
M6S 1A4

Metalli Group Inc.  
502 - 1900 Lakeshore Boulevard  
Toronto, Ontario  
M6S 1A4

John Christensen  
3 Wisteria Road  
Toronto, Ontario  
M1R 4X7

National Leasing Group Inc.  
1525 Buffalo Place  
Winnipeg, MB  
R3T 1L9

**SCHEDULE "B"**

1.	<u>Operating Line</u>	
	Principal and interest to November 10, 2017	\$405,882.70
2.	<u>Corporate Visas</u>	
	Principal and interest to November 10, 2017	\$27,971.53

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**Bankruptcy and Insolvency Act (Canada)**  
**(Subsection 244(1))**

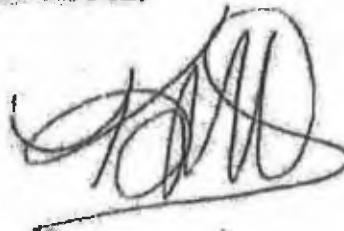
TO: Toronto Machine & Tool Inc., an insolvent person

**Take Notice That:**

1. ROYAL BANK OF CANADA, a secured creditor, intends to enforce its security on the property of the above-mentioned insolvent person. The property is described as all property, assets and undertaking of the insolvent person.
2. The security that is to be enforced is in the form of the following (the "Security"):
  - (a) a General Security Agreement and Security Agreement (Chattel Mortgage for Other than Inventory and Consumer Goods), both dated October 23, 2015 in respect of which a financing statement was registered under the Personal Property Security Act (Ontario) as Registration No. 20150821 1045 1529 4498.
3. The total amount of indebtedness secured by the Security is \$433,854.23, inclusive of principal and interest to November 10, 2017, plus costs and further interest accruing to the date of payment.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, Ontario, this 10<sup>th</sup> day of November, 2017.

ROYAL BANK OF CANADA  
by its solicitors  
DEVRY, SMITH & FRANK LLP  
95 Barber Greene Road, Suite 100  
Toronto, Ontario M3C 3E9



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

KELLI PRESTON



Kelli.Preston@devrylaw.ca  
416-446-3344

**DEVRY SMITH FRANK LLP**  
Lawyers & Mediators

November 10, 2017

**VIA REGISTERED AND REGULAR MAIL**

Toronto Machine & Tool Company Limited  
36 Milne Avenue  
Toronto (Scarborough), Ontario  
M1L 1K1

Dear Sir:

**Re: Royal Bank of Canada loans to Toronto Machine & Tool Inc., et. al.**

**We are the solicitors for Royal Bank of Canada (the "Bank").**

**Please find enclosed a copy of our letter dated November 10, 2017 to Toronto Machine & Tool Inc. ("TMT Inc."), demanding payment of its indebtedness and liabilities to the Bank.**

**Payment of all debts and liabilities owing by TMT Inc. were guaranteed by you pursuant to a Guarantee and Postponement of Claim dated October 23, 2015. Your liability under the said Guarantee and Postponement of Claim is limited in the amount of \$505,000.00, together with interest thereon at a rate of Bank prime in effect from time to time plus 5.0% per annum from the date of the demand for payment.**

**We hereby demand payment under your Guarantee and Postponement of Claim, as well as legal fees incurred to date.**

**Please be advised that unless payment or satisfactory arrangements therefor are made within 10 days from the date of this correspondence, the Bank shall take such steps as it deems necessary or desirable in order to recover payment under your Guarantee and Postponement of Claim without demand upon or notice to you.**

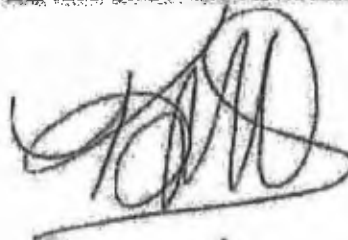
Toronto | Barrie | Whitby  
95 Barber Greene Rd., Suite 100, Toronto, ON, M3C 3E9,  
Tel: 416.449.1400 | Fax: 416.449.7071 | www.devrylaw.ca





Yours very truly,

DEVRY SMITH FRANK LLP

A handwritten signature in black ink, appearing to be 'Kelli Preston', written in a cursive style.

Kelli Preston

KRP:lm  
Encl.



