

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

**HIGHYON ASSETS CORP., HIGHYON REALTY INC.,
BING PU and SHUYAN XU**

Defendants

**MOTION RECORD OF THE PLAINTIFF,
ROYAL BANK OF CANADA**
(returnable on October 16, 2020)

Date: October 5, 2020

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO#42081V)
rmoses@mindengross.com
Tel: 416-369-4115
Fax: 416-864-9223

Lawyers for the Plaintiff

TO: **SERVICE LIST**

SERVICE LIST

(re: motion returnable on October 16, 2020)

NO.	NAME	METHOD OF SERVICE
1.	HIGHYON ASSETS CORP. 350 Highway 7 East Suite 310 Richmond Hill, ON L4B 3N2 Defendant	BY E-MAIL TO: roger.pu@highyon.com
2.	HIGHYON REALTY INC. 350 Highway 7 East Suite 310 Richmond Hill, ON L4B 3N2 Defendant	BY E-MAIL TO: roger.pu@highyon.com
3.	BING PU 18 Country Heights Drive Richmond Hill, ON L4E 3M8 Defendant	BY E-MAIL TO: roger.pu@highyon.com
4.	SHUYAN XU 18 Country Heights Drive Richmond Hill, ON L4E 3M8 Defendant	BY REGULAR MAIL
5.	MSI SPERGEL INC. Licensed Insolvency Trustees 505 Consumers Road Suite 200 North York, ON M2J 4V8 Mukul Manchanda Tel. 416-498-4314 Fax. 416-498-4314 E-Mail: mmanchanda@spergel.ca Proposed Receiver	BY E-MAIL TO: mmanchanda@spergel.ca

NO.	NAME	METHOD OF SERVICE
6.	HARRISON PENSA LLP Barristers and Solicitors 450 Talbot Street London, ON N6A 5J6 Tel. 519-661-6743 Fax. 519-667-3362 E-Mail: thogan@harrisonpensa.com Lawyers for the Proposed Receiver	BY E-MAIL TO: thogan@harrisonpensa.com
7.	HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as represented by Ministry of Finance Legal Services Branch 33 King Street West, 6th Floor Oshawa, ON L1H 8E9 Attention: Kevin O'Hara Senior Counsel, Ministry of Finance Tel: (905) 433-6934 Fax: (905) 436-4510 E-Mail: kevin.ohara@fin.gov.on.ca	BY E-MAIL TO: kevin.ohara@fin.gov.on.ca
8.	CANADA REVENUE AGENCY c/o Department of Justice Ontario Regional Office The Exchange Tower, Box 36 130 King Street West, Suite 3400 Toronto ON M5X 1K6 Diane Winters Tel: (416) 952-8563 E-Mail: diane.winters@justice.gc.ca	BY E-MAIL TO: diane.winters@justice.gc.ca
9.	INSOLVENCY UNIT Province of Ontario E-Mail: insolvency.unit@ontario.ca	BY E-MAIL TO: insolvency.unit@ontario.ca
10.	CITY OF RICHMOND HILL Tax Department Revenue Services / Corporate & Financial Services 225 East Beaver Creek Richmond Hill, ON L4B 3P4 Tel. 905-771-2495	BY E-MAIL TO: revenue@richmondhill.ca

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MOTION RECORD

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TAB 1

Court File No. CV-20-00648781-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

**HIGHYON ASSETS CORP., HIGHYON REALTY INC.,
BING PU and SHUYAN XU**

Defendants

NOTICE OF MOTION
(Returnable October 16, 2020)

Royal Bank of Canada ("**RBC**"), will make a Motion to a Judge presiding over the Commercial List on Friday, October 16th, 2020 or such further date as it may be adjourned to, commencing at 9:30 a.m., or as soon after that time as the Motion can be heard by way of Zoom video conference as a result of the COVID-19 pandemic. Please refer to the conference details attached as Schedule A hereto in order to attend the motion and advise if you intend to join by emailing Christine Cavarzan at ccavarzan@mindengross.com.

PROPOSED METHOD OF HEARING: The Motion is to be heard orally.

THE MOTION IS FOR

1. An Order:

- (a) abridging the time for service and filing, and dispensing with further service of this notice of motion and motion record such that the motion is properly returnable on the date that it is heard;
- (b) appointing msi Spergel inc. as receiver (in such capacities, the “**Receiver**”), without security over all of the assets, undertakings and property of the defendant, Highyon Assets Corp. (the “**Debtor**”), and all other property, assets, and undertakings related thereto, including the real property municipally known as Suites 302 & 310, 350 Highway 7 East, Richmond Hill, Ontario [PIN 29302-0093, PIN 29302-0094, PIN 29302-0326, and PIN29302-0327] (the “**Property**”); and
- (c) such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE

1. The Debtor is an Ontario corporation and is a borrower of RBC.
2. The Debtor is indebted to RBC in respect of a fixed rate term facility, revolving demand facility and VISA facility in the amount of \$839,537.61 pursuant to a loan agreement dated March 4, 2020 (the “**Loan Agreement**”).
3. In support of the Loan Agreement, the Debtor provided, among other things, a general security agreement and a collateral mortgage in the amount of \$900,000 constituting a first fixed charge on the lands and improvements located at the Property.

4. The accounts of the Debtor were transferred to RBC's Special Loans Group in or about July 2020 because the Debtor was in breach of the Loan Agreement.
5. RBC had discovered that the Debtor was in breach of the Loan Agreement in that it granted three charges on the Property without the authorization or consent of RBC.
6. RBC agreed to provide the Debtor time to remedy the breaches. The Debtor advised RBC that it was working on remedying the breaches. However, the Debtor failed to do so.
7. On July 14, 2020, RBC made formal written demand on the Debtor and gave notice of its intention to enforce its security pursuant to section 244(1) of the BIA.
8. The demand has expired and the indebtedness remains outstanding.
9. RBC has, at all times, acted in good faith towards the Debtor and has been understanding and patient in its arrangements with the Debtor.
10. It is reasonable and prudent for RBC to enforce its security in an effort to recover the indebtedness and it is within RBC's right to do so.
11. In the circumstances, it is just and equitable that a receiver be appointed.
12. A receiver is necessary, for the protection of the Debtor's estate, the interests of RBC, and perhaps, other stakeholders.
13. msi Spergel inc. has consented to being appointed as receiver, without security, of all of the assets, undertakings and property of the Debtor, should the Court so appoint it.

14. The other ground set out in the affidavit of Jerry Tsao.
15. Section 243(1) of the *Bankruptcy and Insolvency Act*.
16. Section 101 of the *Courts of Justice Act*.
17. Rules 1.04, 1.05, 2.01, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.
18. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

- (a) Affidavit of Jerry Tsao sworn October 5, 2020 and the Exhibits thereto;
- (b) Consent of the Receiver;
- (c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

Date: October 5, 2020

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO#42081V)
rmoses@mindengross.com
Tel: 416-369-4115
Fax: 416-864-9223

Lawyers for the Plaintiff

TO: **SERVICE LIST**

SERVICE LIST

(re: motion returnable on October 16, 2020)

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3.	BING PU 18 Country Heights Drive Richmond Hill, ON L4E 3M8 Defendant	BY E-MAIL TO: roger.pu@highyon.com
4.	SHUYAN XU 18 Country Heights Drive Richmond Hill, ON L4E 3M8 Defendant	BY REGULAR MAIL
5.	MSI SPERGEL INC. Licensed Insolvency Trustees 505 Consumers Road Suite 200 North York, ON M2J 4V8 Mukul Manchanda Tel. 416-498-4314 Fax. 416-498-4314 E-Mail: mmanchanda@spergel.ca Proposed Receiver	BY E-MAIL TO: mmanchanda@spergel.ca

NO.	NAME	METHOD OF SERVICE
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7.	HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as represented by Ministry of Finance Legal Services Branch 33 King Street West, 6th Floor Oshawa, ON L1H 8E9 Attention: Kevin O'Hara Senior Counsel, Ministry of Finance Tel: (905) 433-6934 Fax: (905) 436-4510 E-Mail: kevin.ohara@fin.gov.on.ca	BY E-MAIL TO: kevin.ohara@fin.gov.on.ca
8.	CANADA REVENUE AGENCY c/o Department of Justice Ontario Regional Office The Exchange Tower, Box 36 130 King Street West, Suite 3400 Toronto ON M5X 1K6 Diane Winters Tel: (416) 952-8563 E-Mail: diane.winters@justice.gc.ca	BY E-MAIL TO: diane.winters@justice.gc.ca
9.	INSOLVENCY UNIT Province of Ontario E-Mail: insolvency.unit@ontario.ca	BY E-MAIL TO: insolvency.unit@ontario.ca
10.	CITY OF RICHMOND HILL Tax Department Revenue Services / Corporate & Financial Services 225 East Beaver Creek Richmond Hill, ON L4B 3P4 Tel. 905-771-2495	BY E-MAIL TO: revenue@richmondhill.ca

SCHEDULE A
Conference details to join Motion via Zoon

Topic: RBC v. Highyon Assets Corp.

Time: Oct 16, 2020 09:00 AM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/83517665475?pwd=RWtJYjJwVE8yLzNnVHZiSFQ1dHVjUT09>

Meeting ID: 835 1766 5475

Passcode: 717949

One tap mobile

+16473744685,,83517665475#,,,,,0#,,717949# Canada

+16475580588,,83517665475#,,,,,0#,,717949# Canada

Dial by your location

+1 647 374 4685 Canada

+1 647 558 0588 Canada

+1 778 907 2071 Canada

+1 204 272 7920 Canada

+1 438 809 7799 Canada

+1 587 328 1099 Canada

Meeting ID: 835 1766 5475

Passcode: 717949

Find your local number: <https://us02web.zoom.us/u/kbFEZh6WZB>

B E T W E E N

ROYAL BANK OF CANADA
Applicant/Moving Party

- and -

HIGHYON ASSETS CORP. et al
Respondents

Court File No. CV-19-00631755-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

NOTICE OF MOTION
(RETURNABLE OCTOBER 16, 2020)

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

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Lawyers for the Plaintiff

(File No. 4119619)

TAB 2

Court File No. CV-20-00648781-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

**HIGHYON ASSETS CORP., HIGHYON REALTY INC.,
BING PU and SHUYAN XU**

Defendants

AFFIDAVIT OF JERRY C. TSAO
(sworn October 5, 2020)

I, **JERRY C. TSAO**, of the City of Toronto, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I am a Manager of the Special Loans & Advisory Services Group (the “**Special Loans Group**”) of Royal Bank of Canada (“**RBC**”). I have responsibility for matters pertaining to the borrowings of Highon Assets Corp. (“**Highyon Assets**”) since approximately July, 2020 and as such I have knowledge of the matters hereinafter deposed to.

2. The facts set forth herein are within my personal knowledge or determined from the face of the documents attached hereto as exhibits or from information and

advice provided to me by others. To the extent I have relied on the information and advice of others, I have identified the source of such information and verily believe that information to be true.

3. This affidavit is sworn in support of RBC's motion for an order appointing msi Spergel inc. ("**Spergel**") as receiver of Highyon Assets and all other property, assets and undertakings relating thereto, including the real property municipally known as Suites 302 & 310, 350 Highway 7 East, Richmond Hill, Ontario [PIN 29302-0093, PIN 29302-0094, PIN 29302-0326, and PIN29302-0327] (the "**Property**").

Description of the Borrower and Gurantors

4. Highyon Assets is an Ontario corporation with a registered office at 350 Highway 7 East, Suite 310, Richmond Hill, Ontario. A copy of Highyon Assets' corporate profile report, retrieved on July 13, 2020 is attached as **Exhibit "A"**.

5. Highyon Realty Inc. ("**Highyon Realty**") is an Ontario corporation with a registered office at 350 Highway 7 East, Suite 310, Richmond Hill, Ontario. A copy of Highyon Realty's corporate profile report, retrieved on July 13, 2020 is attached as **Exhibit "B"**.

6. Bing Pu ("**Pu**") is an individual residing in Richmond Hill, Ontario. Pu is the president of both Highyon Assets and Highyon Realty.

7. Shuyan Xu ("**Xu**") is an individual residing in Richmond Hill, Ontario. Xu is an officer and director of Highyon Assets.

8. Highyon Assets is the owner of the Property. A copy of the parcel register for the Property, retrieved on July 13, 2020 is attached as **Exhibit “C”**.

9. Highyon Realty, Pu and Xu guaranteed the debts and liabilities of Highyon Assets to RBC.

Term Loan and Security

10. Pursuant to a commitment letter dated March 4, 2020 and accepted by Highyon Assets on April 6, 2020, as amended and extended from time to time (collectively, the **“Loan Agreement”**), RBC extended the following to Highyon Assets:

- (a) a fixed rate term loan (non-revolving) in the amount of \$774,167.35 (the **“Term Facility”**);
- (b) a revolving demand facility in the amount of \$75,000 (the **“Revolving Facility”**); and
- (c) a credit card to a maximum of \$15,000 (the **“Visa Facility”**).

(Collectively, the **“Facilities”**).

Copies of the Loan Agreement and Standard Terms are attached as **Exhibit “D”**.

11. The Loan Agreement and Standard Terms provides, among other things that:

- (a) Highyon Assets will not, without prior written consent of RBC, grant, create, assume or suffer to exist any mortgage, charge, lien,

pledge, security interest or other encumbrance affecting any of its properties, assets or other rights (see paragraph (j) under “General Covenants in the Loan Agreement”);

- (b) the failure to abide by any of the covenants, including the covenant described in paragraph (a) above will constitute an event of default under the Loan Agreement (see paragraph (b) under “Events of Default” in the Loan Agreement”); and
- (c) upon an event of default, RBC may, at its sole discretion, cancel any facilities under the Loan Agreement, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any security (see “Events of Default” in the Loan Agreement”).

12. In support of the Facilities, certain security was obtained by RBC, including the following:

- (a) a general security agreement on RBC’s Standard Form 924 signed by Highyon Assets on Juny 14, 2018, constituting a first ranking security interst in all personal property of Highyon Assets (the “**GSA**”). A copy of the GSA is attached as **Exhibit “E”**;
- (b) a collateral mortgage made between Highyon Assets, as

mortgagor, and RBC, as mortgagee, registered on title to 350 Highway 7 East, Suites 302 and 310, Richmond Hill, Ontario as instrument YR2840572 in the Land Registry Office #65 on June 22, 2018 (the “**Mortgage**”). The Mortgage is in the principal amount of \$900,000 and provides for interest at the rate of Prime plus 5.0% per annum. RBC’s Standard Charge Terms 20015 are incorporated into the Mortgage. A copy of the Mortgage and Standard Charge Terms are attached as **Exhibit “F”**;

- (c) a guarantee and postponement of claim on RBC’s Standard Form 812 in the amount of \$900,000, signed by Pu and Xu on June 14, 2018 (the “**Pu and Xu Guarantee**”). The Pu and Xu Guarantee is held in support of the Term Facility. A copy of the Pu and Xu Guarantee is attached as **Exhibit “G”**;
- (d) a guarantee and postponement of claim on RBC’s Standard Form 812 in the amount of \$900,000, signed by Highyon Realty on June 14, 2018 (the “**Highyon Realty Guarnantee**”) and supported by a general security agreement on RBC’s Standard 924 constituting a first ranking security interest in all personal property of Highyon Realty (the “**Highyon Realty GSA**”). A copy of the Highyon Realty Guarantee and Highyon Realty GSA is attached as **Exhibit “H”**;
- (e) a postponement and assignment of claim on RBC’s Standard Form 918 signed by Xu on June 14, 2018 (the “**Xu Postponement and**

Assignment”). A copy of the Xu Postponement and Assignment is attached as **Exhibit “I”**; and

- (f) a postponement and assignment of claim on RBC’s Standard Form 918 signed by Pu on June 14, 2018 (the “**Pu Postponement and Assignment**”). A copy of the Pu Postponement and Assignment is attached as **Exhibit “J”**.

(Collectively, the “**Security**”).

PPSA Creditors and Secured Creditors

13. A copy of the certified *Personal Property Security Act (Ontario)* (“**PSSA**”) search results for Highyon Assets, with currency to July 10, 2020 is attached as **Exhibit “K”**.

14. The PPSA search shows that RBC is the only registration against Highyon Assets.

15. In accordance with RBC’s policy that a title search is conducted every two years from the date a mortgage is granted by RBC, RBC conducted a title search on the Property in May, 2020. The search indicated the following:

- (a) the Mortgage in favour of RBC;
- (b) a mortgage in the amount of \$150,000 made between Highyon Assets, as mortgagor, and Margaret Hui, as mortgagee, registered on title to the Property as instrument YR2904645 on December 3,

2018; and

- (c) a mortgage in the amount of \$200,000 made between Highyon Assets, as mortgagor, and Roger Lam, as mortgagee, registered on title to the Property as instrument YR3052188 on January 2, 2020.

16. Highyon Assets breached the Loan Agreement by granting the charges described in paragraphs 15(b) and (c) above without the authorization or consent of RBC.

17. I am advised by RBC Account Manager, Bala Narayan (“**Mr. Narayan**”) and believe that on May 21, 2020, he emailed Pu and advised him that Highyon Assets was in breach of the Loan Agreement as a result of the charges. Mr. Narayan advised that the breach must be remedied by May 31, 2020. Attached as **Exhibit “L”** is a copy of Mr. Narayan’s email to Pu dated May 21, 2020.

18. On June 16, 2020, Mr. Narayan sent Highyon Assets a formal breach letter which required Highyon Assets to remedy the breach by June 30, 2020. A copy of the June 16, 2020 letter is attached as **Exhibit “M”**.

19. Pu did not respond to the Mr. Narayan’s email of May 21, 2020 or letter of June 16, 2020. I am advised by Mr. Narayan that he followed up with Pu on July 7, 2020, and received a response from Pu that day, advising him that he was “working on it”. I was copied on Pu’s email and replied that the period of time to cure the breach has expired. I asked Pu when Highyon Assets will cure the breach. Attached as **Exhibit “N”** are these emails.

20. Despite Pu's email of July 7, 2020, Highyon Assets failed to remedy the breaches. Accordingly, the accounts of Highyon Assets and other related companies were transferred to RBC's Special Loans Group on July 10, 2020. I have managed the account of Highyon Assets since July, 2020.

21. On July 10, 2020, Mr. Narayan sent Pu an email advising him that the accounts of Highyon Assets and related companies were transferred to the Special Loans Group as a result of the unauthorized charges on title to the Property. A copy of Mr. Narayan's email and enclosed letter are attached as **Exhibit "O"**.

22. I am advised by Mr. Narayan and believe that he did not hear from Pu or from anyone else at Highyon Assets.

23. I sent Pu an email on July 13, 2020 advising him that RBC had retained Minden Gross LLP as counsel and would be issuing formal demands for payment of the Facilities. Pu did not respond. A copy of my email dated July 13, 2020 is attached as **Exhibit "P"**.

24. Minden Gross conducted a further title search on the Property on July 13, 2020, which revealed an additional mortgage in the amount of \$2,800,000 made between Highyon Assets, as mortgagor, and Guohui Liang, as mortgagee, which was registered on title to the Property as instrument YR3117703 on July 10, 2020. Highyon Assets has further breached the Loan Agreement.

25. By letter dated July 14, 2020, RBC made demand on Highyon Assets for repayment of all indebtedness owing to RBC. As part of the demand letter, RBC also

gave notice of its intention to enforce its security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (the “**BIA Notice**”). The letter provides:

Pursuant to the terms of the Loan Agreement, the Company covenanted that, among other things, it would not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights (the “**Charge Covenant**”). The Bank informed the Company by letter dated June 16, 2020, that the Company is in breach of the Charge Covenant and required that the Company remedy such breach by no later than June 30, 2020. The Company has failed to remedy its breach of the Charge Covenant and, as result, the Bank is hereby demanding payment of the outstanding indebtedness owing by the Company to the Bank.