Kelli.Preston@devrylaw.ca  
416-446-3344

DEVRY SMITH FRANK LLP  
Lawyers & Mediators

November 10, 2017

VIA REGISTERED AND REGULAR MAIL

Metalli Group Inc.  
c/o Blum Associates  
1900 Lake Shore Boulevard  
Suite 502  
Toronto, Ontario  
M6S 1A4

Metalli Group Inc.  
502 - 1900 Lakeshore Boulevard  
Toronto, Ontario  
M6S 1A4

Dear Sir:

Re: Royal Bank of Canada loans to Toronto Machine & Tool Inc., et al.

We are the solicitors for Royal Bank of Canada (the "Bank").

Please find enclosed a copy of our letter dated November 10, 2017 to Toronto Machine & Tool Inc. ("TMT Inc."), demanding payment of its indebtedness and liabilities to the Bank.

Payment of all debts and liabilities owing by TMT Inc. were guaranteed by you pursuant to a Guarantee and Postponement of Claim dated October 23, 2015. Your liability under the said Guarantee and Postponement of Claim is limited in the amount of \$505,000.00, together with interest thereon at a rate of Bank prime in effect from time to time plus 5.0% per annum from the date of the demand for payment.

We hereby demand payment under your Guarantee and Postponement of Claim, as well as legal fees incurred to date.

Please be advised that unless payment or satisfactory arrangements therefor are made within 10 days from the date of this correspondence, the Bank shall take such steps as it deems necessary

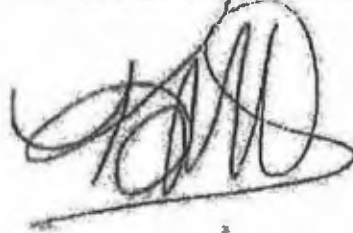
Toronto | Barrie | Whitby  
95 Barber Greene Rd., Suite 100, Toronto, ON, M3C 3E9,  
Tel: 416.449.1400 | Fax: 416.449.7071 | www.devrylaw.ca



or desirable in order to recover payment under your Guarantee and Postponement of Claim without demand upon or notice to you.

Yours very truly,

DEVRY SMITH FRANK LLP

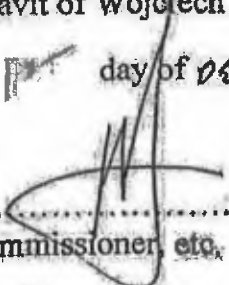
A handwritten signature in black ink, appearing to read 'Kelli Preston', written over a horizontal line.

Kelli Preston

KRP:lm  
Encl.



This is Exhibit "I" referred to in the  
Affidavit of Wojciech Karwala, sworn before me,  
this ~~17~~ day of December, 2017

  
.....  
A Commissioner, etc.

Peter John Gordon, a Commissioner, etc.,  
City of Toronto, for the Royal Bank of Canada.  
Expires June 10, 2020.



**RBC Royal Bank®**  
**RBC Banque Royale®**

**Facsimile/ Télécopie**

Royal Bank of Canada  
 Personal Service Centre  
 10 York Mills Road, 3rd Floor  
 Toronto, ON M2P 0A2

Banque Royale du Canada  
 Centre des services personnels  
 C.P. 0011, Succursale Centre ville  
 Montréal, Québec H3C 3B3

If you receive this fax in error, please call:  
 Si vous recevez cette transmission par erreur,  
 s.v.p. téléphoner au:  
 1-800-974-1163 (ON, NS, PEI, NL, NB);  
 1-800-561-5600 (QC);  
 1-877-359-4711 (AB, SK, MB, NU, NT);  
 1-877-717-4619 (BC, YK).

To/Dest: rlp.toronto  
 Of:  
 Fax/Télex: 416-055-8664  
 From/Exp: NORMA BULATAO  
 Date: Monday, November 27, 2017 3:15:56 PM  
 Pages: 05  
 (including cover page/y compris page de couverture)

Re:

Please find enclosed in this fax the following documents/Vous trouverez ci-joint les documents suivant:

These faxed documents are to be used in lieu of original documents. If you have any questions or require any further information regarding these documents, please contact our Personal Service Centre at the applicable phone number for your region below:

Ces documents télécopiés doivent être utilisés en lieu et place des documents originaux. Si vous avez des questions ou désirez de plus amples renseignements au sujet de ces documents, veuillez communiquer avec notre Centre des services personnels au:

**1-800-974-1163 (ON, NS, PEI, NL, NB)/1-800-561-5600 (QC)/1-877-359-4711 (SK, MB, NU, NT)/  
 1-877-717-4619 (BC, YK)**

This fax may be privileged and/or confidential, and the sender does not waive any related rights and obligations. Any distribution, use or copying of this fax or the information it contains by other than an intended recipient is not authorized. If you received this fax in error, please advise the sender (by return fax or otherwise) immediately. You have consented on behalf of your client to receive the attached documents electronically; please arrange for a copy of this confirmation to be retained for future reference.