We have been informed by the Bank that, as at July 13, 2020, the Company is indebted to it in the following amounts:

1. *in respect of a fixed rate term loan (non-revolving Loan No. 07512-290406-001), in the amount of \$859,168.81, comprising principal in the amount of \$768,316.98, a breakage fee in the amount of \$88,442.68 and accrued interest to and including July 13, 2020 in the amount of \$2,409.15. Interest continues to accrue on the aforesaid principal amount at the rate of 5.45% per annum. The per diem amount on the aforesaid principal amount is \$114.72;*
2. *in respect of a revolving demand facility (Loan No. 07512-29040616-003), in the amount of \$62,243.22, comprising principal in the amount of \$62,000 and accrued interest to and including July 13, 2020, in the amount of \$243.22. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate of interest plus 6.41% per annum. The per diem amount on the aforesaid principal amount, given the Bank's current prime rate, is \$15.05; and*
3. *in respect of Visa account number 4514 xxxx xxxx 9010 in the amount of \$50.00 as at July 13, 2020. Interest continues to accrue on the aforesaid amount at the rate in effect from time to time in accordance with your Visa arrangements with the Bank.*

26. By way of demand letter sent on July 14, 2020, RBC also made demand on Highyon Realty, Pu and Xu pursuant to the guarantees. I sent copies of the demand

letters to Pu by email. Copies of the demand letters and my email to Pu are attached as **Exhibit “Q”**.

27. The demand period expired on July 24, 2020. On July 27, 2020, I sent Pu an email advising him, among other things, that the demand period had expired on July 24, 2020. Pu contacted me about my email and I directed him to RBC’s lawyers, Minden Gross LLP. Attached as **Exhibit “R”** is a copy of this email.

28. Highyon Assets has failed to repay the indebtedness.

29. As of October 2, 2020, the indebtedness owing to RBC in respect of the Facilities is \$839,537.61 excluding fees, costs or other charges or expenses.

Appointment of Receiver

30. RBC has provided Highyon Assets with more than sufficient time to repay the indebtedness and comply with its obligations under the Loan Agreement and Security. The demand period expired more than 2 months ago.

31. At this stage, RBC wishes to take any and all steps necessary to enforce its Security and realize on same.

32. RBC considers it reasonable and prudent for it to begin enforcement of its Security in an effort to recover the outstanding indebtedness.

33. In the circumstances set out above, I believe that it is just and equitable that a receiver now be appointed.

34. The appointment of a receivership is provided for in the Security.

35. RBC proposes that Spergel be appointed as receiver of Highyon Assets.

36. Spergel has consented to act as receiver should the Court so appoint it. A copy of Spergel's signed consent is attached as **Exhibit "S"**.

37. This Affidavit is made in support of the within action, and for no other or improper purpose whatsoever.

SWORN BEFORE ME at the City of)
 Toronto, in the Province of Ontario)
 on the 5th day of October, 2020)



Commissioner for Taking Affidavits

(or as may be)

Samantha Bogoroch
 (LSO#775750)

#4292825 | 4119619



JERRY C. TSAO

B E T W E N

ROYAL BANK OF CANADA
Plaintiff

-and-

HIGHYON ASSETS CORP. et al.
Defendants
Court File No. CV-20-00648781-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

AFFIDAVIT OF JERRY C. TSAO

MINDEN GROSS LLP
Barristers and Solicitors
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Toronto, ON M5H 4G2

Rachel Moses (LSO#42081V)
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Tel: 416-369-4115
Fax: 416-864-9223

Lawyers for the Plaintiff

TAB A



CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2264425	HIGHYON ASSETS CORP.	2010/11/19
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
350 HIGHWAY 7 EAST	NOT APPLICABLE	NOT APPLICABLE
Suite # 310 RICHMOND HILL ONTARIO CANADA L4B 3N2	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
350 HIGHWAY 7 EAST	NOT APPLICABLE	NOT APPLICABLE
Suite # 310 RICHMOND HILL ONTARIO CANADA L4B 3N2	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	
	00001 00010	
Activity Classification		
NOT AVAILABLE		

CORPORATION PROFILE REPORT

Ontario Corp Number

2264425

Corporation Name

HIGHYON ASSETS CORP.

Corporate Name History

HIGHYON ASSETS CORP.

Effective Date

2010/11/19

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator: Name (Individual / Corporation)

BING
PU

Address

18 COUNTRY HEIGHTS DRIVE

RICHMOND HILL
ONTARIO
CANADA L4E 3M8

Date Began

2010/11/19

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

2264425

Corporation Name

HIGHYON ASSETS CORP.

Administrator:

Name (Individual / Corporation)

BING

PU

Address

18 COUNTRY HEIGHTS DRIVE

RICHMOND HILL
ONTARIO
CANADA L4E 3M8

Date Began

2010/11/19

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

SHUYAN

XU

Address

18 COUNTRY HEIGHTS DRIVE

RICHMOND HILL
ONTARIO
CANADA L4E 3M8

Date Began

2010/11/19

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024750336
Transaction ID: 75944241
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/07/13 24
Time Report Produced: 09:20:07
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2264425

Corporation Name

HIGHYON ASSETS CORP.

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

SHUYAN

XU

Address

18 COUNTRY HEIGHTS DRIVE

RICHMOND HILL
ONTARIO
CANADA L4E 3M8

Date Began

2010/11/19

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

2264425

Corporation Name

HIGHYON ASSETS CORP.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2018	1C	2019/11/17 (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.

TAB B



CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2278270	HIGHYON REALTY INC.	2011/03/17
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
350 HIGHWAY 7 EAST	NOT APPLICABLE	NOT APPLICABLE
Suite # 310 RICHMOND HILL ONTARIO CANADA L4B 3N2	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
350 HIGHWAY 7 EAST	NOT APPLICABLE	NOT APPLICABLE
Suite # 310 RICHMOND HILL ONTARIO CANADA L4B 3N2	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	
	00001 00010	
Activity Classification		
NOT AVAILABLE		

Request ID: 024750337
Transaction ID: 75944242
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/07/13 27
Time Report Produced: 09:20:08
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2278270

Corporation Name

HIGHYON REALTY INC.

Corporate Name History

HIGHYON REALTY INC.

Effective Date

2011/03/17

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator: Name (Individual / Corporation)

BING
PU

Address

18 COUNTRY HEIGHTS DRIVE

RICHMOND HILL
ONTARIO
CANADA L4E 3M8

Date Began

2011/03/17

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

2278270

Corporation Name

HIGHYON REALTY INC.

Administrator: Name (Individual / Corporation)

BING

PU

Address

18 COUNTRY HEIGHTS DRIVE

RICHMOND HILL
ONTARIO
CANADA L4E 3M8

Date Began

2011/03/17

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator: Name (Individual / Corporation)

BING

PU

Address

18 COUNTRY HEIGHTS DRIVE

RICHMOND HILL
ONTARIO
CANADA L4E 3M8

Date Began

2011/03/17

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

2278270

Corporation Name

HIGHYON REALTY INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2019	1C	2019/10/27 (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.

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TAB C

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

This is **Exhibit C** referred to in the Affidavit of **JERRY C. TSAO**
Sworn before me by video conference
This 5th day of October, 2020



A COMMISSIONER FOR TAKING AFFIDAVITS
Samantha Bogoroch LSO# 775750

PROPERTY DESCRIPTION: UNIT 18, LEVEL 3, YORK REGION CONDOMINIUM PLAN NO. 771 ; PT LTS 20 & 21 PL 2607, PTS 1 TO 8 & 10 65R14620, MORE FULLY DESCRIBED IN SCHEDULE 'A' OF DECLARATION LT712904 AS AMENDED BY LT720186 ; S/T TEMP EASE OVER PT 3 EXPROP PL YR1373973; TOWN OF RICHMOND HILL

PROPERTY REMARKS:
ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

OWNERS' NAMES
HIGHYON ASSETS CORP.

RECENTLY:
FIRST CONVERSION FROM BOOK

CAPACITY SHARE
ROWN

PIN CREATION DATE:
1995/12/18

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE	2000/07/29	THE NOTATION OF THE	"BLOCK IMPLEMENTATION DATE" OF 1995/12/18 ON THIS PIN			
WAS REPLACED WITH THE		"PIN CREATION DATE"	OF 1995/12/18			
** PRINTOUT		INCLUDES ALL DOCUMENT TYPES AND	DELETED INSTRUMENTS SINCE 1995/12/12 **			
R488826	1988/11/15	NOTICE				C
	REMARKS: AIRPORT ZONING REGULATIONS					
R505310	1989/04/26	AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
R510516	1989/06/07	AGREEMENT				C
R542751	1990/05/17	AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
LT712904	1990/11/21	DECLARATION CONDO				C
LT718291	1990/12/07	BYLAW			735373 ONTARIO LTD.	C
	REMARKS: NO. 1					
LT718292	1990/12/07	BYLAW				C
	REMARKS: NO. 2					
LT718293	1990/12/07	BYLAW				C
	REMARKS: NO. 3					
LT719295	1990/12/10	BYLAW				C
	REMARKS: NO. 4					
LT720186	1990/12/12	DECLARATION				C
	REMARKS: AMENDING LT712904					
LT722320	1990/12/18	BYLAW				C
	REMARKS: NO. 5					
						30

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

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
65R15192	1991/05/13	PLAN REFERENCE				C
LT876092	1992/11/03	BYLAW				C
	REMARKS: NO. 6	SPECIAL NO. 6				
LT929391	1993/08/16	BYLAW				C
	REMARKS: NO. 7					
LT941283	1993/10/22	BYLAW				C
	REMARKS: SPECIAL NO. 7					
LT968662	1994/04/11	BYLAW				C
	REMARKS: SPECIAL NO. 9					
LT1059097	1995/09/12	BYLAW				C
	REMARKS: SPECIAL NO. 7					
LT1293064	1998/08/20	NO CHNG ADDR INST		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
LT1507736	2000/07/31	NO CHNG ADDR INST		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
LT1523073	2000/09/06	CHARGE		*** COMPLETELY DELETED *** OWNERS	HSBC BANK CANADA	
LT1523074	2000/09/06	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 735373 ONTARIO LTD.	HSBC BANK CANADA	
	REMARKS: LT1523073					
YR1089753	2007/11/20	CONDO BYLAW/98		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
	REMARKS: BY-LAW #6					
65R31704	2009/06/12	PLAN REFERENCE				C
YR1373973	2009/09/14	PLAN EXPROPRIATION			THE REGIONAL MUNICIPALITY OF YORK	C
	REMARKS: PT COMMON ELEMENTS					
YR1564335	2010/10/21	APL COURT ORDER		SUPERIOR COURT OF JUSTICE	YORK REGION CONDOMINIUM CORPORATION NO. 771	C
	REMARKS: LT720186					
YR2090043	2014/01/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
	REMARKS: LT1523073.					

29302-0093 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD	
YR2100855	2014/02/28	TRANSFER	\$230,000	735373 ONTARIO LTD.	HIGHYON ASSETS CORP.	C	
YR2100856	2014/02/28	CHARGE		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HSBC BANK CANADA		
YR2100930	2014/02/28	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HSBC BANK CANADA		
REMARKS: YR2100856				*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	JADA, GEORGE NAIM JADA, NAIM GEORGE JADA, RAWAN GEORGE		
YR2502522	2016/07/07	CHARGE		*** COMPLETELY DELETED *** JADA, GEORGE NAIM JADA, NAIM GEORGE JADA, RAWAN GEORGE			
YR2838183	2018/06/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** JADA, GEORGE NAIM JADA, NAIM GEORGE JADA, RAWAN GEORGE			
REMARKS: YR2502522.				HIGHYON ASSETS CORP.	ROYAL BANK OF CANADA		
YR2840572	2018/06/22	CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA			
YR2850217	2018/07/16	DISCH OF CHARGE		HIGHYON ASSETS CORP.	HUI, MARGARET	C	
REMARKS: YR2100856.				HIGHYON ASSETS CORP.	LAM, ROGER	C	
YR2904645	2018/12/03	CHARGE		\$150,000			
YR3052188	2020/01/02	CHARGE		\$200,000			
YR3117703	2020/07/10	CHARGE	\$2,800,000	HIGHYON ASSETS CORP.	LIANG, GUOHUI	C	

29302-0094 (LT)

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

<div>PROPERTY REMARKS: ESTATE/QUALIFIER: FEE SIMPLE ABSOLUTE</div> <div>OWNERS' NAMES HIGHYON ASSETS CORP.</div> <div>RECENTLY: FIRST CONVERSION FROM BOOK</div> <div>CAPACITY SHARE ROWN</div> <div>PIN CREATION DATE: 1995/12/18</div> <div>UNIT 19, LEVEL 3, YORK REGION CONDOMINIUM PLAN NO. 771 ; PT LTS 20 & 21 PL 2607, PTS 1 TO 8 & 10 65R14620, MORE FULLY DESCRIBED IN SCHEDULE 'A' OF DECLARATION LT712904 AS AMENDED BY LT720186 ; RICHMOND HILL; S/T TEMP EASE OVER PT 3 EXPROP PL YR1373973</div>						
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE	2000/07/29	THE NOTATION OF THE	"BLOCK IMPLEMENTATION DATE" OF 1995/12/18 ON THIS PIN			
WAS REPLACED WITH THE		"PIN CREATION DATE"	OF 1995/12/18			
** PRINTOUT		INCLUDES ALL DOCUMENT TYPES AND	DELETED INSTRUMENTS SINCE 1995/12/12 **			
R488826	1988/11/15	NOTICE				C
		REMARKS: AIRPORT ZONING REGULATIONS				
R505310	1989/04/26	AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
R510516	1989/06/07	AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
R542751	1990/05/17	AGREEMENT				C
LT712904	1990/11/21	DECLARATION CONDO			735373 ONTARIO LTD.	C
LT718291	1990/12/07	BYLAW				C
		REMARKS: NO. 1				
LT718292	1990/12/07	BYLAW				C
		REMARKS: NO. 2				
LT718293	1990/12/07	BYLAW				C
		REMARKS: NO. 3				
LT719295	1990/12/10	BYLAW				C
		REMARKS: NO. 4				
LT720186	1990/12/12	DECLARATION				C
		REMARKS: AMENDING LT712904				
LT722320	1990/12/18	BYLAW				C
		REMARKS: NO. 5				
						33

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

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
65R15192	1991/05/13	PLAN REFERENCE				C
LT876092	1992/11/03	BYLAW				C
	REMARKS: NO. 6	SPECIAL NO. 6				
LT929391	1993/08/16	BYLAW				C
	REMARKS: NO. 7					
LT941283	1993/10/22	BYLAW				C
	REMARKS: SPECIAL NO. 7					
LT954890	1994/01/06	TRANSFER		*** COMPLETELY DELETED ***	RASKINA, LLOYD CURRAN, JAMES TAM, PETER GOSBEE, ROGER ALTON	
LT954891	1994/01/06	CHARGE		*** COMPLETELY DELETED ***	BANK OF MONTREAL	
LT954892	1994/01/06	CHARGE		*** COMPLETELY DELETED ***	735373 ONTARIO LTD.	
LT954893	1994/01/06	TRANSFER OF CHARGE		*** COMPLETELY DELETED ***	CANADIAN IMPERIAL BANK OF COMMERCE	
	REMARKS: LT954892					
LT968662	1994/04/11	BYLAW				C
	REMARKS: SPECIAL NO. 9					
LT1059097	1995/09/12	BYLAW				C
	REMARKS: SPECIAL NO. 7					
LT1243930	1998/01/22	TRANSFER		*** COMPLETELY DELETED *** RASKINA, LLOYD CURRAN, JAMES TAM, PETER GOSBEE, ROGER ALTON		
	REMARKS: S/T EXEC. NO.97-02655, AND TRANSFERRED.		97-03205 - TAM, PETER,	DELETED UNDER YR749998. DELETED 08/12/11 AS	EXECUTION DELETED AND LAND SINCE	
LT1243931	1998/01/22	TRANSFER		*** COMPLETELY DELETED ***		

29302-0094 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
LT1243932	1998/01/22	TRANSFER		GOSBEE, ROGER ALTON *** COMPLETELY DELETED *** RASKINA, LLOYD CURRAN, JAMES	RASKINA, LLOYD CURRAN, JAMES	
LT1293064	1998/08/20	NO CHNG ADDR INST		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
LT1440602	1999/12/29	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE	RASKINA, PATTI LYNN CURRAN, GWEN	
REMARKS: RE: LT954892						
LT1440603	1999/12/29	CHARGE		*** COMPLETELY DELETED *** RASKINA, PATTI LYNN CURRAN, GWEN	BOLET INVESTMENTS LIMITED	
LT1450871	2000/02/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
REMARKS: RE: LT954891						
LT1507736	2000/07/31	NO CHNG ADDR INST		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
YR88102	2001/12/18	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BOLET INVESTMENTS LIMITED	POLYZOIS, JOHN	
REMARKS: LT1440603						
YR107686	2002/02/15	CHARGE		*** COMPLETELY DELETED *** CURRAN, GWEN RASKINA, PATTI LYNN	BANK OF MONTREAL	
YR108206	2002/02/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** POLYZOIS, JOHN		
REMARKS: RE: LT1440603						
YR749998	2005/12/15	APL DEL EXECUTION		*** COMPLETELY DELETED *** RASKINA, PATTI LYNN CURRAN, GWEN		
REMARKS: DELETE						
YR750054	2005/12/15	TRANSFER		*** COMPLETELY DELETED *** CURRAN, GWEN RASKINA, PATTI LYNN	1656958 ONTARIO INC.	35

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

29302-0094 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR750065	2005/12/15	CHARGE	DISCHARGED BY YR831355.	*** COMPLETELY DELETED *** 1656958 ONTARIO INC.	THE BANK OF EAST ASIA (CANADA)	
YR750067	2005/12/15	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1656958 ONTARIO INC.	THE BANK OF EAST ASIA (CANADA)	
YR797703	2006/03/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
YR828380	2006/06/05	CHARGE	AS CHARGE DISCHARGED BY YR831355.	*** COMPLETELY DELETED *** 1656958 ONTARIO INC.	STATE BANK OF INDIA (CANADA)	
YR828381	2006/06/05	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1656958 ONTARIO INC.	STATE BANK OF INDIA (CANADA)	
YR831355	2006/06/12	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE BANK OF EAST ASIA (CANADA)		
YR1089753	2007/11/20	CONDO BYLAW/98	DELETED 08/12/11	YORK REGION CONDOMINIUM CORPORATION NO. 771		C
YR1174137	2008/06/09	DISCH OF CHARGE		*** COMPLETELY DELETED *** STATE BANK OF INDIA (CANADA)		
YR1273139	2008/12/31	CHARGE		*** COMPLETELY DELETED *** 1656958 ONTARIO INC.	THE BANK OF EAST ASIA (CANADA)	
YR1273141	2008/12/31	NO ASSGN RENT GEN	DELETED 08/12/11	*** COMPLETELY DELETED *** 1656958 ONTARIO INC.	THE BANK OF EAST ASIA (CANADA)	C
65R31704	2009/06/12	PLAN REFERENCE				
YR1373973	2009/09/14	PLAN EXPROPRIATION		THE REGIONAL MUNICIPALITY OF YORK		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

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29302-0094 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR1564335 <i>REMARKS: LT720186</i>	2010/10/21	APL COURT ORDER		SUPERIOR COURT OF JUSTICE	YORK REGION CONDOMINIUM CORPORATION NO. 771	C
YR1640019	2011/04/29	TRANSFER	\$450,000	1656958 ONTARIO INC.	HIGHYON ASSETS CORP.	C
YR1640061	2011/04/29	CHARGE		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HSBC BANK CANADA	
YR1640067 <i>REMARKS: YR1640061</i>	2011/04/29	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HSBC BANK CANADA	
YR1645892 <i>REMARKS: YR1273139.</i>	2011/05/12	DISCH OF CHARGE		*** COMPLETELY DELETED *** INDUSTRIAL AND COMMERCIAL BANK OF CHINA (CANADA)		
YR1829183	2012/05/29	CHARGE		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	JADA, GEORGE N. JADA, NAIM G. JADA, RAWAN	
YR2502514	2016/07/07	CHARGE		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	JADA, GEORGE NAIM JADA, NAIM GEORGE JADA, RAWAN GEORGE	
YR2838202 <i>REMARKS: YR1829183.</i>	2018/06/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** JADA, GEORGE N. JADA, NAIM G. JADA, RAWAN		
YR2838203 <i>REMARKS: YR2502514.</i>	2018/06/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** JADA, GEORGE NAIM JADA, NAIM GEORGE JADA, RAWAN GEORGE		
YR2840572	2018/06/22	CHARGE	\$900,000	HIGHYON ASSETS CORP.	ROYAL BANK OF CANADA	C
YR2850218 <i>REMARKS: YR1640061.</i>	2018/07/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		

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

29302-0094 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR2879064	2018/09/27	CHARGE		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HIGHYON MORTGAGE INVESTMENT CORPORATION	
YR2904615	2018/12/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** HIGHYON MORTGAGE INVESTMENT CORPORATION		
YR2904645	2018/12/03	CHARGE	\$150,000	HIGHYON ASSETS CORP.		
YR3052188	2020/01/02	CHARGE	\$200,000	HIGHYON ASSETS CORP.		
YR3117703	2020/07/10	CHARGE	\$2,800,000	HIGHYON ASSETS CORP.		
				HUI, MARGARET	C	
				LAM, ROGER	C	
				LIANG, GUOHUI	C	

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

PROPERTY DESCRIPTION: UNIT 186, LEVEL A, YORK REGION CONDOMINIUM PLAN NO. 771 ; PT LTS 20 & 21 PL 2607, PTS 1 TO 8 & 10 6SR14620, MORE FULLY DESCRIBED IN SCHEDULE 'A' OF DECLARATION LT712904 AS AMENDED BY LT720186 ; RICHMOND HILL; S/T TEMP EASE OVER PT 3 EXPROP PL YR1373973

PROPERTY REMARKS:
ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

OWNERS' NAMES
HIGHYON ASSETS CORP.