Cette transmission est confidentielle et protégée. L'expéditeur ne renonce pas aux droits et obligations qui y rapportent. Toute diffusion, utilisation ou copie de ce message ou des renseignements qu'il contient par une personne autre que le (les) destinataire(s) désigné(s) est interdite. Si vous recevez cette transmission en erreur, veuillez m'en aviser immédiatement par retour de transmission ou par un autre moyen. Vous acceptez au nom de votre client de recevoir les documents ci-joints électroniquement; veuillez vous assurer de conserver un exemplaire de la présente confirmation aux fins de consultation future.  
 ® Registered trademark of Royal Bank of Canada / Marque déposée de la Banque Royale du Canada.

2017-11-27 11:27 AM Toronto

Canada Revenue Agency / Agence du revenu du Canada

Requirement to Pay / Demande formelle de paiement / Important - See Reverse / Important - voir au verso

Royal Bank of Canada (RBC) / 3rd Party Demands / Suite 300 - 5th Floor / 10 York Mills Road / North York / ON M2P 0A2

Form with fields: Date (NOV 20 2017), Ontario Regional Collections/Compliance Centre, Contact - Personne-ressource (A. DiSanto), Reference number, Tel - Tel (805) 572-2159, Exn. - Poste, Toll Free - Sans frais (1 888-870-6624)

TORONTO MACHINE & TOOL INC. / 18 MILLS AVENUE / SCARBOROUGH / ON MIL 1K1

Account number / Numéro de compte: 817595727RP0001

You are hereby required to pay to the Receiver General on account of the above-named tax debtor's liability under one or more of the following Acts (see reverse):

- (1) forthwith, the moneys otherwise and immediately payable to the tax debtor which you are required to pay;
(2) all other moneys otherwise payable to the tax debtor which you will be, within one year, liable to pay, as and when the moneys become payable;
(3) where the moneys referred to in (1) and (2) include interest, rent, remuneration, a dividend, an annuity or other periodic payment, all such payments to be made by you to the tax debtor at any time during or after the one year period until the liability is satisfied;
(4) the moneys that within 90 days you would otherwise loan or advance to, or pay on behalf of the tax debtor, and if you are a bank, credit union, trust company, or other similar person, when the tax debtor is indebted and has granted security in respect of the indebtedness;

but do not pay hereunder more than \$284,345.94 (the maximum payable).

La présente exige que vous versiez au receveur général au titre de l'obligation du débiteur fiscal mentionné ci-dessus, en vertu d'une ou de plusieurs des lois énoncées au verso :

- (1) immédiatement, les sommes autrement et alors payables au débiteur fiscal que vous devez payer;
(2) toutes les autres sommes autrement payables au débiteur fiscal que vous devrez payer dans un délai d'un an, au fur et à mesure que ces sommes deviendront payables;
(3) lorsque les sommes dont il est question aux points (1) et (2) comprennent des intérêts, un loyer, une rémunération, un dividende, une rente ou un autre paiement périodique, tous ces paiements que vous devez faire au débiteur fiscal à toute échéance pendant ou après le délai d'un an jusqu'à ce que l'obligation soit respectée;
(4) les sommes qu'autrement, dans les 90 jours, vous prêterez ou avancerez au débiteur fiscal ou payerez en son nom, et si vous êtes une banque, une caisse de crédit, une compagnie de fiduciaire ou une autre personne semblable, lorsque le débiteur fiscal est en dette envers elle et lui a fourni une garantie à l'égard de la dette;

mais vous n'avez pas à verser plus que 284,345,94\$ (le maximum payable).

Please make cheques or money orders payable to the Receiver General and remit them with one of the enclosed Remittance Vouchers or with the tax debtor's name, address, account and reference number as well as the remitter's name in the enclosed addressed envelopes.