RECENTLY:
FIRST CONVERSION FROM BOOK

CAPACITY SHARE
ROWN

PIN CREATION DATE:
1995/12/18

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1995/12/18 ON THIS PIN						
WAS REPLACED WITH THE "PIN CREATION DATE" OF 1995/12/18						
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1995/12/12 **						
R488826	1988/11/15	NOTICE				C
REMARKS: AIRPORT ZONING REGULATIONS						
R505310	1989/04/26	AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
R510516	1989/06/07	AGREEMENT				C
R542751	1990/05/17	AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
LT712904	1990/11/21	DECLARATION CONDO				C
LT718291	1990/12/07	BYLAW			735373 ONTARIO LTD.	C
REMARKS: NO. 1						
LT718292	1990/12/07	BYLAW				C
REMARKS: NO. 2						
LT718293	1990/12/07	BYLAW				C
REMARKS: NO. 3						
LT719295	1990/12/10	BYLAW				C
REMARKS: NO. 4						
LT720186	1990/12/12	DECLARATION				C
REMARKS: AMENDING LT712904						
LT722320	1990/12/18	BYLAW				C
REMARKS: NO. 5						

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

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
65R15192	1991/05/13	PLAN REFERENCE				C
LT876092	1992/11/03	BYLAW				C
	REMARKS: NO. 6	SPECIAL NO. 6				
LT929391	1993/08/16	BYLAW				C
	REMARKS: NO. 7					
LT941283	1993/10/22	BYLAW				C
	REMARKS: SPECIAL NO. 7					
LT968662	1994/04/11	BYLAW				C
	REMARKS: SPECIAL NO. 9					
LT1059097	1995/09/12	BYLAW				C
	REMARKS: SPECIAL NO. 7					
LT1293064	1998/08/20	NO CHNG ADDR INST		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
LT1507736	2000/07/31	NO CHNG ADDR INST		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
LT1523073	2000/09/06	CHARGE		*** COMPLETELY DELETED *** OWNERS	HSBC BANK CANADA	
LT1523074	2000/09/06	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 735373 ONTARIO LTD.	HSBC BANK CANADA	
	REMARKS: LT1523073					
YR1089753	2007/11/20	CONDO BYLAW/98		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
	REMARKS: BY-LAW #6					
65R31704	2009/06/12	PLAN REFERENCE				C
YR1373973	2009/09/14	PLAN EXPROPRIATION			THE REGIONAL MUNICIPALITY OF YORK	C
	REMARKS: PT COMMON ELEMENTS					
YR1564335	2010/10/21	APL COURT ORDER		SUPERIOR COURT OF JUSTICE	YORK REGION CONDOMINIUM CORPORATION NO. 771	C
	REMARKS: LT720186					
YR2090043	2014/01/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
	REMARKS: LT1523073.					40

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29302-0326 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR2100855	2014/02/28	TRANSFER	\$230,000	735373 ONTARIO LTD.	HIGHYON ASSETS CORP.	C
YR2100856	2014/02/28	CHARGE		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HSBC BANK CANADA	
YR2100930	2014/02/28	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HSBC BANK CANADA	
REMARKS: YR2100856						
YR2840572	2018/06/22	CHARGE	\$900,000	HIGHYON ASSETS CORP.	ROYAL BANK OF CANADA	C
YR2850217	2018/07/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
REMARKS: YR2100856.						
YR2904645	2018/12/03	CHARGE	\$150,000	HIGHYON ASSETS CORP.	HUI, MARGARET	C
YR3052188	2020/01/02	CHARGE	\$200,000	HIGHYON ASSETS CORP.	LAM, ROGER	C
YR3117703	2020/07/10	CHARGE	\$2,800,000	HIGHYON ASSETS CORP.	LIANG, GUOHUI	C

29302-0327 (LT)

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

<div>PROPERTY REMARKS:</div> <div>ESTATE/QUALIFIER:</div> <div>FEE SIMPLE</div> <div>ABSOLUTE</div> <div>OWNERS' NAMES</div> <div>HIGHYON ASSETS CORP.</div> <div>RECENTLY:</div> <div>FIRST CONVERSION FROM BOOK</div> <div>CAPACITY SHARE</div> <div>ROWN</div> <div>PIN CREATION DATE:</div> <div>1995/12/18</div> <div>UNIT 187, LEVEL A, YORK REGION CONDOMINIUM PLAN NO. 771 ; PT LTS 20 & 21 PL 2607, PTS 1 TO 8 & 10 6SR14620, MORE FULLY DESCRIBED IN SCHEDULE 'A' OF DECLARATION LT712904 AS AMENDED BY LT720186 ; RICHMOND HILL; S/T TEMP EASE OVER PT 3 EXPROP PL YR1373973</div>						
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EFFECTIVE	2000/07/29	THE NOTATION OF THE	"BLOCK IMPLEMENTATION DATE" OF 1995/12/18 ON THIS PIN			
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R510516	1989/06/07	AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
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LT722320	1990/12/18	BYLAW				C
	REMARKS: NO. 5					
						42

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	REMARKS: NO. 7					
LT941283	1993/10/22	BYLAW				C
	REMARKS: SPECIAL NO. 7					
LT968662	1994/04/11	BYLAW				C
	REMARKS: SPECIAL NO. 9					
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	REMARKS: SPECIAL NO. 7					
LT1293064	1998/08/20	NO CHNG ADDR INST		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
LT1507736	2000/07/31	NO CHNG ADDR INST		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
LT1523073	2000/09/06	CHARGE		*** COMPLETELY DELETED *** OWNERS	HSBC BANK CANADA	
LT1523074	2000/09/06	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 735373 ONTARIO LTD.	HSBC BANK CANADA	
	REMARKS: LT1523073					
YR1089753	2007/11/20	CONDO BYLAW/98		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
	REMARKS: BY-LAW #6					
65R31704	2009/06/12	PLAN REFERENCE				C
YR1373973	2009/09/14	PLAN EXPROPRIATION			THE REGIONAL MUNICIPALITY OF YORK	C
	REMARKS: PT COMMON ELEMENTS					
YR1564335	2010/10/21	APL COURT ORDER		SUPERIOR COURT OF JUSTICE	YORK REGION CONDOMINIUM CORPORATION NO. 771	C
	REMARKS: LT720186					
YR2090043	2014/01/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
	REMARKS: LT1523073.					

29302-0327 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
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YR2100856	2014/02/28	CHARGE		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HSBC BANK CANADA	
YR2100930	2014/02/28	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HSBC BANK CANADA	
REMARKS: YR2100856						
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REMARKS: YR2100856.						
YR2904645	2018/12/03	CHARGE	\$150,000	HIGHYON ASSETS CORP.	HUI, MARGARET	C
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YR3117703	2020/07/10	CHARGE	\$2,800,000	HIGHYON ASSETS CORP.	LIANG, GUOHUI	C

TAB D

ROYAL BANK OF CANADA CREDIT AGREEMENT
BORROWER:


HIGHYON ASSETS CORP.

ADDRESS (Street, City/Town, Province, Postal Code)

350 HIGHWAY 7 EAST

UNIT 310

RICHMOND HILL, ON L4B 3N2


A COMMISSIONER FOR TAKING AFFIDAVITS
Samantha Bogoroch LSO# 775750

DATE: March 4, 2020

SRF:

316543701

Royal Bank of Canada (the “**Bank**”) hereby confirms to the undersigned (the “**Borrower**”) the following credit facilities (the “**Credit Facilities**”), banking services and other products subject to the terms and conditions set forth below and in the standard terms provided herewith (collectively the “**Agreement**”). The Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

CREDIT FACILITIES

Facility #1 Fixed rate term loan (non-revolving) in the amount of \$774,167.35. Repayable by consecutive monthly blended payments of \$4,891.00, including interest, based on a 280 month amortization. Next blended payment is due March 22, 2020. This loan has a 39 month term and all outstanding principal and interest is payable in full on June 22, 2023. Interest rate: 5.45% per annum. Amount eligible for prepayment is NIL.

Facility #2 Revolving demand facility in the amount of \$75,000.00, available by way of RBP based loans.

Minimum retained balance \$0.00

Revolved by the Bank in increments of \$1,000.00

Interest rate: RBP + 6.41% per annum. Interest payable monthly, in arrears, on the same day each month as determined by the Bank.

Margined: Yes [] No [X]

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) Credit Card to a maximum amount of \$15,000.00.

SECURITY

Security for the Borrowing and all other obligations of the Borrower to the Bank, including without limitation, any amounts outstanding under any Leases, if applicable, (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) Collateral mortgage in the amount of \$900,000.00 signed by the Borrower constituting a first fixed charge on the lands and improvements located at Suites 302 & 310, 350 Highway 7 East, Richmond Hill, ON;
- c) Guarantee and postponement of claim on the Bank’s form 812 in the amount of \$900,000.00 signed by Bing Pu and Shuyan Xu, is held in support of Facility #1;
- d) Guarantee and postponement of claim on the Bank’s form 812 in the amount of \$900,000.00 signed by Highyon Realty Inc., supported by a general security agreement on the Bank’s form 924 constituting a first ranking security interest in all personal property of Highyon Realty Inc.;
- e) Postponement and assignment of claim on the Bank’s form 918 signed by Shuyan Xu;

f) Postponement and assignment of claim on the Bank's form 918 signed by Bing Pu.

FEES

Facility #2 management fee of \$75.00 payable in arrears on the same day each month.

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.

REPORTING REQUIREMENTS

The Borrower will provide to the Bank:

- a) annual notice to reader financial statements for the Borrower and Highyon Realty Inc., within 240 days of each fiscal year end;
- b) annual personal statement of affairs for all Guarantors, who are individuals, within 240 days of the end of every fiscal year of the Borrower, commencing with the fiscal year ending in 2021;
- c) annual rent roll, income and expense statements for the property located at 302 and 310 - 350 Highway 7 East, Richmond Hill, Ontario, within 240 days of each fiscal year end;
- d) annual income and expense statement in respect of the property located at 302 and 310 - 350 Highway 7 East, Richmond Hill, within 240 days of each fiscal year end;
- e) such other financial and operating statements and reports as and when the Bank may reasonably require.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides 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 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

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 (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the

* Registered trademark of Royal Bank of Canada.

time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

STANDARD TERMS

The following standard terms have been provided to the Borrower:

- ☒ Form 472 (07/2019) Royal Bank of Canada Credit Agreement - Standard Terms
- ☐ Form 473 (02/2019) Royal Bank of Canada Credit Agreement - Margined Accounts Standard Terms
- ☐ Form 473A (10/2017) Royal Bank of Canada Credit Agreement - RBC Covarity Terms and Conditions
- ☐ Form 473B (02/2019) Royal Bank of Canada Credit Agreement - Margined Accounts Standard Terms

ACCEPTANCE

This Agreement is open for acceptance until April 4, 2020, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

RBC Contact: BALA NARAYAN

/sf

CONFIRMATION & ACCEPTANCE

The Borrower (i) confirms that it has received a copy of the Royal Bank of Canada Credit Agreement Standard Terms, Form 472, as well as all other standard terms which are hereinabove shown as having been delivered to the Borrower, all of which are incorporated in and form an integral part of this Agreement; and (ii) accepts and agrees to be bound by the terms and conditions of this Agreement including all terms and conditions contained in such standard terms.

Confirmed, accepted and agreed this 6th day of April, 2020.

HIGHYON ASSETS CORP.

Per: _____
Name: BING PU
Title: President

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Borrower

The following set of standard terms is deemed to be included in and forms an integral part of the Royal Bank of Canada Loan Agreement which refers to standard terms with this document version date, receipt of which has been duly acknowledged by the Borrower. Terms defined elsewhere in this Agreement and not otherwise defined below have the meaning given to such terms as so defined. The Borrower agrees and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

GENERAL

This Agreement amends and restates, without novation, any existing credit or loan agreement between the Borrower and the Bank and any amendments thereto, (other than existing agreements for Other Facilities). Any credit facility existing under any such credit or loan agreement which is secured by security under section 427 of the *Bank Act* (Canada) (or any successor to such provision) is deemed to be continued and renewed, without novation, under the Credit Facilities. Any amount owing by the Borrower to the Bank under any such credit or loan agreement is deemed to be a Borrowing under this Agreement. This Agreement is in addition to, and not in replacement of, agreements for Other Facilities. Any and all Security that has been delivered to the Bank and which is included as Security in this Agreement shall remain in full force and effect, is expressly reserved by the Bank and shall apply in respect of all obligations of the Borrower under the Credit Facilities. The Bank expressly reserves all Security granted to the Bank by the Borrower to secure the Borrower's existing debt towards the Bank, should the execution of this Agreement effect a novation of said debt. Unless otherwise provided, all dollar amounts are in Canadian currency.

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, in form and substance, and executed and registered 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; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

AVAILABILITY

Revolving facilities: The Borrower may borrow, convert, repay and reborrow up to the amount of each revolving facility (subject to Margin where applicable) provided each 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.

Non-revolving facilities: The Borrower may borrow up to the amount of each non-revolving facility provided these facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

LOAN REVOLVEMENT

If the Credit Facilities include a revolving demand facility by way of RBP and/or RBUSBR based loans, the Borrower shall establish a current account in Canadian currency, and, where RBUSBR based loans are made available, in US currency (each a "**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 any 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, or RBUSBR Loans as applicable, under this facility;
- b) where the facility is indicated to be Bank revolved, if such position is a credit balance, 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, or RBUSBR Loans as applicable, under this facility;
- c) where this facility is indicated to be Borrower revolved, if such position is a credit balance, the Bank will apply repayments on such facility only if so advised and directed by the Borrower;
- d) Overdrafts and Bank revolved facilities by way of RBP Loans, or RBUSBR Loans, are not available on the same General Account.

REPAYMENT

- a) Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in or pursuant to this Agreement and shall be paid in the currency of the Borrowing. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day.
- b) Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment.
- c) In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all LCs and LGs, if applicable, which are unmaturing or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings.
- d) Where any Borrowings are repayable by scheduled blended payments of principal and interest, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding with any balance of such Borrowings being due and payable as and when specified in this Agreement. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be.
- e) Borrowings repayable by way of scheduled payments of principal plus interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement.
- f) For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the maturity date of the applicable Borrowings shall automatically be amended accordingly.
- g) Without limiting the right of the Bank to terminate or demand payment of or to cancel or restrict availability of any unused portion of any revolving demand tender loan facility, Borrowings by way of tender loans shall be repaid (i) if the tender is not accepted, by returning the relevant draft, or certified cheque, if applicable, to the Bank for cancellation or (ii) if the tender is accepted, by returning the relevant draft, or certified cheque, if applicable, once letters of guarantee or performance bonds are arranged. In the event such draft, or certified cheque, if applicable, is presented for payment, the amount of the draft, or certified cheque, if applicable, will be converted to an RBP based loan with an interest rate of RBP plus 5% per annum.
- h) Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.
- i) Except for Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%, or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity, demand

and judgement. For Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the same rate as the interest rate applicable to the principal amount of the Borrowings as specified in this Agreement.

- j) In the case of any reducing term loan and/or reducing term facility ("**Reducing Term Loan/Facility**"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("**Renewal Letter**") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the maturity date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings under any term facility are by way of RBP and/or RBUSBR based loans, the Borrower may prepay such Borrowings in whole or in part at any time without fee or premium.

Where Borrowings under any term facility are at a fixed interest rate, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Borrowings on a non-cumulative basis up to the percentage indicated in this Agreement of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Borrowing. Any prepayment of the Borrowing prior to the maturity date, in whole or in part (in excess of any prepayment explicitly permitted in this Agreement), requires an amendment of the terms of this Agreement. An amendment to permit such a prepayment requires the Bank's prior written consent. The Bank may provide its consent to an amendment to permit a prepayment upon satisfaction by the Borrower of any conditions the Bank may reasonably impose, including, without limitation, the Borrower's agreement to pay the Prepayment Fee as defined below.

The Prepayment Fee will be calculated by the Bank as the sum of:

- a) the greater of:
- (i) the amount equal to three (3) months' interest payable on the amount of the fixed rate term facility Borrowing being prepaid, calculated at the interest rate applicable to the fixed rate term facility Borrowing on the date of prepayment; and
 - (ii) the present value of the cash flow associated with the difference between the Bank's original cost of funds for the fixed rate term facility Borrowing and the current cost of funds for a fixed rate term loan with a term substantially similar to the remaining term and an amortization period substantially similar to the remaining amortization period of the fixed rate term facility Borrowing, each as determined by the Bank on the date of such prepayment;

plus:

- b) Foregone margin over the remainder of the term of the fixed rate term facility Borrowing. Foregone margin is defined as the present value of the difference between the Bank's original cost of funds for the fixed rate term facility Borrowing and the interest that would have been charged to the Borrower over the remaining term of the fixed rate term facility Borrowing;

plus:

- c) a processing fee.

The Prepayment Fee shall also be payable by the Borrower in the event the Bank demands repayment of the outstanding fixed rate term facility Borrowing on the occurrence of an Event of Default. The Borrower's obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the Borrowings outstanding and will be secured by the Security described herein.

The prepayment of any Borrowings under a term facility will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "**Accounts**") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

CALCULATION AND PAYMENT OF INTEREST AND FEES

- a) The Borrower shall pay interest on each Overdraft, RBP and/or RBUSBR based loan monthly in arrears on the same day of each month as determined by the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- b) The Borrower shall pay interest on each fixed and/or variable rate term facility in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- c) The Borrower shall pay an LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days. If applicable, fees for LCs issued in US currency shall be paid in US currency.
- d) The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable. If applicable, fees for LGs issued in US currency shall be paid in US currency.
- e) Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity, demand and judgement.
- f) The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law.