Failure to pay the Receiver General the amounts required above renders you personally liable to pay those amounts to Her Majesty.

Signature of Sharon Spence

Team Leader, Revenues Collections

Veillez libeller les chèques ou mandats à l'ordre du receveur général et les faire parvenir dans les enveloppes-réponses ci-jointes avec une des pièces de versement fournies, ou avec les nom, adresse et numéro de compte et de référence du débiteur fiscal y compris le nom du payeur.

À défaut de verser au receveur général les sommes exigées ci-dessus, vous serez personnellement redevable du paiement de ces sommes à Sa Majesté.

Chief d'équipe, Recouvrement des recettes

(THIRD PARTY/ TIERS)

The Canada Pension Plan; the Income Tax Act; the Income Tax Act, 2000 - Newfoundland and Labrador; the Income Tax Act - Prince Edward Island; the Income Tax Act - Nova Scotia; the Income Tax Act - New Brunswick; the Income Tax Act - Ontario; the Income Tax Act - Manitoba; the Income Tax Act - 2000 - Saskatchewan; the Alberta Personal Income Tax Act; the Alberta Corporate Tax Act; the Income Tax Act - British Columbia; the Unemployment Insurance Act; the Income Tax Act - Northwest Territories; the Income Tax Act - Nunavut; the Income Tax Act - Yukon Territory; the Petroleum and Gas Revenue Tax Act; the Employment Insurance Act.

**Information to the Third Party to Whom This Requirement to Pay is Addressed**

This Requirement to Pay applies to each and all of the amounts described on the front of the form. You are required to pay the lesser of the total of such amounts or the maximum payable.

This Requirement to Pay has a continuing effect with respect to the payments described in (3), until the maximum payable is paid in full.

With the exception of the payments described in the preceding paragraph where the requirement has a continuing effect until satisfied, please take notice that this Requirement to Pay is effective for one year with respect to payments described in (2) and 90 days with respect to payments described in (4).

This Requirement to Pay should not be returned prior to one year from the date it was issued.

**Response to Tax Services Office**

If no amount is or will be payable by you to the Receiver General under this Requirement to Pay please enter the appropriate details below and return the signed form to the tax services office indicated on the front of the form.

We are not liable for any payments or advances as described on the front of the form (check box if applicable).

The last payment or advance was made on (date) \_\_\_\_\_

In the amount of \$ \_\_\_\_\_

We will become liable to make a payment to, or we will loan or advance moneys to or make a payment on behalf of, the tax debtor on (date) \_\_\_\_\_

Future dealings with the tax debtor are not anticipated (check box if applicable).

There are presently \$ \_\_\_\_\_ in disputed or contingent amounts outstanding with this tax debtor (provide pertinent details).

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name (print) \_\_\_\_\_ Tel: \_\_\_\_\_

Position: \_\_\_\_\_

Returning the form does not relieve you of your obligation to comply with this Requirement to Pay.

Le Régime de pensions du Canada, la Loi de l'impôt sur le revenu; the Income Tax Act, 2000 - Terre-Neuve-et-Labrador; the Income Tax Act - Île-du-Prince-Édouard; the Income Tax Act - Nouvelle-Écosse; la Loi de l'impôt sur le revenu - Nouveau-Brunswick; la Loi de l'impôt sur le revenu - Ontario; la Loi de l'impôt sur le revenu - Manitoba; the Income Tax Act, 2000 - Saskatchewan; the Alberta Personal Income Tax Act; the Alberta Corporate Tax Act; the Income Tax Act - Colombie-Britannique; la Loi sur l'assurance-chômage; la Loi de l'impôt sur le revenu - Territoires du Nord-Ouest; la Loi de l'impôt sur le revenu - Nunavut; la Loi de l'impôt sur le revenu - Territoire du Yukon; la Loi de l'impôt sur les revenus pétroliers; la Loi sur l'assurance-emploi.

**Renseignements pour le tiers à qui la demande formelle de paiement est adressée**

La présente Demande formelle de paiement s'applique à chacun des montants décrits au recto du formulaire. Vous devez payer le montant le moins élevé entre le total de ces montants ou le maximum payable.

La présente Demande formelle de paiement prévaut de façon continue dans le cas des paiements décrits au point (3) jusqu'à ce que le maximum payable soit payé.