- g) The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL COVENANTS

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:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under this Agreement;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any person regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period

to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

JOINT AND SEVERAL / SOLIDARY

Where more than one Person is liable as Borrower, for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidary) with each other such Person.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition or provision contained in this Agreement, the Security or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- if in the opinion of the Bank there is a material adverse change in the financial condition, ownership structure or composition or operation of the Borrower, or any Guarantor if applicable;
- if any representation or warranty made by the Borrower in any document relating hereto or under any Security shall be false in any material respect; or
- if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

LETTERS OF CREDIT AND/OR LETTERS OF GUARANTEE

Borrowings made by way of LCs and/or LGs will be subject to the following terms and conditions:

- each LC and/or LG shall expire on a Business Day and shall have a term of not more than 365 days;
- at least 2 Business Days prior to the issue of an LC and/or LG, the Borrower shall execute a duly authorized application with respect to such LC and/or LG and each LC and/or LG shall be governed by the terms and conditions of the relevant application for such contract. If there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC and/or LG, the terms of the application for the LC and/or LG shall govern; and
- an LC and/or LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC and/or LG has been obtained.
- LC and/or LG fees and drawings will be charged to the Borrower's accounts.

FEF CONTRACTS

Bank makes no formal commitment herein to enter into any FEF Contract and the Bank may, at any time and at all times, in its sole and absolute discretion, accept or reject any request by the Borrower to enter into a FEF Contract. Should the Bank make FEF Contracts available to the Borrower, the Borrower agrees, with the Bank as follows:

- the Borrower shall promptly issue or countersign and return a confirmation or acknowledgement of the terms of each such FEF Contract as required by the Bank;
- the Borrower shall, if required by the Bank, promptly enter into a Foreign Exchange and Options Master Agreement or such other agreement in form and substance satisfactory to the Bank to govern the FEF Contract(s);
- in the event of demand for payment under the Agreement, the Bank may terminate all or any FEF Contracts. If the agreement governing any FEF Contract does not contain provisions governing termination, any such termination shall be effected in accordance with customary market practice. The Bank's determination of amounts owing under any terminated FEF Contract shall be conclusive in the absence of manifest error. The Bank shall apply any amount owing by the Bank to the Borrower on termination of any FEF Contract against the Borrower's obligations to the Bank under the Agreement and any amount owing to the Bank by the Borrower on such termination shall be added to the Borrower's obligations to the Bank under the Agreement and secured by the Security;

- d) the Borrower shall pay all required fees in connection with any FEF Contracts and indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank in relation to any FEF Contract;
- e) any rights of the Bank herein in respect of any FEF Contract are in addition to and not in limitation of or substitution for any rights of the Bank under any agreement governing such FEF Contract. In the event that there is any inconsistency at any time between the terms hereof and any agreement governing such FEF Contract, the terms of such agreement shall prevail;
- f) in addition to any security which may be held at any time in respect of any FEF Contract, upon request by the Bank from time to time, the Borrower will deliver to the Bank such security as is acceptable to the Bank as continuing collateral security for the Borrower's obligations to the Bank in respect of FEF Contracts; and
- g) the Borrower will enter each FEF Contract as principal, and only for purposes of hedging currency risk arising in the ordinary course of the Borrower's business and not for purposes of speculation. The Borrower understands and hereby acknowledges the risks associated with each FEF Contract.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province in which the branch of the Bank, which is the Borrower's branch of account, is located, and the laws of Canada applicable therein, as the same may from time to time be in effect. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

CONFIDENTIALITY

This Agreement and all of its terms are confidential ("**Confidential Information**"). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank's prior written consent.

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"**Applicable Laws**" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"**Borrowing**" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are "Borrowings";

"**Business Day**" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday in Canada or any Province thereof, or a day on which banking institutions are closed throughout Canada;

"**Business Loan Insurance Plan**" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

“Capital Expenditures” means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

“Contaminant” includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

“Corporate Distributions” means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

“Current Assets” means, at any time, those assets ordinarily realizable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year;

“Current Liabilities” means, at any time, amounts payable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year (the operating cycle must correspond with that used for current assets);

“Current Ratio” means the ratio of Current Assets to Current Liabilities;

“Debt Service Coverage” means, for any fiscal period, the ratio of EBITDA to the total of Interest Expense and scheduled principal payments in respect of Funded Debt;

“EBITDA” means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

“Environmental Activity” means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

“Environmental and Health and Safety Laws” means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

“Equivalent Amount” means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

“Equity” means the total of share capital (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

“Financial Assistance” means any form of direct or indirect financial assistance of any other Person by means of a loan, guarantee or otherwise or any obligations (contingent or otherwise) intended to enable another Person to incur or pay any debt or comply with any agreements related thereto or to otherwise assure or protect creditors of another Person against loss in respect of debt or any other obligations of such other Person;

“Fixed Charge Coverage” means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes, Corporate Distributions and Unfunded Capital Expenditures to Fixed Charges;

“Fixed Charges” means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt and payments under operating leases;

“Foreign Exchange Forward Contract” or **“FEF Contract”** means a currency exchange transaction or agreement or any option with respect to any such transaction now existing or hereafter entered into between the Borrower and the Bank.

“Funded Debt” means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

“Guarantor” means any Person who has guaranteed the obligations of the Borrower under this Agreement;

“Lease” means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

“Interest Expense” means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances.

“Investment” means the acquisition (whether for cash, property, services, securities or otherwise) of shares, bonds, notes, debentures, partnership or other property interests or other securities of any other Person or any agreement to make any such acquisition;

“Letter of Credit” or **“LC”** means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of paying suppliers of goods;

“Letter of Guarantee” or **“LG”** means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

“Margin” or “Margined” means that the availability of Borrowings under the credit facilities will be based on the Borrower's level of accounts receivable, inventory and Potential Prior Ranking Claims as determined by reference to regular reports provided to the Bank by the Borrower;

“Overdraft” means advances of credit by way of debit balances in the Borrower's current account;

“Permitted Encumbrances” means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

“Person” includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof including Canada Revenue Agency, and any other incorporated or unincorporated entity;

“Policy” means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

“Postponed Debt” means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

“Potential Prior-Ranking Claims” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

“RBP” and “Royal Bank Prime” each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

“RBUSBR” and “Royal Bank US Base Rate” each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US currency in Canada;

“Release” includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

“Tangible Net Worth” means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance;

“Total Liabilities” means all liabilities exclusive of deferred tax liabilities and Postponed Debt;

“Unfunded Capital Expenditures” means Capital Expenditures not funded by either bank debt or equity proceeds.

“US” means United States of America.

TAB E



This is Exhibit E referred to in the
Affidavit of JERRY C. TSAO
Sworn before me by video conference
This 5th day of October, 2020

A COMMISSIONER FOR TAKING AFFIDAVITS
Samantha Bogoroch LSO# 775750

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Royal Bank of Canada General Security Agreement

SRF: 316543701
Borrower: HIGHYON ASSETS CORP.

3300 HIGHWAY 7
SUITE 200
CONCORD
ONTARIO
L4K 4M3
CA

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 therefore (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.

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(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, wheresoever 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

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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 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 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:

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- (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

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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 inappropriate 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

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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 affect 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 situate, 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

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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 whomever 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, licence 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 situate) 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.

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(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 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 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

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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).

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

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR HIGHYON ASSETS CORP.			
ADDRESS OF BUSINESS DEBTOR 350 HIGHWAY 7 EAST	CITY RICHMOND HILL	PROVINCE ONTARIO	POSTAL CODE L4B3N2

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 14th day June, 2013

WITNESSES

HIGHYON ASSETS CORP.

Brig Pu, President

Seal

WITNESSES

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SCHEDULE "A"
(ENCUMBRANCES AFFECTING COLLATERAL)

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SCHEDULE "B"**1. Locations of Debtor's Business Operations**

350 HIGHWAY 7 EAST,
RICHMOND HILL
ONTARIO
CA
L4B3N2

2. Locations of Records relating to Collateral

350 HIGHWAY 7 EAST,
RICHMOND HILL
ONTARIO
CA
L4B3N2

3. Locations of Collateral

350 HIGHWAY 7 EAST,
RICHMOND HILL
ONTARIO
CA
L4B3N2

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SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

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TAB F

Properties

PIN	29302 - 0093	LT	Interest/Estate	Fee Simple
Description	UNIT 18, LEVEL 3, YORK REGION CONDOMINIUM PLAN NO. 771 ; PT LTS 20 & 21 PL 2607, PTS 1 TO 8 & 10 65R14620, MORE FULLY DESCRIBED IN SCHEDULE 'A' OF DECLARATION LT712904 AS AMENDED BY LT720186 ; S/T TEMP EASE OVER PT 3 EXPROP PL YR1373973; TOWN OF RICHMOND HILL			
Address	302 SUITE 350 HIGHWAY 7 EAST RICHMOND HILL			
PIN	29302 - 0094	LT	Interest/Estate	Fee Simple
Description	UNIT 19, LEVEL 3, YORK REGION CONDOMINIUM PLAN NO. 771 ; PT LTS 20 & 21 PL 2607, PTS 1 TO 8 & 10 65R14620, MORE FULLY DESCRIBED IN SCHEDULE 'A' OF DECLARATION LT712904 AS AMENDED BY LT720186 ; RICHMOND HILL; S/T TEMP EASE OVER PT 3 EXPROP PL YR1373973			
Address	310 SUITE 350 HIGHWAY 7 EAST RICHMOND HILL			
PIN	29302 - 0326	LT	Interest/Estate	Fee Simple
Description	UNIT 186, LEVEL A, YORK REGION CONDOMINIUM PLAN NO. 771 ; PT LTS 20 & 21 PL 2607, PTS 1 TO 8 & 10 65R14620, MORE FULLY DESCRIBED IN SCHEDULE 'A' OF DECLARATION LT712904 AS AMENDED BY LT720186 ; RICHMOND HILL; S/T TEMP EASE OVER PT 3 EXPROP PL YR1373973			
Address	RICHMOND HILL			
PIN	29302 - 0327	LT	Interest/Estate	Fee Simple
Description	UNIT 187, LEVEL A, YORK REGION CONDOMINIUM PLAN NO. 771 ; PT LTS 20 & 21 PL 2607, PTS 1 TO 8 & 10 65R14620, MORE FULLY DESCRIBED IN SCHEDULE 'A' OF DECLARATION LT712904 AS AMENDED BY LT720186 ; RICHMOND HILL; S/T TEMP EASE OVER PT 3 EXPROP PL YR1373973			
Address	RICHMOND HILL			

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

HIGHYON ASSETS CORP.

Address for Service

350 Highway 7 East, Suite
310
Richmond Hill, ON
L4B 3N2

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

This is **Exhibit S** referred to in the
Affidavit of **JERRY C. TSAO**
Sworn before me by video conference
This 5th day of October, 2020

A COMMISSIONER FOR TAKING AFFIDAVITS
Samantha Bogoroch LSO# 775750

Chargee(s)

Capacity

Share

Name

ROYAL BANK OF CANADA

Address for Service

36 York Mills Road
4th floor
Toronto, Ontario
M2P 0A4

Provisions

Principal	\$900,000.00	Currency	CDN
Calculation Period	semi-annually, not in advance		
Balance Due Date	ON DEMAND		
Interest Rate	Prime + 5.0%		
Payments			
Interest Adjustment Date			
Payment Date			
First Payment Date			
Last Payment Date			
Standard Charge Terms	20015		
Insurance Amount	Full insurable value		
Guarantor			

Signed By

Nasim Akbari-Balderlou

50 West Pearce St Suite 10
Richmond Hill
L4B 1C5

acting for
Chargor(s)

Signed

2018 06 21

Tel 905-763-3770

Fax 905-763-3772

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

Submitted By

FIJ LAW LLP

50 West Pearce St Suite 10
Richmond Hill
L4B 1C5

2018 06 22

Tel 905-763-3770

Fax 905-763-3772

Fees/Taxes/Payment

Statutory Registration Fee	\$63.65
Total Paid	\$63.65



CHARGE TERMS



E-FORM 964 (03/2003)

**LAND REGISTRATION REFORM ACT
SET OF STANDARD CHARGE TERMS
FOR ELECTRONIC DOCUMENTS
(COLLATERAL CHARGES)**

**ROYAL BANK OF CANADA
ROYAL TRUST CORPORATION OF CANADA**

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CHARGE TERMS

LAND REGISTRATION REFORM ACT

E-FORM 864 103/2003

SET OF STANDARD CHARGE TERMS
FOR ELECTRONIC DOCUMENTS
(COLLATERAL CHARGES)ROYAL BANK OF CANADA
ROYAL TRUST CORPORATION OF CANADAFiled by:
ROYAL BANK OF CANADA and
ROYAL TRUST CORPORATION OF CANADAFiling Date: June 28, 2001
Filing Number: 20015

The following set of standard charge terms shall apply to electronic documents submitted for registration under Part III of the *Land Registration Reform Act*, R.S.O. 1990, c.L.4, as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this set of standard charge terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act.

Any charge in an electronic format of which this set of standard charge terms forms a part by reference to the above-noted filing number in such charge shall hereinafter be referred to as the "Charge". Whenever reference is made in this set of standard charge terms to the Charge it shall include this set of standard charge terms and all terms and provisions of this set of standard charge terms.

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

1. CHARGE

The chargor or chargors indicated in the Computer Field of the Charge entitled "Chargor" (the "Chargor") charges the lands and premises indicated in the Computer Field of the Charge entitled "Description" (the "Charged Premises") with the payment to the chargee indicated in the Computer Field of the Charge entitled "Chargee" (the "Chargee") of the principal and interest and all other monies secured by the Charge upon the terms as set out in the Charge.

2. COLLATERAL SECURITY

The Chargor has at the request of the Chargee agreed to give the Charge as a continuing collateral security for payment and satisfaction to the Chargee of all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, at any time owing by the Chargor to the Chargee incurred or arising either before or after the delivery for registration of the Charge and whether incurred by or arising from agreement or dealings between the Chargor and the Chargee or from any agreement or dealings with any third party by which the Chargee may be or become in any manner whatsoever a creditor of the Chargor or however otherwise incurred or arising anywhere within or outside Canada and whether the Chargor be bound alone or with another or others and whether as principal or surety 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 (such obligations, debts and liabilities being herein called the "Liabilities"). It is agreed by the Chargor and the Chargee that the Charge at any one time will secure only that portion of the aggregate principal component of the Liabilities outstanding at such time which does not exceed the sum set out in the Computer Field in the Charge entitled "Principal" (herein called the "Principal Amount"), together with any interest or compound interest accrued on the portion of the Principal Amount outstanding at such time at the Charge Rate, as hereinafter defined, plus such costs and expenses to which the Chargee is entitled pursuant to the Charge.

3. COVENANTS REGARDING LIABILITIES

The Chargor and the Chargee agree as follows:

(a) That the Chargor covenants to pay to the Chargee each and every amount, indebtedness, liability and obligation forming part of the Liabilities in the manner agreed to in respect of such amount, indebtedness, liability or obligation.

(b) That no part of the Liabilities existing at the date of the Charge or incurred or arising thereafter, shall be deemed to be unsecured by the Charge.

(c) That the Charge is and shall be a continuing collateral security to the Chargee for the amount of the Liabilities and interest and costs as provided in the Charge and shall be deemed to be taken as security for the ultimate balance of the Liabilities; and the Charge shall not, nor shall anything therein contained operate so as to create any merger or discharge of any debt owing to the Chargee or of any lien, bond, promissory note, bill of exchange or other security held by the Chargee either before or after registration of the Charge from the Chargor or from any other person or persons and the Charge shall not in any way prejudicially affect any security held either before or after the registration of the Charge by the Chargee for the Liabilities or any part thereof, or the liability of any endorser or any other person or persons upon any such lien, bond, bill of exchange, promissory note or other security or contract or any renewal or renewals thereof held by the Chargee for or on account of the Liabilities or any part or parts thereof, nor shall the remedies of the Chargee in respect thereof be prejudiced or delayed in any manner whatsoever by the taking of the Charge.

(d) That any and all payments made in respect of the Liabilities and interest and the monies or other proceeds realized from the sale of any securities held therefor, including the Charge, may be applied and reapplied notwithstanding any previous application on such part or parts of such Liabilities or interest as the Chargee may see fit or may be held unappropriated in a separate collateral account for such time as the Chargee may see fit.

(e) That the Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities and guarantees from and give the same and any and all existing securities and guarantees up to, may abstain from taking securities or guarantees from or from perfecting securities or guarantees of, may accept compositions from and may otherwise deal with the Chargor and all other persons, securities and guarantees as the Chargee may see fit without prejudicing the rights of the Chargee under the Charge.

(f) That the taking of judgement in respect of the Liabilities or any instrument or instruments now or hereafter representing or evidencing the Liabilities or under any of the covenants in the Charge or in any such instrument contained or implied shall not operate as a merger of the Liabilities or such instrument, instruments or covenants, nor affect the Chargee's right to interest at the rate and times provided in the Charge, nor affect nor prejudice any rights or remedies given to the Chargee by the terms of the Charge.

4. INTEREST

(a) VARIABLE INTEREST RATE

If the interest rate indicated in the Computer Field of the Charge entitled "Rate" is based upon the Prime Rate, as hereinafter defined, the rate of interest chargeable on the Principal Amount is a rate equal to the Prime Rate per annum as the same will vary from time to time, plus the number of percentage points per annum, if any, indicated in the Computer Field of the Charge entitled "Rate" (the "Variable Interest Rate") and shall be payable monthly, and calculated monthly, not in advance, as well after as before maturity of the Charge, and both before and after default and judgment until paid.

The Variable Interest Rate will vary automatically, without notice to the Chargor, each time there is a change in the Prime Rate. The Variable Interest Rate will always be the Prime Rate plus the number of percentage points per annum, if any, indicated in the Computer Field of the Charge entitled "Rate", payable monthly and calculated monthly, not in advance, as well after as before maturity of the Charge and both before and after default and judgment until paid.

"Prime Rate" means the annual rate of interest announced from time to time by the Chargee being a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada. In the event that it may be necessary at any time for the Chargee to prove the Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Chargee setting forth the Prime Rate as at any time or times shall be deemed to be conclusive evidence as to the Prime Rate as set forth in the said certificate.

(b) FIXED INTEREST RATE

If the interest rate indicated in the Computer Field of the Charge entitled "Rate" is a specified annual percentage not based on the Prime Rate (the "Fixed Interest Rate"), the rate of interest chargeable on the Principal Amount is that Fixed Interest Rate per annum, payable monthly, and calculated monthly, as well after as before maturity of the Charge, and both before and after default and judgment until paid.

(c) For the purposes of the Charge the Fixed Interest Rate or the Variable Interest Rate, as the case may be, are hereinafter referred to as the "Charge Rate". Whenever reference is made to the Charge Rate it shall mean the rate of interest indicated in the Computer Field of the Charge entitled "Rate", and interest shall be calculated and payable as set out in the Charge.

5. DEFEASANCE

The provisions relating to defeasance contained in subsection 6(2) of the Land Registration Reform Act, shall be and are hereby expressly excluded from the terms of the Charge.

Provided the Charge shall be void upon the Chargor paying on demand to the Chargee the ultimate balance of the Liabilities, such balance not to exceed the Principal Amount, and all promissory notes, bills of exchange and any other instruments whatsoever from time to time representing the Liabilities or any part thereof, together with interest thereon either: a) where the Charge provides for a Variable Interest Rate, at the Variable Interest Rate per annum, calculated and payable monthly as well after as before maturity, default and judgment, with interest on overdue interest at the Charge Rate; or b) where the Charge provides for a Fixed Interest Rate, at the Fixed Interest Rate per annum, calculated and payable monthly as well after as before maturity, default and judgment, with interest on overdue interest at the same rate as on the Principal Amount and all other amounts payable by the Chargor under the Charge and paying any taxes, rates, levies, charges or assessments upon the Charged Premises no matter by whom or what authority imposed and observing and performing all covenants, provisos and conditions contained in the Charge.

6. COMPOUND INTEREST

It is agreed that if default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the Charge Rate, and in case the interest and compound interest are not paid on the next payment date after the date of default a rest shall be made, and compound interest at the rate aforesaid shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Charged Premises and shall be secured by the Charge.

7. TAXES

With respect to municipal taxes, school taxes and local improvement rates (hereinafter referred to as "taxes") chargeable against the Charged Premises, it is mutually agreed between the parties to the Charge that:

(a) The Chargee may deduct from any advance of monies to the Chargor an amount sufficient to pay the taxes which have become or will become due and payable at the date of such advance and are unpaid at the date of such advance.

(b) The Chargor shall pay to the Chargee in monthly instalments on the dates on which instalments of principal and interest are payable under the Charge, sums sufficient to enable the Chargee to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment of taxes.

(c) Where the period between the date of the advance and the end of the calendar year is less than one year the Chargor shall pay to the Chargee in equal monthly instalments, during such period and during the next succeeding 12 months period, an amount estimated by the Chargee to be sufficient to pay, on or before the expiration of the said 12 months period, all taxes which shall become due and payable during the said two periods and during the balance of the year in which the said 12 months period expires; and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the actual taxes exceed such estimated amount.

E-FORM 964 (03/2003)

(d) Except as provided in the last preceding clause, the Chargor shall, in each and every month, pay to the Chargee one-twelfth of the amount (as estimated by the Chargee) of the taxes next becoming due and payable; and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the said actual taxes exceed such estimated amount.

(e) The Chargee shall allow the Chargor interest on the average monthly balances standing in the Charge account from time to time to the credit of the Chargor for payment of taxes at a rate per annum, and at such times, as the Chargee may determine in its sole discretion; and the Chargor shall be charged interest at the Charge Rate, on the debit balance, if any, in the Charge account outstanding after payment of taxes by the Chargee, until such debit balance is fully repaid.

(f) The Chargor shall reimburse the Chargee, on demand, for any fees paid or charges incurred by the Chargee to a municipality or other tax authority from time to time in connection with the administration of the tax account, including any fees or charges for the obtaining of information or searches or certificates in respect thereof, or the payment of taxes in any manner and the Chargor authorizes the Chargee to deduct the amount of such fees or charges from the tax account.

The Chargee agrees to apply the foregoing deductions and payments to the taxes chargeable against the Charged Premises so long as the Chargor is not in default under any covenant, proviso or agreement contained in the Charge, but nothing contained in the Charge shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided, however, that if, before any sum or sums so paid to the Chargee shall have been so applied, there shall be default by the Chargor in respect of any payment of principal or interest as provided in the Charge, the Chargee may apply such sum or sums in or towards payment of the principal and or interest in default. The Chargor further covenants and agrees to transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Chargor.

Notwithstanding the provisions set out in this section, the Chargee may elect not to require payment of taxes to it in which case the Chargor will pay all taxes as they fall due and will provide the Chargee with receipts confirming payment of same as the Chargee may require.

8. DEEMED COVENANTS EXCLUDED

The covenants deemed to be included in a charge by subsection 7(l) of the Land Registration Reform Act, shall be and are hereby expressly excluded from the terms of the Charge.

9. COVENANTS IN LIEU OF STATUTORY COVENANTS

The Chargor does hereby covenant, promise and agree to and with the Chargee as follows:

(a) To Pay and Observe Covenants

That the Chargor shall pay or cause to be paid to the Chargee, without deduction or abatement, the Principal Amount secured by the Charge with interest at the Charge Rate at the times and in the manner limited for payment thereof in the Charge, and shall do, observe, perform, fulfil and keep all the provisions, covenants, agreements and stipulations particularly set forth in the Charge, and, without limitation, shall pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Charged Premises or in respect thereof, no matter by whom or by what authority imposed, which the Chargee has paid or has been rendered liable to pay and shall also pay all other sums as the Chargee may be entitled to under the Charge.

(b) For Good Title

That the Chargor, at the time of delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title in fee simple to the Charged Premises free of any trusts, reservations, limitations, provisos or conditions (except those contained in the original grant thereof from the Crown) or any other matter or thing to alter, charge, change, encumber or defeat the same.

(c) Right to Charge

That the Chargor has good right, full power and lawful and absolute authority to charge the Charged Premises with their appurtenances unto the Chargee in the manner set out in the Charge.

(d) Quiet Possession on Default

That from and after default in the payment of the Principal Amount, or the interest thereon, or any part thereof, or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations contained in the Charge, contrary to the true intent and meaning thereof, then in every such case, it shall be lawful for the Chargee, peaceably and quietly to enter into, have, hold, use, occupy, possess and enjoy the Charged Premises or the lands and premises intended to be charged by the Charge, with their appurtenances, without the lat, suit, hindrance, interruption or denial of the Chargor, or any other person or persons whomsoever, free and clear of all arrears of taxes and assessments whatsoever due or payable upon or in respect of the Charged Premises or any part thereof and of and from all former conveyances, mortgages, charges, rights, annuities, debts, executions and recognizance and of any other charges or encumbrances whatsoever.

(e) Further Assurances

That from and after default shall happen to be made of or in the payment of the Principal Amount then outstanding, or the interest thereon, or any part of the Principal Amount or interest, as set forth in the Charge or of or in the doing, observing, performing, fulfilling or keeping of some one or more of the provisions, agreements or stipulations in the Charge contrary to the true intent and meaning thereof, then and in every such case the Chargor, and all and every person or persons whosoever having, or lawfully claiming, or who shall or may have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the Charged Premises by, from, under or in trust for the Chargor, shall and will, from time to time, and at all times thereafter, make, do, suffer and execute, deliver, authorize and register or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying, charging and assuring the Charged Premises unto the Chargee, as by the Chargee, or its solicitor shall or may be lawfully and reasonably devised, advised, or required.

(f) Done No Act to Encumber

That the Chargor has not at any time heretofore made, done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby the Charged Premises or the premises intended to be charged by the Charge, or any part thereof, are, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate, or otherwise howsoever.

(g) Insurance

- i) That the Chargor will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, earthquake, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the Charged Premises and which may hereafter be erected thereon, both during erection and thereafter, and all fixtures as hereinafter defined or referred to, and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies approved by the Chargee and shall pay all premiums and sums of money necessary for such purpose as the same shall become due; each policy of insurance shall provide that loss, if any, shall be payable to the Chargee as its interest may appear, subject to a standard form of mortgage clause or other mortgage clause approved by the Chargee and the Chargor will forthwith assign, transfer and deliver over unto the Chargee the policy of insurance and receipts thereto appertaining; and if the Chargor shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or to produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled, but shall not be obliged, to insure the said buildings or any of them, and if the Chargee shall pay any premiums or sums of money for insurance for the Charged Premises or any part thereof the amount of such payment shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate from the time of such payments and shall be payable at the time appointed for the next ensuing payment of interest on the said debt; and the Chargor shall forthwith on the happening of any loss or damage, furnish at the Chargor's own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies and the production of a printed copy of the Charge shall be sufficient authority for the said insurance company to pay any such loss to the Chargee, and the said insurance company is hereby directed thereupon to pay the same to the Chargee; and any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the Charged Premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Chargee, in whole or in part on account of the amounts secured by the Charge or any part thereof whether due or not then due.

- (ii) If the Charged Premises are part of a Condominium the insurance provisions set out in paragraph (a) above will not apply and the following will apply to the Charge:

That the Chargor or the Condominium Corporation or both of them will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, earthquake, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the said land and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies approved by the Chargee; and the Chargor will forthwith assign, transfer and deliver unto the Chargee the policy or policies of insurance and receipts thereof appertaining and if the Chargor or Condominium Corporation or both of them shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof the Chargee shall be entitled but shall not be obligated to insure the said buildings or any of them; and the Chargor or the Condominium Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policies of insurance and, without limiting the generality of the obligation of the Chargor to observe and perform all the duties and obligations imposed on him by the Condominium Act, R.S.O. 1990, c.C.26, as amended or replaced (the "Condominium Act") and by the Declaration and By-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the Declaration; and the Chargor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

10. RELEASE

The Chargor has released, remised and forever quitted claim, and by these presents does release, remise, and forever quit claim unto the Chargee, all right, title, interest, claim and demand whatsoever of, in, unto and out of the Charged Premises and every part thereof, so as that the Chargor shall not or may not at any time hereafter have, claim, pretend to, challenge or demand the Charged Premises or any part thereof, in any manner howsoever, subject always to the proviso for defeasance.

11. ENTRY AFTER DEFAULT AND POWER OF SALE

Provided that the Chargee on default by the Chargor of payment of the portion of the Principal Amount then outstanding and interest or any part thereof required by the Charge or in the observing, performing, fulfilling or keeping of one or more of the covenants of the Chargor provided in the Charge may enter into possession of the Charged Premises or the lands and premises intended to be charged and take the rents, issues and profits and, whether in or out of possession, make such lease or leases as it shall think fit, and also on fifteen days' default as aforesaid and after giving at least thirty-five days' written notice to the persons and in the manner prescribed by Part III of the Mortgages Act, R.S.O. 1990, c. M.40, as amended (the "Mortgages Act"), may sell the Charged Premises or the lands and premises intended to be charged by the Charge or any part or parts thereof by public auction or private contract, or partly the one and partly the other, and may convey and assure the same when so sold to the purchaser or purchasers thereof as the purchaser shall direct and may do all such assurances, acts, matters and things as may be found necessary for the purposes aforesaid, and the Chargee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by reason of its wilful neglect or default. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the Charged Premises, if occupied, or by placing it on some portion of the Charged Premises, if unoccupied, or at the option of the Chargee, by mailing it by registered mail addressed to the Chargor at the Chargor's last known address and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person or persons to be affected thereby may be unknown, unascertained or under disability. It is hereby further agreed that the proceeds of sale under the Charge may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Charged Premises or by reason of non-payment or procuring payment of monies, secured hereby or otherwise, and that the Chargee may sell all or any part of the Charged Premises on such terms as to credit and otherwise as shall appear to it most advantageous and for such price as can reasonably be obtained therefor and may make any stipulation as to title or evidence or commencement of title or otherwise which it may deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Charged Premises and resell without being answerable for loss occasioned thereby, and, in the case of a sale on credit, the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease under the Charge; and that the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given in compliance with the Mortgages Act, or had been given improperly, but any person damaged by an unauthorized, improper, or irregular exercise of the power shall have his remedy against the person exercising the power in damages only. The Chargee may sell fixtures, machinery, crops and standing or fallintrees apart from the lands, and the purchaser as well as the Chargee shall have all necessary access for securing, cutting and removal. It is agreed between the parties to the Charge that nothing in this section contained shall prejudice or diminish any other rights and remedies and powers of the Chargee in the Charge contained or existing at law by virtue thereof.

And it is further agreed between the parties to the Charge that until such sale or sales shall be made as aforesaid, the Chargee shall and will stand possessed of the rents and profits of the Charged Premises in case it shall take possession of them on default as aforesaid and after such sale or sales shall stand possessed of the monies to arise and be produced from such sales, or which might arise from any insurance upon the Charged Premises or any part thereof upon trust firstly in payment of all the expenses incident to the sales, leases, conveyances, or attempted sales, leases or conveyances, secondly in payment of all costs, charges, damages and expenses of the Chargee relating to taxes, rents, insurance, repairs, utilities and any other amounts which the Chargee may have paid relating to the Charged Premises,

thirdly in discharge of all interest and costs then due in respect of the Charge, fourthly in discharge of the portion of the Principal Amount then outstanding secured by the Charge, fifthly in payment of any subsequent encumbrances according to their priorities and the residue shall be paid to the Chargor as the Chargor may direct and shall also, in such event, at the request, cost and expense of the Chargor, transfer, release and assure unto the Chargor or to such person or persons as the Chargor shall direct and appoint, all such parts of the Charged Premises as shall remain unsold for the purposes aforesaid, discharged from all the Charge, but no person who shall be required to make or execute any such assurances shall be compelled for the making thereof to go or travel from his usual place of abode. Provided always, and it is hereby further declared and agreed by and between the parties to the Charge, that notwithstanding the power of sale and the other powers and provisions contained in the Charge, the Chargee shall have and be entitled to its right of foreclosure of the fee interest or equity of redemption of the Chargor in the Charged Premises as fully and effectually as it might have exercised and enjoyed the same in case the power of sale, and the other former provisos and trusts incident thereto had not been contained in the Charge.

12. DISTRESS

Provided that and it is further stipulated, provided and agreed by and between the parties to the Charge that the Chargee may distress for arrears of interest against the Charged Premises or any part thereof and recover by way of rent reserved as in the case of a demise the arrears of interest and all costs and expenses incurred in such levy or distress and may also distress for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

13. PRINCIPAL DUE ON DEFAULT OF PERFORMANCE OF COVENANTS

It is agreed by the Chargor and the Chargee that if any default shall occur in the performance of any covenant, proviso or agreement contained in the Charge or if any waste be committed or suffered on the Charged Premises, then, at the option of the Chargee, the principal amount secured by the Charge shall forthwith become due and payable subject to any relief afforded to the Chargor at law. The Chargee may, however, waive its right to call in the Principal Amount or any portion thereof then outstanding and shall not be therefore debarred from asserting and exercising its right to call in the principal amount upon the happening of any future default or breach.

14. CHARGOR'S QUIET POSSESSION UNTIL DEFAULT

Provided and it is agreed that until default in the payment of principal or interest secured by the Charge or intended so to be, or any part of either of the same, or in the performance of any of the provisions set forth in the Charge contrary to the true intent and meaning thereof, it shall be lawful for the Chargor peaceably and quietly to have, hold, use, occupy, possess and enjoy the Charged Premises, and receive and take the rents and profits thereof to the Chargor's own use and benefit, without let, suit, hindrance, interruption, or denial by the Chargee, or of or by any other person or persons whomsoever lawfully claiming, or who shall, or may lawfully claim by, from, under or in trust for the Chargee.

15. BUILDINGS, ADVANCES AND COST OF SEARCH

It is the intention of the parties to the Charge that the building or buildings erected or to be erected on the Charged Premises form part of the security for the full amount of the monies secured by the Charge; and that all advances are to be made in such manner, at such times and in such amounts up to the full amount of said monies as the Chargee, in its sole discretion, may determine. The Chargor agrees that notwithstanding the Chargor's authorization of registration and the registration of the Charge or the advancement of any part of the monies, the Chargee is not bound to advance the monies or any unadvanced portion thereof and the advance of the monies and any part thereof from time to time shall be in the sole discretion of the Chargee, but nevertheless the Charge shall take effect forthwith upon the delivery for registration of the Charge and the expenses of the examination of the title and of the Charge and valuation are to be secured hereby, the same to be charged by the Charge upon the Charged Premises and shall be without demand thereof, payable forthwith with interest at the Charge Rate and in default the Chargee's power of sale hereby given, and all other remedies under the Charge or at law shall be exercisable.

16. FIXTURES

It is hereby mutually covenanted and agreed by and between the Chargor and the Chargee that all erections and improvements fixed or otherwise either on the date of delivery for registration of the Charge or thereafter put upon the Charged Premises, including but without limiting the generality of the foregoing, all fences, heating, piping, plumbing, aerials, air conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, cleaning and drying equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment appurtenant thereto, and all farm machinery and improvements, fixed or otherwise and even though not attached to the lands otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Charged Premises and shall be a portion of the security for the amounts secured by the Charge.

17. PARTIAL RELEASE

Provided that the Chargee may at all times release any part or parts of the Charged Premises or any other security or any surety for payment of all or any part of the monies secured by the Charge or may release the Chargor or any other person from any covenant or other liability to pay the said monies or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Chargee and without thereby releasing any other part of the Charged Premises, or any other securities or covenants contained in the Charge, it being especially agreed that notwithstanding any such release the Charged Premises, securities and covenants remaining unreleased shall stand charged with the whole of the monies secured by the Charge and all legal and other expenses incurred by the Chargee in connection with such release or releases.

18. DEFAULT IN PRIOR CHARGES

It is hereby agreed by and between the Chargor and the Chargee that should default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage, charge, lien or other encumbrance to which the Charge is subject or subordinate, then and in that event the monies secured by the Charge shall forthwith become due and be payable, at the option of the Chargee, and all the powers in and by the Charge conferred shall become exercisable, and the powers of sale contained in the Charge may be exercised as therein provided.

19. LIENS AND CONSTRUCTION

Provided also that upon the registration of any lien against the Charged Premises, or in the event of any buildings being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the portion of the Principal Amount then outstanding and interest and all other amounts secured by the Charge shall, at the option of the Chargee, forthwith become due and payable. In the event that a construction lien is registered against the Charged Premises, the Chargee shall have the right, but not the obligation to pay into court such amounts as may be required to remove the lien from title to the Charged Premises. Any amounts so paid by the Chargee, together with all expenses incurred by the Chargee in connection therewith, including all solicitor's charges or commissions, as between a solicitor and his client, shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

20. WASTE, VACANCY, REPAIR AND BUILDING COMPLETION

The Chargor covenants and agrees with the Chargee that the Chargor will not permit waste to be committed or suffered on the Charged Premises and that the Chargor will maintain the buildings or other improvements on the Charged Premises in good order and repair to the satisfaction of the Chargee and will not permit or suffer them to become or remain vacant and the Chargee may, but shall not be obliged to, make such repairs, improvements and alterations as it may deem necessary or complete the construction or reconstruction of any building on the Charged Premises, and the cost of repair, construction or reconstruction shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

21. INSPECTION

The Chargee, its agent, employees, and independent contractors may, at any time, enter upon the Charged Premises to fully inspect the Charged Premises and where deemed necessary and/or advisable by the Chargee, an notwithstanding section 14 hereof, to conduct investigations including intrusive testing and sampling on the Charged Premises for the purpose of determining the presence of or the potential for environmental contamination and the reasonable cost of such inspection shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate, and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

22. ALTERATIONS

The Chargor covenants and agrees with the Chargee that the Chargor will not make or permit to be made any alterations or additions to the Charged Premises without the prior written consent of the Chargee.

23. PROHIBITION AGAINST RENTAL

If the Charged Premises are or are intended to be used as residential premises then the following provisions shall apply:

(a) The Chargor represents, warrants, covenants and agrees that no part of the Charged Premises are rented or occupied by a Tenant (as defined herein) and further covenants and agrees not to rent, lease, enter into a tenancy agreement or allow occupancy by a Tenant of the whole or any part of the Charged Premises (any of the aforesaid being hereinafter referred to as "Renting") without first obtaining the consent in writing of the Chargee which consent may be refused at the sole discretion of the Chargee; further the Chargor covenants and agrees not to enter into any negotiations with respect to Renting without the consent in writing of the Chargee, which consent may be refused, restricted or made conditional at the sole discretion of the Chargee; if a restricted or conditional consent to Renting or negotiations relating to Renting is given, the Chargor covenants and agrees to abide by such restrictions or conditions;

(b) The Renting of the whole or any part of the Charged Premises without the written consent of the Chargee shall be deemed to have been done with the object of discouraging the Chargee from taking possession of the Charged Premises on default or adversely affecting the value of the Chargee's interest in the Charged Premises within the meaning of Section 52(1) of the Mortgages Act.

(c) In the event that any of the covenants contained in this section shall be breached then, at the option of the Chargee, all monies hereby secured with accrued interest thereon shall forthwith become due and payable;

(d) If the whole or any part of the Charged Premises are rented to a Tenant with or without the consent of the Chargee, at such time as the Chargee is entitled to enforce its rights under the Charge by reason of default of the Chargor, the Chargee may, at its discretion, pay to any Tenant a sum of money, in such amount as it considers advisable, as consideration for obtaining the cooperation of such Tenant in selling the Charged Premises, showing the Charged Premises and obtaining possession from the Tenant or for any one or more of the above. It is recognized that the payment of such amount will be a cost of realization on this security and the amount so paid shall be added to the debt hereby secured and be a charge on the Charged Premises and shall bear interest at the Charge Rate and shall have priority over all encumbrances subsequent to the Charge and shall be payable forthwith by the Chargor to the Chargee; the Chargor appoints the Chargee to be its true and lawful attorney and agent to enforce all the terms of any tenancy agreement entered into by the Chargor with respect to all or any part of the Charged Premises and to cancel or terminate any such tenancy agreement and in this connection to make, sign and execute any and all documents in the name of the Chargor which it, as Chargee, may consider desirable;

(e) When used in this section Tenant shall have the meaning set out in Section 1 of the Tenancy Protection Act, 1997. S.O. 1997, c.24, as amended.