Contrairement aux paiements mentionnés au paragraphe précédent pour lesquels la demande formelle prévaut de façon continue jusqu'à ce qu'elle soit respectée, la présente Demande formelle de paiement est en vigueur pour une année dans le cas des paiements décrits au point (2) et pour 90 jours dans le cas des paiements décrits au point (4).

La présente Demande formelle de paiement ne devrait pas être retournée avant que le délai d'un an ne se soit écoulé à partir de la date à laquelle elle a été produite.

**Réponse au bureau des services fiscaux**

Dans le cas où vous n'avez ou n'aurez aucun paiement à faire au receveur général en vertu de la présente Demande formelle de paiement, donnez les détails pertinents ci-dessous et retournez le présent formulaire dûment signé au bureau des services fiscaux indiqué au recto.

Nous ne devons aucune des sommes ou des avances décrites au recto du formulaire (cochez la case le cas échéant).

Le dernier paiement ou avance, a été versé le (date) \_\_\_\_\_ au montant de \_\_\_\_\_ \$.

Nous devons faire un paiement au débiteur fiscal, lui consentir un prêt ou une avance, ou faire un paiement en son nom le (date) \_\_\_\_\_

Nous ne prévoyons pas de transaction prochains avec le débiteur fiscal (cochez la case le cas échéant).

Il existe actuellement avec ce le débiteur fiscal une obligation éventuelle ou contestée, qui n'est pas réglée, s'élevant à \_\_\_\_\_ \$.  
(fournir tous les détails pertinents)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Nom (en lettres moullées): \_\_\_\_\_ Tél: \_\_\_\_\_

Poste: \_\_\_\_\_

Le fait de retourner ce formulaire ne vous libère pas de votre obligation de vous conformer à la présente Demande formelle de paiement.









This is Exhibit "J" referred to in the  
Affidavit of Wojciech Karwala, sworn before me,  
this 1<sup>st</sup> day of October, 2017

  
A Commissioner, etc.

Peter John Gordon, a Commissioner, etc.,  
City of Toronto, for the Royal Bank of Canada.  
Expires June 10, 2021.

NOVEMBER 21, 2017



ROYAL BANK OF CANADA  
3300 HIGHWAY 7  
CONCORD, ONTARIO  
L4K 4M3

Workplace Safety  
& Insurance Board

Commission de la sécurité  
professionnelle et de l'assurance  
contre les accidents du travail

Collection Services  
200 Front Street West  
Toronto, Ontario  
Canada M5V 3J1

Services du recouvrement  
200, rue Front Ouest  
Toronto (Ontario)  
Canada M5V 3J1

T 1-800-268-0929  
TTY/ATS : 1-800-387-0050  
E(905) 521-4203  
www.wsib.on.ca

Dear Sir/Madam:

Re: TORONTO MACHINE & TOOL INC.  
Our Account #: 1090550

Please find enclosed a notice of garnishment and blank garnishee's statement, which are served upon you pursuant to the Rules of Civil Procedure.

Please forward the amount indicated in the notice of garnishment to the Sheriff's office, as further explained in the notice of garnishment.

If you are paying less than the full amount indicated, or wish to dispute the garnishment, please complete the garnishee's statement accordingly and return it to us within 10 days, as required by the Rules of Civil Procedure.

If the firm no longer has an account or there are no funds to pay the debt, please state so on the statement.

Please contact Collection Services at 1-800-268-0929 if you have any questions regarding this matter.

Yours truly,

Collection Services  
Workplace Safety and Insurance Board  
1-800-268-0929

74894

Account No: 01-1090550

Court File No.: 48821/17

ONTARIO  
SUPERIOR COURT OF JUSTICE

BETWEEN:

Workplace Safety and Insurance Board

Plaintiff (Creditor)

- and -

TORONTO MACHINE & TOOL INC.

Debtor

- and -

ROYAL BANK OF CANADA

Garnishee

NOTICE OF GARNISHMENT

To: ROYAL BANK OF CANADA  
3300 HIGHWAY 7  
CONCORD, ONTARIO, L4K 4M3

A LEGAL PROCEEDING in this court between the creditor and the debtor has resulted in an order that the debtor pay a sum of money to the creditor. The creditor claims that you owe a debt to the debtor. A debt to the debtor includes both a debt payable to the debtor and a debt payable to the debtor and one or more co-owners. The creditor has had this notice of garnishment directed to you as garnishee in order to seize any debt that you owe or will owe to the debtor. Where the debt is payable to the debtor and to one or more co-owners, you must pay one-half of the indebtedness or the greater or lesser amounts specified in an order made under subrule 60.08(16).