24. NON-MERGER

Provided and it is agreed, that the taking of a judgment or judgments on any of the covenants contained in the Charge shall not operate as a merger of the said covenant or affect the Chargee's right to interest at the rate and times provided in the Charge; and further that said judgement shall provide that interest thereon shall be computed at the Charge Rate and in the same manner as provided in the Charge until the said judgement shall have been fully paid and satisfied.

25. RIGHTS ON DEFAULT

And the Chargor covenants and agrees with the Chargee that in the event of default in the payment of any instalment of principal, interest or taxes secured by the Charge or any other monies payable under the Charge by the Chargor or on breach of any covenant, proviso or agreement contained in the Charge after all or any part of the monies secured by the Charge have been advanced, the Chargee may at such time or times as it may deem necessary and without the concurrence of any other person enter upon the Charged Premises and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Charged Premises, or for inspecting, taking care of, leasing, collecting the rents of, and managing generally the Charged Premises, and for environmental remediation to bring the Charged Premises into compliance with recognized environmental standards, statutory or otherwise, as it may deem expedient, and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Chargee or other person appointed for the above purposes shall be forthwith payable by the Chargor to the Chargee, and shall be a charge upon the Charged Premises prior to all claims thereon subsequent to the Charge and shall bear interest at the Charge Rate until paid.

26. OBLIGATIONS SURVIVE SALE

Provided further that no sale or other dealing by the Chargor with the Charged Premises or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies secured by the Charge.

27. DUE ON SALE

Provided that in the event of the Chargor selling, conveying, transferring, or entering into any agreement of sale or transfer of the title of the Charged Premises then, at the option of the Chargee, all monies secured by the Charge shall forthwith become due and payable.

28. PRIOR ENCUMBRANCES

It is further stipulated, provided and agreed, that the Chargee may pay the amount of any encumbrance, lien or charge existing now or existing after the date of the Charge, or to arise or to be claimed upon the Charged Premises having priority over the Charge, including, without limitation, any taxes, utility charges or other rates on the Charged Premises, any construction lien, or any amounts payable to a Condominium Corporation, and may pay all costs, charges and expenses and all solicitor's charges or commissions, as between a solicitor and his client, which may be incurred in taking, recovering and keeping possession of the Charged Premises and generally in any proceedings or steps of any nature whatever properly taken in connection with or to realize upon this security, or in respect of the collection of any overdue interest, principal, insurance premiums or any other monies whatsoever payable by the Chargor under the Charge whether any action or any judicial proceedings to enforce such payments has been taken or not, and the amount so paid and insurance premiums for fire or other risks or hazards and any other monies paid under the Charge by the Chargee shall be added to the debt secured by the Charge and be a charge on the Charged Premises and shall bear interest at the Charge Rate, and shall be payable forthwith by the Chargor to the Chargee, and the non-payment of such amount shall be a default of payment within the meaning of those words in the paragraph dealing with power of sale and shall entitle the Chargee to exercise the power of sale and all other remedies hereby given. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the monies advanced on the security or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation, or government so paid off, and is hereby authorized to retain any discharge thereof, without registration, for a longer period than six months if it thinks proper to do so.

29. ONTARIO NEW HOME WARRANTIES PLAN ACT

If the Chargee incurs any cost or expense of any nature or kind in any way arising from or relating to the Ontario New Home Warranties Plan Act, R.S.O. 1990, c.O.31, as amended (the "ONHWPA"), including, without any limitation whatsoever, any cost or expense relating to registration as a vendor under the ONHWPA or enrolling the Charged Premises or entering into any agreement or agreements relating to performance of warranty obligations or performing any warranty obligations, all such cost and expense shall be added to the debt hereby secured and be a charge on the Charged Premises in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Charge Rate and shall be payable forthwith by the Chargor to the Chargee.

30. EXTENSIONS

Provided that no extension of time given by the Chargee to the Chargor, or anyone claiming under the Chargor or any other dealing with the owner of the Charged Premises, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured.

31. DISCHARGE

The Chargee shall have a reasonable time after payment in full of the monies secured by the Charge within which to prepare and register a discharge or, if requested, and if required by law to do so, an assignment of the Charge, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee and all legal and other expenses for the preparation and registration of such discharge or assignment and any administrative charge or fee of the Chargee shall be borne by the Chargor.

32. OTHER SECURITY

The Charge is in addition to and not in substitution for any other security held by the Chargee including any promissory note or notes for all or any part of the monies secured under the Charge, and it is understood and agreed that the Chargee may pursue its remedies thereunder or under the Charge either concurrently or successively at its option. Any judgment or recovery under the Charge or under any other security held by the Chargee for the monies secured by the Charge shall not affect the right of the Chargee to realize upon this or any other such security.

Without limiting the generality of the foregoing, the Charge is in addition to, and not in substitution for, any other charges now or hereafter held by the Chargee over the Charged Premises as security for monies secured under the Charge or any other monies due to the Chargee.

It is understood and agreed that the aggregate of principal amounts secured by the Charge and any such other charges shall be the aggregate of the Principal Amount of the Charge and the principal amounts secured under any such other charges.

33. PLACE OF PAYMENT AND WITHHOLDINGS FROM PAYMENTS

(a) Place of Payment. Provided that all such payments secured by the Charge shall be made at the branch of the said Chargee designated in the Charge, or at such other place as the Chargee may designate in writing to the Chargor, in lawful money of Canada.

(b) Withholdings from Payments. If the Chargor is required by law to make any deduction or withholding from any sum payable by the Chargor to the Chargee under the Charge, then the sum payable by the Chargor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Chargee receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or been required to be made; and the Chargor shall pay the full amount to be deducted or withheld to the relevant taxation or other authority within the time allowed for such payment under applicable law and shall deliver to the Chargee within thirty days after the Chargor has made such payment to the applicable authority a receipt issued by such authority evidencing such payment.

(c) Tax on Loan. The Chargor shall pay to the Chargee, on demand, the amount of any income, corporate, withholding or similar taxes (other than the Chargee's income taxes) (the "Income Taxes") that may be imposed upon or in respect of the Principal Amount from time to time outstanding, together with interest thereon that the Chargee may be called upon to pay, together with interest from the date on which such Income Taxes are paid by the Charge at the rate and compounded in the manner provided in the Charge.

34. SPOUSE'S CONSENT

The spouse of the Chargor so named in the Charge hereby consents to the transaction evidenced by the Charge and releases all interest in the Charged Premises to the extent necessary to give effect to the rights of the Chargee under the Charge, and agrees that the Chargee may, without further notice, deal with the Charged Premises and the debt created by the Charge as the Chargee may see fit.

35. FAMILY LAW ACT

The Chargor covenants and agrees that:

(a) the Chargor or the owner from time to time of the Charged Premises will advise and keep advised the Chargee as to whether the Chargor or the owner from time to time is a spouse as defined in the Family Law Act, R.S.O. 1990, c. F.3, as amended (the "Family Law Act"), and if so, the name of the Chargor's spouse, and of any change in the Chargor's spousal status or in the status of the Charged Premises as a matrimonial home within the meaning of the Family Law Act, and

(b) forthwith on request the Chargor will furnish the Chargee with such evidence in connection with any of the matters referred to in clause (a) above as the Chargee may from time to time require, including, without limitation, the Chargor's and the Chargor's spouse's name, address and birth date and the Chargor's and the Chargor's spouse's authorization to the Registrar under the Vital Statistics Act, R.S.O. 1990, c.V.4, as amended, to provide the Chargee from time to time on request all information in its possession relative to any marriage, divorce or death of the Chargor or the Chargor's spouse, and on default the Principal Amount, interest and all other monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable.

36. SEVERABILITY OF ANY INVALID PROVISIONS

It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with the provisions of any applicable statute or regulation thereunder or any other applicable law, or would by reason of the provisions of any such statute or regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the advances secured by the Charge which it would otherwise be able to collect under such statute or regulation or other applicable law, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

37. NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS

Provided that no failure to enforce at any time or from time to time any of the rights of the Chargee under the Charge shall prejudice such rights or any other rights of the Chargee; no performance or payment by the Chargee in respect of any breach or default under the Charge of the Chargor shall relieve the Chargor from any default thereunder; and no waiver at any time or from time to time of any such rights of the Chargee shall prejudice such rights in the event of any future default or breach.

38. FARM LANDS

If the Charged Premises are farm lands, the Chargor will in each year during the currency of the Charge either put into crop or summer fallow in good, proper and husbandlike manner every portion of the Charged Premises which has been or may hereafter be brought under cultivation, and will keep the Charged Premises clean and free from all noxious weeds and generally see that the Charged Premises do not depreciate in any way.

39. CHANGE OF CORPORATE CONTROL

Where the Chargor is a corporation the Chargor covenants and agrees that in the event that:

(a) the Chargor fails to supply to the Chargee, in a form satisfactory to the Chargee, such information relating to the ownership of its shares as the Chargee may from time to time require; or

(b) without the written consent of the Chargee first had and obtained,

(i) the Chargor issues or redeems any of its shares or transfers any of its shares,

(ii) there is a sale or sales of the shares of the Chargor which result in the transfer of the legal or beneficial interest of any of the shares of the Chargor, or

(iii) the Chargor amalgamates, merges or consolidates with any other corporation,

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Chargor, then all monies secured by the Charge together with accrued interest thereon shall forthwith become due and payable at the option of the Chargee and the Chargee's powers of sale hereby given and all other remedies for enforcement shall be exercisable.

40. COMPLIANCE WITH THE LAW AND ENVIRONMENTAL COMPLIANCE

The Chargor hereby represents and warrants to the Chargee that:

- (a) there is not in, on or about the Charged Premises any product or substance or condition (including, without restriction, contaminants, wastes, moulds or hazardous or toxic materials), equipment or anything else which contravenes any statute, regulation, by-law, order, direction or equivalent relating to the protection of the environment or which is not being dealt with according to best recognized practices relating to the environment;
- (b) to the best of the knowledge of the Chargor, no circumstance has existed on the Charged Premises or exists or has existed on any land adjacent to the Charged Premises which constitutes or could reasonably constitute contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment;
- (c) no claim or notice of any action, investigation or proceeding of any kind has been threatened, made or issued or is pending relating to an environmental condition on the Charged Premises; and
- (d) the Charged Premises are being used in compliance with all statutes, regulations, orders, by-laws, directions and equivalent relating to the protection of the environment.

The Chargor hereby covenants and agrees with the Chargee as follows:

- (a) the Chargor shall give to the Chargee immediate notice of any material change in circumstances in respect of the Charged Premises or adjacent land which would cause any of the representations and warranties contained in the immediately preceding paragraphs (a) to (d) inclusive to become untrue; and

- (b) the Chargor shall not permit or create, and shall not allow anyone else to permit or create, any circumstance on the Charged Premises which would constitute or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment.

The Chargor further covenants and agrees with the Chargee at all times promptly to observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders, regulations and equivalent of every government authority dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, contaminants, wastes, hazardous or toxic materials, building construction, public health and safety, and all private covenants and restrictions affecting the Charged Premises or any portion thereof and the Chargor shall from time to time, upon request of the Chargee, provide to the Chargee evidence of such observance and compliance and pay immediately when due the cost of removal of any such contaminants, wastes and materials, and shall at its own expense make any and all improvements thereon or alterations to the Charged Premises structural or otherwise and shall take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order, regulation, covenant or equivalent; and the Chargor shall cause its tenants, agents and invitees to comply with all the foregoing at their own expense.

The Chargor shall indemnify and hold harmless the Chargee (and its directors, officers, employees and agents) from and against all loss, cost, damage or expenses (including, without limitation, legal fees and costs incurred in the investigation, defence and settlement of any claim) due to the Chargor's failure to comply with any of the covenants and agreements in this clause, or due to the presence of any contaminant, waste, mould or hazardous or toxic material referred to in this clause, as well as any lien or priority asserted with respect thereto, and this indemnity shall survive the discharge of the Charge or the release from the Charge of part or all of the Charged Premises.

41. CONDOMINIUMS

If the Charge is of a unit or units within a Condominium the following provisions shall apply:

- (a) The Chargor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration, the by-laws, and the rules as amended from time to time, of the Condominium Corporation, by virtue of the Chargor's ownership of the Charged Premises. Any breach of the said duties and obligations shall constitute a breach of covenant under the Charge.

- (b) Without limiting the generality of the foregoing, the Chargor covenants and agrees that the Chargor will pay promptly when due any contributions to common expenses required of the Chargor as an owner of the Charged Premises and in the event of default in doing so the Chargee, at its option, may pay the same and the amount so paid shall be added to the debt secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the Charge Rate from the time of such payments and shall be payable forthwith by the Chargor to the Chargee whether or not any payment in default has priority to the Charge or any part of the monies secured thereby.

- (c) The Chargor hereby irrevocably authorizes and empowers the Chargee to exercise the right of the Chargor as an owner of the Charged Premises to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:

- (i) the Chargee may at any time or from time to time give notice in writing to the Chargor and the said Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes the said notice the Chargor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter;
- (ii) the Chargee shall not by virtue of the assignment to the Chargee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Chargor; and
- (iii) the exercise of the right to vote or consent shall not constitute the Chargee a chargee in possession.

- (d) The Chargor covenants and agrees to advise the Condominium Corporation to send all notices to the Chargee and to notify the Chargee of any breaches by the Condominium Corporation that come to the attention of the Chargor in order that the Chargee is kept fully informed.

42. RECEIVERSHIP

Notwithstanding anything contained in the Charge, it is declared and agreed that at any time and from time to time when there shall be default under the provisions of the Charge, the Chargee may, at such time and from time to time and with or without entry into possession of the Charged Premises, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the Chargee or not, to be a receiver (which term as used herein includes a receiver manager and also includes the plural as well as the singular) of the Charged Premises, or any part thereof, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another in such receiver's stead, and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor, but no such appointment shall be revocable by the Chargor. Upon the appointment of any such receiver from time to time the following provisions shall apply:

(a) Every such receiver shall have unlimited access to the Charged Premises as agent and attorney for the Chargor (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority (which power and authority shall not be revocable by the Chargor) to:

- (i) collect the rents and profits from tenancies whether created before or after these presents;
- (ii) rent any portion of the Charged Premises which may be or become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;
- (iii) complete the construction of any building or buildings or other erections or improvements on the Charged Premises left by the Chargor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the premises operable or rentable, and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description; and
- (iv) manage, operate, repair, alter or extend the Charged Premises or any part thereof.

The Chargor undertakes to ratify and confirm whatever any such receiver may do in the Charged Premises.

(b) The Chargee may at its discretion vest the receiver with all or any of the rights and powers of the Chargee.

(c) The Chargee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Charged Premises.

(d) Every such receiver shall be deemed to be the agent or attorney of the Chargor and, in no event, the agent of the Chargee and the Chargee shall not be responsible for the receiver's acts or omissions.

(e) The appointment of any such receiver by the Chargee shall not result in or create any liability or obligation on the part of the Chargee to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Chargee a chargee in possession of the Charged Premises.

(f) No such receiver shall be liable to the Chargor to account for monies other than monies actually received by the receiver in respect of the Charged Premises, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:

- (i) the remuneration of the receiver aforesaid;
- (ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's powers and authority hereby conferred;
- (iii) interest, principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to the Charge, including taxes;
- (iv) to the Chargee, all interest, principal and other monies due under the Charge to be paid in such order as the Chargee in its discretion shall determine;
- (v) and thereafter, every such receiver shall be accountable to the Chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the Charged Premises and shall bear interest from the date of demand at the Charge Rate

(g) Save as to claims for accounting under clause (f) of this paragraph, the Chargor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Chargor or any person claiming through or under the Chargor by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.

(h) The Chargee may, at any time and from time to time, terminate any such receivership by notice in writing to the Chargor and to any such receiver.

(i) The statutory declaration of an officer of the Chargee as to default under the provisions of the Charge and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers provided for in the Charge and such dealing shall be deemed, as regards such person, to be valid and effectual.

(j) The rights and powers conferred in and by the Charge in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.

43. COMPLIANCE WITH THE LAW

The Chargor covenants and agrees at all times to promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and restrictions affecting the Charged Premises or any portion thereof and the Chargor will from time to time, upon request of the Chargee, provide to the Chargee evidence of such observance and compliance, and will at its own expense make any and all improvements thereon or alterations to the Charged Premises structural or otherwise and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.

44. CHARGEES EXPENSES

The Chargor agrees to pay the reasonable and necessary costs, charges and expenses of and incidental to the Charge, and to any and all other documents required in connection therewith, and of any amendment or renewal thereof, and of anything done in connection with the enforcement of the security granted thereby or the procuring of the payment of any monies payable under the Charge, including, without limiting the generality of the foregoing, all solicitors' fees, on a solicitor and client basis, costs and expenses of examination of title, and the obtaining of the opinion of counsel for the Chargee thereon and all costs and expenses valuing the Charged Premises in connection with the foregoing and of anything done in connection with defending the validity or priority of the Charge as against third parties. The Chargor further agrees that such amounts shall be paid forthwith upon demand and until paid shall bear interest at the Charge Rate and shall be a charge on the Charged Premises secured by the Charge prior to all claims thereon subsequent to the Charge.

45. INTERPRETATION

And it is hereby agreed and declared that the expression "the Chargor" used in these standard charge terms and the Charge shall include the heirs, executors, personal representatives, administrators, successors and assigns of each and every Chargor and the expression "the Chargee" shall include the successors and assigns of the Chargee and (if the Charge affects a Condominium) the expression "Condominium Corporation" shall mean the Condominium Corporation referred to in the description and the expression "Declaration" shall mean the declaration registered in connection with the Condominium Corporation, and the words in the singular include the plural, and words in the plural include the singular, and words importing the masculine gender include the feminine and neuter genders where the context so requires, and that all covenants, liabilities, and obligations entered into or imposed under the Charge upon each Chargor shall be equally binding upon his, her, its or their respective heirs, personal representatives, executors, administrators,

successors, and assigns and that all such covenants, liabilities and obligations shall be joint and several, and that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargee shall be equally secured to and exercisable by its successors and assigns; and if the Chargor is comprised of more than one person, all covenants by the Chargor herein contained or implied are and are to be construed as both joint and several.

46. PARAGRAPH HEADINGS

The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

47. DATE OF CHARGE

The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.

48. EFFECT OF DELIVERY

The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in a written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor, and any other party to the Charge, agrees not to raise in any proceedings by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the Charge for registration to do so.

RECEIPT

The Chargor(s) hereby acknowledges receipt of a true copy of the Charge and the foregoing Standard Charge Terms before signing the Charge.

DATED the _____ day of _____

[Insert Name of Chargor(s)]

TAB G



This is Exhibit G referred to in the
Affidavit of JERRY C. TSAO
Sworn before me by video conference
This 5th day of October, 2020

A COMMISSIONER FOR TAKING AFFIDAVITS
Samantha Bogoroch LSO# 775750

Royal Bank of Canada Guarantee and Postponement of Claim

SRF: 316543701
Borrower: HIGHYON ASSETS CORP.

3300 HIGHWAY 7
SUITE 200
CONCORD
ONTARIO
L4K 4M3
CA

TO: ROYAL BANK OF CANADA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by HIGHYON ASSETS CORP. (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of \$900,000.00 together with interest thereon from the date of demand for payment at a rate equal to the Bank's Prime Interest Rate plus 5.00 percent per annum as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

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(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer, excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall

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be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, an every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the province of ONTARIO ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

(Applicable in all P.P.S.A., except Ontario.)

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EXECUTED this 06 / 14 / 2018
 (MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

Witness Signature: [Signature]

Name: [Signature]

Witness Signature: Bing Pu

Name: _____

[Signature]
 BING PU

[Signature]
 SHUYAN XU

Insert the full name and address of Guarantor (Undersigned above).

Full name and address

BING PU
 18 COUNTRY HEIGHTS DRIVE
 RICHMOND HILL
 ONTARIO
 L4E3M8
 CA

SHUYAN XU
 18 COUNTRY HEIGHTS DRIVE
 RICHMOND HILL
 ONTARIO
 L4E3M8
 CA


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TAB H



This is Exhibit H referred to in the
Affidavit of JERRY C. TSAO
Sworn before me by video conference
This 5th day of October, 2020

A COMMISSIONER FOR TAKING AFFIDAVITS
Samantha Bogoroch LSO# 775750

86

Royal Bank of Canada
Guarantee and Postponement of Claim

SRF: 316543701
Borrower: HIGHYON ASSETS CORP.

3300 HIGHWAY 7
SUITE 200
CONCORD
ONTARIO
L4K 4M3
CA

TO: ROYAL BANK OF CANADA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **HIGHYON ASSETS CORP.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of **\$900,000.00** together with interest thereon from the date of demand for payment at a rate equal to the **Bank's Prime Interest Rate plus 5.00 percent per annum** as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

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(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall

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be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, an every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the province of ONTARIO ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(Applicable in all P.P.S.A. except Ontario.) (18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

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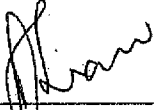


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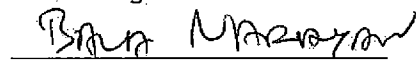
EXECUTED this

06 / 14 / 2018
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

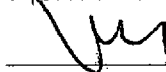


Witness Signature:



Name:

HIGHYON REALTY INC.



Bing Pu, President

Witness Signature:

Name:

Insert the full name and address of Guarantor (Undersigned above).

Full name and address

HIGHYON REALTY INC.
 SUITE 310, 350 HIGHWAY 7 EAST
 RICHMOND HILL
 ONTARIO
 L4B3N2
 CA

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Royal Bank of Canada

General Security Agreement

SRF: 320562598
Borrower: HIGHYON REALTY INC.

3300 HIGHWAY 7
SUITE 200
CONCORD
ONTARIO
L4K 4M3
CA

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 therefore (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.

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(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, wheresoever 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 situate 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

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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 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 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:

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- (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

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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

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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 affect 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 situate, 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

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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 whomever 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, licence 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 situate) 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.

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(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 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 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

Please do not write in this area



RBC320562598008012000924

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).

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

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR HIGHYON REALTY INC.			
ADDRESS OF BUSINESS DEBTOR SUITE 310, 350 HIGHWAY 7 EAST	CITY RICHMOND HILL	PROVINCE ONTARIO	POSTAL CODE L4B3N2

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 14th day June, 2018

WITNESSES

HIGHYON REALTY INC.

Brig Pu, President

Seal

WITNESSES

Seal

Please do not write in this area



RBC320562598009012000924

SCHEDULE "A"
(ENCUMBRANCES AFFECTING COLLATERAL)

Please do not write in this area



RBC320562598010012000924

SCHEDULE "B"**1. Locations of Debtor's Business Operations**

SUITE 310, 350 HIGHWAY 7 EAST,
RICHMOND HILL
ONTARIO
CA
L4B3N2

2. Locations of Records relating to Collateral

SUITE 310, 350 HIGHWAY 7 EAST,
RICHMOND HILL
ONTARIO
CA
L4B3N2

3. Locations of Collateral

SUITE 310, 350 HIGHWAY 7 EAST,
RICHMOND HILL
ONTARIO
CA
L4B3N2

Please do not write in this area



RBC320562598011012000924

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

Please do not write in this area



RBC320562598012012000924

TAB I



This is Exhibit I referred to in the
Affidavit of JERRY C. TSAO
Sworn before me by video conference
This 5th day of October, 2020

A COMMISSIONER FOR TAKING AFFIDAVITS
Samantha Bogoroch LSO# 775750

Royal Bank of Canada Postponement and Assignment of Claim

SRF: 316543701
Borrower: HIGHYON ASSETS CORP.

3300 HIGHWAY 7
SUITE 200
CONCORD
ONTARIO
L4K 4M3
CA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, all debts and liabilities, present and future (the "Liabilities"), of HIGHYON ASSETS CORP. (hereinafter called the "Borrower") to the Undersigned, or any of them, are hereby deferred and postponed by the Undersigned, and each of them, to the debts, liabilities and advances, present and future (the "Obligations"), of the Borrower to the Royal Bank of Canada (the "Bank") and it is agreed by the Undersigned, and each of them, that until all Obligations of the Borrower to the Bank have been paid, no payment shall be made or received on account of any Liabilities of the Borrower to the Undersigned, or any of them, and that any payments which may be received by the Undersigned, or any of them, from the Borrower (or from any third party on account of or otherwise for the benefit of the Borrower) notwithstanding the foregoing shall be received in trust for the Bank and shall be paid over to the Bank forthwith upon receipt but no such payment shall have the effect of reducing the Obligations of the Borrower to the Bank until the same is actually received by the Bank; and none of the Liabilities of the Borrower to the Undersigned, or any of them, shall be released, transferred or charged in any manner whatsoever or allowed or permitted to become unenforceable through lapse of time, and the Bank may, but shall not be bound to, claim and prove in respect of any or all Liabilities of the Borrower to the Undersigned, or any of them, in any bankruptcy, insolvency, composition, scheme of arrangement, liquidation or winding-up, voluntary or involuntary, affecting the Borrower or any distribution of assets of the Borrower among creditors of the Borrower, and all of the Liabilities of the Borrower to the Undersigned, or any of them, are hereby assigned and transferred to the Bank and all dividends or other sums which may be or become payable in respect thereof shall be due and be paid to the Bank until the Bank shall have received, together with dividends on the Obligations of the Borrower to the Bank, the full amount of the said Obligations; and the Undersigned, and each of them, will from time to time execute all such statements, proofs of claims, transfers, assignments and documents and do all such other acts and things as the Bank may request from time to time to implement any and all of the foregoing.

IT IS AGREED by the Parties hereto that the Borrower will pay all costs, charges and expenses reasonably incurred by the Bank whether directly or for services rendered (including reasonable solicitors' and auditors' costs, registration costs and other legal expenses), in operating the Borrower's accounts, in preparing or enforcing this Agreement, and all such costs, charges and expenses.

IT IS AGREED by the Parties hereto that the Obligations of the Borrower to the Bank, whenever referred to herein, shall include any and all funds advanced or held at the disposal of the Borrower under any line(s) of credit.

THIS AGREEMENT shall extend to and enure to the benefit of the Bank and its successors and assigns and shall be binding upon the Undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the Undersigned, and each of them.

(Applicable in PPSA Provinces)

The Undersigned hereby acknowledges receipt of a copy of this agreement.

Please do not write in this area



RBC316543701001002000918

EXECUTED at Richmond Hill this 06, 14, 2018
 (Month) (Day) (Year)

In the presence of

Witness

SHUYAN XU

The "Borrower" named above hereby acknowledges receipt of a copy of the foregoing Agreement, accepts the assignment and transfer contained therein and further agrees with the Bank to give effect to all of the provisions of the foregoing Agreement.

EXECUTED at Richmond this 06/14/2018
 (Month) (Day) (Year)

In the presence of

Witness

HIGHYON ASSETS CORP.

Brig Pu, President

Witness

Insert the full name and address of Debtor (Undersigned above)

Full name and address

SHUYAN XU
 18 COUNTRY HEIGHTS DRIVE
 RICHMOND HILL
 ONTARIO
 L4E3M8


Please do not write in this area



RBC316543701002002000918

TAB J



This is Exhibit J referred to in the
Affidavit of JERRY C. TSAO
Sworn before me by video conference
This 5th day of October, 2020

A COMMISSIONER FOR TAKING AFFIDAVITS
Samantha Bogoroch LSO# 775750

104

Royal Bank of Canada
Postponement and Assignment of Claim

SRF: 316543701
Borrower: HIGHYON ASSETS CORP.

3300 HIGHWAY 7
SUITE 200
CONCORD
ONTARIO
L4K 4M3
CA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, all debts and liabilities, present and future (the "Liabilities"), of **HIGHYON ASSETS CORP.** (hereinafter called the "Borrower") to the Undersigned, or any of them, are hereby deferred and postponed by the Undersigned, and each of them, to the debts, liabilities and advances, present and future (the "Obligations"), of the Borrower to the Royal Bank of Canada (the "Bank") and it is agreed by the Undersigned, and each of them, that until all Obligations of the Borrower to the Bank have been paid, no payment shall be made or received on account of any Liabilities of the Borrower to the Undersigned, or any of them, and that any payments which may be received by the Undersigned, or any of them, from the Borrower (or from any third party on account of or otherwise for the benefit of the Borrower) notwithstanding the foregoing shall be received in trust for the Bank and shall be paid over to the Bank forthwith upon receipt but no such payment shall have the effect of reducing the Obligations of the Borrower to the Bank until the same is actually received by the Bank; and none of the Liabilities of the Borrower to the Undersigned, or any of them, shall be released, transferred or charged in any manner whatsoever or allowed or permitted to become unenforceable through lapse of time, and the Bank may, but shall not be bound to, claim and prove in respect of any or all Liabilities of the Borrower to the Undersigned, or any of them, in any bankruptcy, insolvency, composition, scheme of arrangement, liquidation or winding-up, voluntary or involuntary, affecting the Borrower or any distribution of assets of the Borrower among creditors of the Borrower, and all of the Liabilities of the Borrower to the Undersigned, or any of them, are hereby assigned and transferred to the Bank and all dividends or other sums which may be or become payable in respect thereof shall be due and be paid to the Bank until the Bank shall have received, together with dividends on the Obligations of the Borrower to the Bank, the full amount of the said Obligations; and the Undersigned, and each of them, will from time to time execute all such statements, proofs of claims, transfers, assignments and documents and do all such other acts and things as the Bank may request from time to time to implement any and all of the foregoing.

IT IS AGREED by the Parties hereto that the Borrower will pay all costs, charges and expenses reasonably incurred by the Bank whether directly or for services rendered (including reasonable solicitors' and auditors' costs, registration costs and other legal expenses), in operating the Borrower's accounts, in preparing or enforcing this Agreement, and all such costs, charges and expenses.

IT IS AGREED by the Parties hereto that the Obligations of the Borrower to the Bank, whenever referred to herein, shall include any and all funds advanced or held at the disposal of the Borrower under any line(s) of credit.

THIS AGREEMENT shall extend to and enure to the benefit of the Bank and its successors and assigns and shall be binding upon the Undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the Undersigned, and each of them.

(Applicable in PPSA Provinces) The Undersigned hereby acknowledges receipt of a copy of this agreement.

Please do not write in this area



RBC316543701001002000918

EXECUTED at Richmond Hill this 06/14/2018
 (Month) (Day) (Year)

In the presence of

Witness

BING PU

The "Borrower" named above hereby acknowledges receipt of a copy of the foregoing Agreement, accepts the assignment and transfer contained therein and further agrees with the Bank to give effect to all of the provisions of the foregoing Agreement.

EXECUTED at Richmond Hill this 06/14/2018
 (Month) (Day) (Year)

In the presence of

Witness

HIGHYON ASSETS CORP.

Bing Pu, President

Witness

Insert the full name and address of Debtor (Undersigned above)

Full name and address

BING PU
 18 COUNTRY HEIGHTS DRIVE
 RICHMOND HILL
 ONTARIO
 L4E3M8

Please do not write in this area



RBC316543701002002000918

TAB K

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

RUN NUMBER : 192
RUN DATE : 2020/07/10
ID : 20200710162452.91

REPORT : PSSR060
PAGE : 1
(2551)

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

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : HIGHYON ASSETS CORP.

FILE CURRENCY : 09JUL 2020

This is Exhibit K referred to in the
Affidavit of JERRY C. TSAO
Sworn before me by video conference
This 5th day of October, 2020



A COMMISSIONER FOR TAKING AFFIDAVITS
Samantha Bogoroch LSO# 775750

ENQUIRY NUMBER 20200710162452.91 CONTAINS 5 PAGE(S), 2 FAMILY(IES).

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

CYBERBAHN, A THOMSON REUTERS BUSINESS

333 BAY STREET, STE. 400
TORONTO ON M5H 2R2



(enjs 06/2019)

CONTINUED...

2



Ontario

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

REPORT : PSSR060
PAGE : (2553)

RUN NUMBER : 192
RUN DATE : 2020/07/10
ID : 20200710162452.91

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : HIGHYON ASSETS CORP.
FILE CURRENCY : 09JUL 2020

FORM 1C FINANCING STATEMENT / CLAIM FOR DEB

FILE NUMBER
709122645

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 001 20150819 1334 1862 5731 P PPSA 6

00
01
02
03
04
05
06
07
08
09

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	20150819 1334 1862 5731 P PPSA 6	ONTARIO CORPORATION NO. L4B 3N2
BUSINESS NAME	BUSINESS NAME	HIGHYON SHOPPING CENTRE INVESTMENT FUND NO. 1 LP				
ADDRESS	ADDRESS	350 HIGHWAY 7 EAST, SUITE 310				
DATE OF BIRTH	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
BUSINESS NAME	BUSINESS NAME	HIGHYON ASSETS CORP.				
ADDRESS	ADDRESS	350 HIGHWAY 7 EAST, SUITE 310				
SECURED PARTY / LIEN CLAIMANT	ADDRESS	ROYAL BANK OF CANADA				
	ADDRESS	36 YORK MILLS ROAD, 4TH FLOOR				

10
11
12
13
14
15
16
17

COLLATERAL CLASSIFICATION	CONSUMER	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE	AMOUNT	DATE OF MATURITY OR MATURITY DATE	NO FIXED
YEAR MAKE							
MOTOR VEHICLE							
GENERAL COLLATERAL DESCRIPTION							
REGISTERING AGENT							

11
12
13
14
15
16
17

FLUXGOLD IZSAK JAEGER LLP	50 WEST PEARCE STREET UNIT 10	RICHMOND HILL	ONT	L4B 1C5
---------------------------	-------------------------------	---------------	-----	---------

11
12
13
14
15
16
17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***	CONTINUED ...	4
---	---------------	---

CERTIFIED BY/CERTIFIÉES PAR
Sarahna Powell
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crt/ftu 06/2019)



RUN NUMBER : 192
RUN DATE : 2020/07/10
ID : 20200710162452.91

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

REPORT : PSSR060
PAGE : 4
(2554)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : HIGHYON ASSETS CORP.
FILE CURRENCY : 09JUL 2020

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CRATION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER REGISTERED
FILING 001 001 20180507 1516 1862 2513
RECORD FILE NUMBER 709122645
PAGE AMENDED NO SPECIFIC PAGE AMENDED
X
CHANGE REQUIRED
A AMENDMENT
RENEWAL
YEARS
CORRECT
PERIOD

REFERENCE DEBTOR/ TRANSFEROR
BUSINESS NAME
HIGHYON ASSETS CORP.
FIRST GIVEN NAME
INITIAL SURNAME

OTHER CHANGE
REASON/ DESCRIPTION
TO REMOVE HIGHYON ASSETS CORP. AS A DEBTOR AND REPLACE WITH
KINGCOTOPUS ASSETS CORP. AS THE NEW DEBTOR
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL SURNAME

DEBTOR/ TRANSFEREE
BUSINESS NAME
KINGCOTOPUS ASSETS CORP.
ADDRESS
406-200 CONSUMERS ROAD
NORTH YORK
ONTARIO CORPORATION NO. 3167541
ON M2J 4R4

ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

COLLATERAL CLASSIFICATION
CONSUMER
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED

DATE OF NO-FIXED
MOTOR VEHICLE
AMOUNT MATURITY OR MATURITY DATE
V.I.N.
MODEL

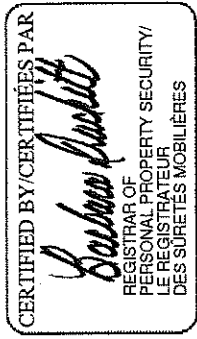
YEAR MAKE

MOTOR VEHICLE
GENERAL COLLATERAL
DESCRIPTION
REGISTERING AGENT OR
SECURED PARTY/ ADDRESS
LIEN CLAIMANT
FIJ LAW LLP
10-50 WEST PEARCE STREET
RICHMOND HILL
ON L4B 1C5

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

CONTINUED...

5



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

REPORT : PSSR060
PAGE : 5
(2555)

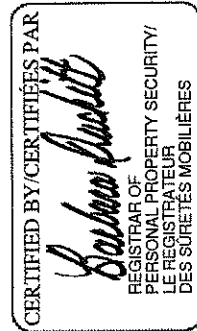
RUN NUMBER : 192
RUN DATE : 2020/07/10
ID : 20200710162452.91

TYPE OF SEARCH : BUSINESS DEETOR
SEARCH CONDUCTED ON : HIGHYON ASSETS CORP.
FILE CURRENCY : 09JUL 2020

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
740439423	20180612 1431 1530 5491		
709122645	20150819 1334 1862 5731	20180507 1516 1862 2513	

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



TAB L

Samantha Bogoroch LSO# 775750

Regards....Bala

LAND SERVICES SEARCH REQUEST CLIENT COPY



2 Robert Speck Parkway, 15th Floor
Mississauga, ON L4Z 1H8
Phone: 416-204-3000 / 1-800-254-3094
Fax: 416-204-3004 / 1-866-859-7152

Order #: 8347302
Reference: 316543701/917/0803
Ordered on: 2020-05-06

Attention: Jason Babiarz
Client #: 5254
Royal Bank of Canada
Toronto BSC, Transit: 07512
36 York Mills Road, 4th Floor
Toronto, ON, M2P 0A4

Phone: 000-000-0000

Requested services on the following:

Registered owner: HIGHYON ASSETS CORP.//
Address: 350/HIGHWAY 7 EAST///
Richmond Hill, ON
Registry: 65 / York Land Registry Office
Legal description: SUITES 302 & 310
Instrument #: YR2840572

Special instructions: Please use owner's name on title for execution search.
If properties exceed 3, please select any 3 held by the client.
If there are any problems with the search please email
jason.babiarz@rbc.com
Copies of writ of execution required if any.
Special instructions for the client: 2020-05-06 Attached is the sub-search & execution search. Tax certificate
to follow. thanks vc

Requested services:

Sub-search
Execution search
Tax certificate

Billing information:

Bill to: Client #: 31185
Royal Bank of Canada, Transit: 83080

Additional E-mail Notification(s):

tobscdr@rbc.com

Return method:

Other: D+H CollateralGuard RC

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29302-0093 (LT)

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

<div>PROPERTY REMARKS: ESTATE/QUALIFIER: FEE SIMPLE ABSOLUTE</div> <div>OWNERS' NAMES HIGHYON ASSETS CORP.</div> <div>RECENTLY: FIRST CONVERSION FROM BOOK</div> <div>CAPACITY SHARE ROWN</div> <div>PIN CREATION DATE: 1995/12/18</div> <div>UNIT 18, LEVEL 3, YORK REGION CONDOMINIUM PLAN NO. 771 ; PT LTS 20 & 21PL 2607, PTS 1 TO 8 & 10 65R14620, MORE FULLY DESCRIBED IN SCHEDULE 'A' OF DECLARATION LT712904 AS AMENDED BY LT720186 ; S/T TEMP EASE OVER PT 3 EXPROP PL YR1373973; TOWN OF RICHMOND HILL</div>						
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE	2000/07/29	THE NOTATION OF THE	"BLOCK IMPLEMENTATION DATE" OF 1995/12/18 ON THIS PIN OF 1995/12/18** DELETED INSTRUMENTS SINCE 1995/12/12 **			
**WAS REPLACED WITH THE		"PIN CREATION DATE"				
** PRINTOUT		INCLUDES ALL DOCUMENT TYPES AND				
R488826	1988/11/15	NOTICE				C
	REMARKS: AIRPORT ZONING REGULATIONS					
R505310	1989/04/26	AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
R510516	1989/06/07	AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
R542751	1990/05/17	AGREEMENT				C
LT712904	1990/11/21	DECLARATION CONDO			735373 ONTARIO LTD.	C
LT718291	1990/12/07	BYLAW				C
	REMARKS: NO. 1					
LT718292	1990/12/07	BYLAW				C
	REMARKS: NO. 2					
LT718293	1990/12/07	BYLAW				C
	REMARKS: NO. 3					
LT719295	1990/12/10	BYLAW				C
	REMARKS: NO. 4					
LT720186	1990/12/12	DECLARATION				C
	REMARKS: AMENDING LT712904					
LT722320	1990/12/18	BYLAW				C
	REMARKS: NO. 5					

113

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

29302-0093 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
65R15192	1991/05/13	PLAN REFERENCE				C
LT876092	1992/11/03	BYLAW				C
	REMARKS: NO. 6	SPECIAL NO. 6				
LT929391	1993/08/16	BYLAW				C
	REMARKS: NO. 7					
LT941283	1993/10/22	BYLAW				C
	REMARKS: SPECIAL NO. 7					
LT968662	1994/04/11	BYLAW				C
	REMARKS: SPECIAL NO. 9					
LT1059097	1995/09/12	BYLAW				C
	REMARKS: SPECIAL NO. 7					
LT1293064	1998/08/20	NO CHNG ADDR INST		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
LT1507736	2000/07/31	NO CHNG ADDR INST		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
LT1523073	2000/09/06	CHARGE		*** COMPLETELY DELETED *** OWNERS	HSBC BANK CANADA	
LT1523074	2000/09/06	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 735373 ONTARIO LTD.	HSBC BANK CANADA	
	REMARKS: LT1523073					
YR1089753	2007/11/20	CONDO BYLAW/98		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
	REMARKS: BY-LAW #6					
65R31704	2009/06/12	PLAN REFERENCE				C
YR1373973	2009/09/14	PLAN EXPROPRIATION			THE REGIONAL MUNICIPALITY OF YORK	C
	REMARKS: PT COMMON ELEMENTS					
YR1564335	2010/10/21	APL COURT ORDER		SUPERIOR COURT OF JUSTICE	YORK REGION CONDOMINIUM CORPORATION NO. 771	C
	REMARKS: LT720186					
YR2090043	2014/01/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
	REMARKS: LT1523073.					