YOU ARE REQUIRED TO PAY to the Sheriff of the CITY OF TORONTO, 393 UNIVERSITY AVENUE, 19TH FLOOR, TORONTO, ONTARIO, M5G 1E6

- a) within 10 days after this notice is served on you, all debts now payable by you to the debtor; and
- b) within 10 days after they become payable, all debts that become payable by you to the debtor within 6 years after this notice is served on you, subject to the exemptions provided by Section 7 of the Wages Act. The total amount of all your payments is not to exceed \$ 12795.20 LESS \$ 10.00 FOR YOUR COSTS OF MAKING EACH PAYMENT

EACH PAYMENT MUST BE SENT with a copy of the attached garnishee's payment notice to the sheriff at the address shown above:

IF YOU DO NOT PAY THE TOTAL AMOUNT OF \$ 12795.20 LESS \$10 FOR YOUR COSTS OF MAKING EACH PAYMENT, WITHIN 10 DAYS after this notice is served on you, because the debt is owed to the debtor and to one or more co-owners or for any other reason, you must within that time serve on the debtor and creditor and file with the court a garnishee's statement in form 601 attached to this notice.

IF YOU FAIL TO OBEY THIS NOTICE, THE COURT MAY MAKE AND ENFORCE AN ORDER AGAINST YOU for payment of the amount set out above and the costs of the creditor.

IF YOU MAKE PAYMENT TO ANYONE OTHER THAN THE SHERIFF, YOU MAY BE LIABLE TO PAY AGAIN.

TO THE CREDITOR, THE DEBTOR AND THE GARNISHEE

Any party may make a motion to the court to determine any matter in relation to this notice of garnishment.

Date: NOV 24 2017

Issued by: [Signature]  
Local Registrar at  
45 Main Street East, Suite 110  
Hamilton, Ontario  
L8N 2B7

74894

... 2/-

Creditor's Address  
200 Front Street West  
Toronto, Ontario  
M5V 3J1

**Debtor's Address**

**Sheriff's Address**

38 MILNE AVENUE  
SCARBOROUGH  
ONTARIO  
MIL 1K1  
Account No: 01-1090550

393 UNIVERSITY AVENUE, 19TH FLOOR  
TORONTO  
ONTARIO  
M5G 1E6

\* \* \* \* \*

**GARNISHEE'S PAYMENT NOTICE**

Make payment by cheque or money order payable to the Sheriff of the CITY OF TORONTO and send it, along with a copy of this payment notice to 393 UNIVERSITY AVENUE, 19TH FLOOR, TORONTO, ONTARIO, M5G 1E6.

Court:	Superior Court of Justice
File No.:	48821/17
Office:	Hamilton, Ontario, L8N 2B7
Creditor:	Workplace Safety and Insurance Board
Debtor:	TORONTO MACHINE & TOOL INC.
Garnishee:	ROYAL BANK OF CANADA

**TO BE COMPLETED BY GARNISHEE FOR EACH PAYMENT**

Date of Payment: \_\_\_\_\_

Amount Enclosed: \_\_\_\_\_

Court File #: 48821/17  
Account No: 01-1090550

**Debtor**

**TORONTO MACHINE & TOOL INC.**

**Creditor**

**and**

**WSIB**

Title of

Proceeding:

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
PROCEEDING COMMENCED AT:  
HAMILTON**

**NOTICE  
OF  
GARNISHMENT**

Name, address and telephone number of creditor:

Workplace Safety and Insurance Board  
200 FRONT STREET WEST  
TORONTO, ONTARIO, M5V 3J1  
1-800-268-0929



Account No: 01-1090550

Court File No.: 48821/17

ONTARIO  
SUPERIOR COURT OF JUSTICE

BETWEEN:

Workplace Safety and Insurance Board

Creditor

- and -

TORONTO MACHINE & TOOL INC.

Debtor

- and -

ROYAL BANK OF CANADA

Garnishee

GARNISHEE'S STATEMENT

1. I/We acknowledge that I/We owe or will owe the debtor or the debtor and one or more co-owners the sum of  
\$ \_\_\_\_\_ payable on \_\_\_\_\_

because:

(give reason why you owe the debtor or the debtor and one or more co-owners money. If you are making payment of less than the amount stated in line 2 of this paragraph because the debt is owed to the debtor and to one or more co-owners or for any other reason, give a full explanation of the reason. If you owe the debtor wages, state how often the debtor is paid. State the gross amount of the debtors wages before any deductions and the net amount after all deductions and attach a copy of a pay slip.)

1.1 (If the debt owed to debtor and to one or more of co-owners check here [ ] and complete the following:

Co-owners of the Debt: (Name, address)

2. (If you do not owe the debtor money, explain why. Give any other information that will explain your financial relationship with the debtor.)

3. (If you have been served with any other notice of garnishment or a writ of execution against the debtor, give particulars.)

Name of Creditor	Location of Sheriff	Date of Notice or writ	Date of Service on you
------------------	---------------------	------------------------	------------------------

4. (If you have been served outside Ontario and you wish to object on the ground that service outside Ontario was improper, give particulars of your objection.)

Date:

Signature of or for Garnishee

Name of Garnishee: ROYAL BANK OF CANADA  
Address: 3300 HIGHWAY 7  
CONCORD, ONTARIO  
L4K 4M3

Creditor  
Title of Proceeding: **WSIB** and

Debtor  
**TORONTO MACHINE & TOOL INC.**

Court File #: 48821/17  
Account No: 01-1090550

NOV-29-2017 16:18

RBC

ONTARIO  
SUPERIOR COURT OF JUSTICE  
PROCEEDING COMMENCED AT:  
HAMILTON

**GARNISHEE'S  
STATEMENT**

Name, address and telephone number of creditor:

Workplace Safety and Insurance Board  
200 FRONT STREET WEST  
TORONTO, ONTARIO, M5V 3J1  
1-800-268-0929

906 738 3217

P.007

Account No: 01-1090550

Court File No.: 48821/17

**BETWEEN:**

ONTARIO  
SUPERIOR COURT OF JUSTICE

Workplace Safety and Insurance Board

Plaintiff (Creditor)

- and -

TORONTO MACHINE & TOOL INC.

Debtor

- and -

ROYAL BANK OF CANADA

Garnishee

**Notice to Co-owner of the Debt**

To: *(name and address of co-owner of the debt)*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

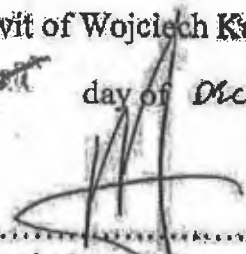
A LEGAL PROCEEDING in this court between the creditor and the debtor has resulted in an order that the debtor pay a sum of money to the creditor. The creditor has given a notice of garnishment to TORONTO MACHINE & TOOL INC. claiming that the garnishee owes a debt to the debtor. A debt to the debtor includes both a debt payable to the debtor and a debt payable to the debtor and one or more other co-owners. The garnishee has indicated in the attached garnishee's statement that you are a co-owner. Under the notice of garnishment the garnishee has paid the greater of the debtor's ownership interest, as known to the garnishee, or one-half of the indebtedness to the sheriff.

IF YOU HAVE A CLAIM to the money being paid to the sheriff by the garnishee, you have 30 days from service of this notice to make a motion to the court for a garnishment hearing. If you fail to do so, you may not hereafter dispute the enforcement of the creditor's order for the payment or recovery of money under the Rules of Civil Procedure and the funds may be paid out in accordance with the *Creditor's Relief Act*.

Date: \_\_\_\_\_



This is Exhibit "K" referred to in the  
Affidavit of Wojciech Karwala, sworn before me,  
this 15<sup>th</sup> day of December, 2017

  
.....  
A Commissioner, etc.

Peter John Gordon, a Commissioner, etc.,  
City of Toronto, for the Royal Bank of Canada.  
Expires June 10, 2020.


**CONSENT TO ACT AS RECEIVER**

msi Spergel Inc. hereby consents to act as a Court appointed receiver during litigation of the undertaking, property and assets of TORONTO MACHINE & TOOL COMPANY LIMITED and TORONTO MACHINE & TOOL INC, and hereby agrees to act as Receiver in accordance with the terms as ordered by the Court.

DATED THIS 24<sup>TH</sup> DAY OF NOVEMBER, 2017.

**MSI SPERGEL INC.**

By



PHILIP H DENNIS  
SENIOR PRINCIPAL