29302-0093 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR2100855	2014/02/28	TRANSFER	\$230,000	735373 ONTARIO LTD.	HIGHYON ASSETS CORP.	C
YR2100856	2014/02/28	CHARGE		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HSBC BANK CANADA	
YR2100930	2014/02/28	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HSBC BANK CANADA	
REMARKS: YR2100856				*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	JADA, GEORGE NAIM JADA, NAIM GEORGE JADA, RAWAN GEORGE	
YR2502522	2016/07/07	CHARGE	\$900,000	*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	ROYAL BANK OF CANADA	C
YR2838183	2018/06/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** JADA, GEORGE NAIM JADA, NAIM GEORGE JADA, RAWAN GEORGE		
REMARKS: YR2502522.				HIGHYON ASSETS CORP.		
YR2840572	2018/06/22	CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
YR2850217	2018/07/16	DISCH OF CHARGE	\$150,000	*** COMPLETELY DELETED *** HSBC BANK CANADA	HUI, MARGARET	C
REMARKS: YR2100856.				HIGHYON ASSETS CORP.		
YR2904645	2018/12/03	CHARGE		HIGHYON ASSETS CORP.		
YR3052188	2020/01/02	CHARGE		HIGHYON ASSETS CORP.	LAM, ROGER	

29302-0094 (LT)

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

<div>PROPERTY REMARKS: ESTATE/QUALIFIER: FEE SIMPLE ABSOLUTE</div> <div>OWNERS' NAMES HIGHYON ASSETS CORP.</div> <div>RECENTLY: FIRST CONVERSION FROM BOOK</div> <div>CAPACITY SHARE ROWN</div> <div>PIN CREATION DATE: 1995/12/18</div> <div>PROPERTY DESCRIPTION: UNIT 19, LEVEL 3, YORK REGION CONDOMINIUM PLAN NO. 771 ; PT LTS 20 & 21PL 2607, PTS 1 TO 8 & 10 65R14620, MORE FULLY DESCRIBED IN SCHEDULE 'A' OF DECLARATION LT712904 AS AMENDED BY LT720186 ; RICHMOND HILL; S/T TEMP EASE OVER PT 3 EXPROP PL YR1373973</div>						
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE	2000/07/29	THE NOTATION OF THE	"BLOCK IMPLEMENTATION DATE" OF 1995/12/18 ON THIS PIN			
WAS REPLACED WITH THE		"PIN CREATION DATE"	OF 1995/12/18			
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES AND		DELETED INSTRUMENTS SINCE 1995/12/12 **			
R488826	1988/11/15	NOTICE				C
	REMARKS: AIRPORT ZONING REGULATIONS					
R505310	1989/04/26	AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
R510516	1989/06/07	AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
R542751	1990/05/17	AGREEMENT				C
LT712904	1990/11/21	DECLARATION CONDO				C
LT718291	1990/12/07	BYLAW			735373 ONTARIO LTD.	C
	REMARKS: NO. 1					
LT718292	1990/12/07	BYLAW				C
	REMARKS: NO. 2					
LT718293	1990/12/07	BYLAW				C
	REMARKS: NO. 3					
LT719295	1990/12/10	BYLAW				C
	REMARKS: NO. 4					
LT720186	1990/12/12	DECLARATION				C
	REMARKS: AMENDING LT712904					
LT722320	1990/12/18	BYLAW				C
	REMARKS: NO. 5					

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
65R15192	1991/05/13	PLAN REFERENCE				C
LT876092	1992/11/03	BYLAW				C
	REMARKS: NO. 6	SPECIAL NO. 6				
LT929391	1993/08/16	BYLAW				C
	REMARKS: NO. 7					
LT941283	1993/10/22	BYLAW				C
	REMARKS: SPECIAL NO. 7					
LT954890	1994/01/06	TRANSFER		*** COMPLETELY DELETED ***	RASKINA, LLOYD CURRAN, JAMES TAM, PETER GOSBEE, ROGER ALTON	
LT954891	1994/01/06	CHARGE		*** COMPLETELY DELETED ***	BANK OF MONTREAL	
LT954892	1994/01/06	CHARGE		*** COMPLETELY DELETED ***	735373 ONTARIO LTD.	
LT954893	1994/01/06	TRANSFER OF CHARGE		*** COMPLETELY DELETED ***	CANADIAN IMPERIAL BANK OF COMMERCE	
	REMARKS: LT954892					
LT968662	1994/04/11	BYLAW				C
	REMARKS: SPECIAL NO. 9					
LT1059097	1995/09/12	BYLAW				C
	REMARKS: SPECIAL NO. 7					
LT1243930	1998/01/22	TRANSFER		*** COMPLETELY DELETED *** RASKINA, LLOYD CURRAN, JAMES TAM, PETER GOSBEE, ROGER ALTON		
	REMARKS: S/T EXEC. NO.97-02655, AND TRANSFERRED.		97-03205 - TAM, PETER,	DELETED UNDER YR749998. DELETED 08/12/11 AS	EXECUTION DELETED AND LAND SINCE	
LT1243931	1998/01/22	TRANSFER		*** COMPLETELY DELETED ***		

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
LT1243932	1998/01/22	TRANSFER		GOSBEE, ROGER ALTON *** COMPLETELY DELETED *** RASKINA, LLOYD CURRAN, JAMES	RASKINA, LLOYD CURRAN, JAMES	
LT1293064	1998/08/20	NO CHNG ADDR INST		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
LT1440602	1999/12/29	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE	RASKINA, PATTI LYNN CURRAN, GWEN	
LT1440603	REMARKS: RE: LT954892 1999/12/29	CHARGE		*** COMPLETELY DELETED *** RASKINA, PATTI LYNN CURRAN, GWEN	BOLET INVESTMENTS LIMITED	
LT1450871	2000/02/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
LT1507736	2000/07/31	NO CHNG ADDR INST		YORK REGION CONDOMINIUM CORPORATION NO. 771		C
YR88102	2001/12/18	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BOLET INVESTMENTS LIMITED	POLYZOIS, JOHN	
YR107686	2002/02/15	CHARGE		*** COMPLETELY DELETED *** CURRAN, GWEN RASKINA, PATTI LYNN	BANK OF MONTREAL	
YR108206	2002/02/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** POLYZOIS, JOHN		
YR749998	2005/12/15	APL DEL EXECUTION		*** COMPLETELY DELETED *** RASKINA, PATTI LYNN CURRAN, GWEN		
YR750054	REMARKS: DELETE 2005/12/15	EXECUTION NOS. 97-02655 & 97-03205. TRANSFER		*** COMPLETELY DELETED *** CURRAN, GWEN RASKINA, PATTI LYNN	1656958 ONTARIO INC.	118

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29302-0094 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR750065	2005/12/15	CHARGE	DISCHARGED BY YR831355.	*** COMPLETELY DELETED *** 1656958 ONTARIO INC.	THE BANK OF EAST ASIA (CANADA)	
YR750067	2005/12/15	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1656958 ONTARIO INC.	THE BANK OF EAST ASIA (CANADA)	
YR797703	2006/03/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
YR828380	2006/06/05	CHARGE	AS CHARGE DISCHARGED BY YR831355.	*** COMPLETELY DELETED *** 1656958 ONTARIO INC.	STATE BANK OF INDIA (CANADA)	
YR828381	2006/06/05	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1656958 ONTARIO INC.	STATE BANK OF INDIA (CANADA)	
YR831355	2006/06/12	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE BANK OF EAST ASIA (CANADA)		
YR1089753	2007/11/20	CONDO BYLAW/98	DELETED 08/12/11	YORK REGION CONDOMINIUM CORPORATION NO. 771		C
YR1174137	2008/06/09	DISCH OF CHARGE		*** COMPLETELY DELETED *** STATE BANK OF INDIA (CANADA)		
YR1273139	2008/12/31	CHARGE		*** COMPLETELY DELETED *** 1656958 ONTARIO INC.	THE BANK OF EAST ASIA (CANADA)	
YR1273141	2008/12/31	NO ASSGN RENT GEN	DELETED 08/12/11	*** COMPLETELY DELETED *** 1656958 ONTARIO INC.	THE BANK OF EAST ASIA (CANADA)	C
65R31704	2009/06/12	PLAN REFERENCE				
YR1373973	2009/09/14	PLAN EXPROPRIATION		THE REGIONAL MUNICIPALITY OF YORK		

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29302-0094 (LT)

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR1564335 <i>REMARKS: LT720186</i>	2010/10/21	APL COURT ORDER		SUPERIOR COURT OF JUSTICE	YORK REGION CONDOMINIUM CORPORATION NO. 771	C
YR1640019	2011/04/29	TRANSFER	\$450,000	1656958 ONTARIO INC.	HIGHYON ASSETS CORP.	C
YR1640061	2011/04/29	CHARGE		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HSBC BANK CANADA	
YR1640067 <i>REMARKS: YR1640061</i>	2011/04/29	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HSBC BANK CANADA	
YR1645892 <i>REMARKS: YR1273139.</i>	2011/05/12	DISCH OF CHARGE		*** COMPLETELY DELETED *** INDUSTRIAL AND COMMERCIAL BANK OF CHINA (CANADA)		
YR1829183	2012/05/29	CHARGE		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	JADA, GEORGE N. JADA, NAIM G. JADA, RAWAN	
YR2502514	2016/07/07	CHARGE		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	JADA, GEORGE NAIM JADA, NAIM GEORGE JADA, RAWAN GEORGE	
YR2838202 <i>REMARKS: YR1829183.</i>	2018/06/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** JADA, GEORGE N. JADA, NAIM G. JADA, RAWAN		
YR2838203 <i>REMARKS: YR2502514.</i>	2018/06/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** JADA, GEORGE NAIM JADA, NAIM GEORGE JADA, RAWAN GEORGE		
YR2840572	2018/06/22	CHARGE	\$900,000	HIGHYON ASSETS CORP.	ROYAL BANK OF CANADA	C
YR2850218 <i>REMARKS: YR1640061.</i>	2018/07/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		

29302-0094 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR2879064	2018/09/27	CHARGE		*** COMPLETELY DELETED *** HIGHYON ASSETS CORP.	HIGHYON MORTGAGE INVESTMENT CORPORATION	
YR2904615	2018/12/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** HIGHYON MORTGAGE INVESTMENT CORPORATION		
YR2904645	2018/12/03	CHARGE	\$150,000	HIGHYON ASSETS CORP.		
YR3052188	2020/01/02	CHARGE	\$200,000	HIGHYON ASSETS CORP.		
				HUI, MARGARET	C	C
				LAM, ROGER	C	C

CLEAR CERTIFICATE / CERTIFICAT LIBRE**SHERIFF OF / SHÉRIF DE :** REGIONAL MUNICIPALITY OF YORK (NEWMARKET)**CERTIFICATE # /** 39323358-0279081B**N° DE CERTIFICAT :****DATE OF CERTIFICATE /** 2020-MAY-06**DATE DU CERTIFICAT :****SHERIFF'S STATEMENT**

THIS CERTIFIES THAT THERE ARE NO ACTIVE WRITS OF EXECUTION, ORDERS OR CERTIFICATES OF LIEN FILED WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT* AT THE TIME OF SEARCHING AGAINST THE REAL AND PERSONAL PROPERTY OF:

DÉCLARATION DU SHÉRIF

CE CERTIFICAT ATTESTE QU'IL N'Y A AUCUNE ORDONNANCE ACTIVE OU AUCUN BREF D'EXÉCUTION FORCÉE OU CERTIFICAT DE PRIVILÈGE ACTIF DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA RECHERCHE VISANT LES BIENS MEUBLES ET IMMEUBLES DE :

NAME SEARCHED / NOM RECHERCHÉ

#	PERSON OR COMPANY / PERSONNE OU SOCIÉTÉ	NAME OR SURNAME, GIVEN NAME(S) / NOM OU NOM DE FAMILLE, PRÉNOM(S)
1.	COMPANY / SOCIÉTÉ	HIGHYON ASSETS CORP.

CAUTION TO PARTY REQUESTING SEARCH:

1. IT IS THE RESPONSIBILITY OF THE REQUESTING PARTY TO ENSURE THAT THE NAME SEARCHED IS CORRECT.
2. BY VIRTUE OF THIS CERTIFICATE, THE SHERIFF IS ASSURING THAT THIS NAME WILL REMAIN CLEAR UNTIL THE END OF CLOSE OF THIS BUSINESS DATE, UNLESS THE SHERIFF IS DIRECTED OTHERWISE UNDER AN ORDER OF THE COURT.

AVERTISSEMENT À LA PARTIE QUI DEMANDE LA RECHERCHE :


1. IL INCOMBE À LA PARTIE QUI DEMANDE LA RECHERCHE DE S'ASSURER QUE LE NOM RECHERCHÉ EST EXACT.
2. EN VERTU DU PRÉSENT CERTIFICAT, LE SHÉRIF ASSURE QUE CE NOM DEMEURE LIBRE JUSQU'À LA FIN DE CETTE JOURNÉE DE TRAVAIL, À MOINS DE RECEVOIR DES DIRECTIVES CONTRAIRES AUX TERMES D'UNE ORDONNANCE DU TRIBUNAL.

CHARGE FOR THIS CERTIFICATE / FRAIS POUR CE CERTIFICAT : CDN 11.95**SEARCHER REFERENCE /
REFERENCE CONCERNANT
L'AUTEUR DE LA DEMANDE :** 8347302

TAB M



RBC Royal Bank

This is <u>Exhibit M</u> referred to in the	123
Affidavit of <u>JERRY C. TSAO</u>	
Sworn before me by video conference	
This 5 th day of October, 2020	
	
A COMMISSIONER FOR TAKING AFFIDAVITS	
Samantha Bogoroch LSO# 775750	

June 16, 2020

HIGHYON ASSETS CORP.
UNIT 310
350 HIGHWAY 7 EAST
RICHMOND HILL ONTARIO
L4B3N2

Attention: Roger Pu

Dear Sirs/Mesdames:

Re: HIGHYON ASSETS CORP. (the "Company") Credit Facilities with Royal Bank of Canada (the "Bank")

We are writing with reference to the Company's credit facilities as set out in the Credit Agreement dated June 13, 2018 (the "Agreement").

Our recent review reveals that the Company is in default of the following covenant(s) under the terms and conditions of the Agreement as follows:

Subsequent Charge: dated 2018/12/03 to HUI, MARGARET for \$150,000


Subsequent Charge: dated 2020/01/02 to LAM, ROGER for \$200,000

The Bank neither tolerates nor waives our rights to the above defaults. The Bank requires that the Company remedies all such defaults, on or before June 30, 2020.

The Bank reserves all rights arising out of the defaults and reserves the right to demand payment of borrowings outstanding under the credit facilities if the Company does not remedy the defaults within the time period indicated above or in the event of other breaches of the Agreement.

If you have any questions about your credit facilities or would like clarification on any of the above matters, please contact us immediately.

Yours truly,



Bala Narayan
Director

TAB N

From: Tsao, Jerry [mailto:jerry.tsao@rbc.com]

Sent: Tuesday, July 7, 2020 9:53 AM

To: 'Roger Pu'

Cc: Narayan, Bala

Subject: RE: HIGHYON BREACH Letter

Importance: High

Roger, what is ETA? When will this happen?

The breach letter has expired. We need a date of when this will happen.

The Bank reserves all its rights under the signed security and loan agreements.

Regards,

Jerry C. Tsao

Manager, Special Loans & Advisory Services | Group Risk Management | Royal Bank of Canada

20 King Street West, 2nd floor, Toronto, ON M5H 1C4

P: (416) 974-3555 F: (416) 974-0528 E: jerry.tsao@rbc.com

From: Roger Pu [mailto:roger.pu@highyon.com]

Sent: Tuesday, July 7, 2020 9:48 AM

To: Narayan, Bala <bala.narayan@rbc.com>

Cc: Tsao, Jerry <jerry.tsao@rbc.com>

Subject: Re: HIGHYON BREACH Letter

Hi, Bala:

I am working on it

Best Regards,

Roger Pu, M.E., CCIM, FRI, CPM

Cel: (647)299-5376; (954)815-1895 (US)

W: www.highyon.com; E: roger.pu@highyon.com

On Jul 7, 2020, at 9:43 AM, Narayan, Bala <bala.narayan@rbc.com> wrote:

Hi Roger, kindly provide an update ASAP for the attached breach letter sent that was sent earlier on June 16th, 2020.

Regards.....Bala

From: Narayan, Bala

Sent: Tuesday, June 16, 2020 4:37 PM

To: ROGER PU (ROGER.PU@HIGHYON.COM) <ROGER.PU@HIGHYON.COM>

Cc: Tsao, Jerry <jerry.tsao@rbc.com>

Subject: HIGHYON BREACH Letter

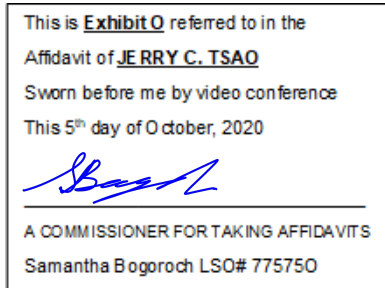
Roger, please refer to the attached letter.

Regards....Bala

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference. You may [unsubscribe](#) from promotional emails.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future. Vous pouvez vous [désinscrire](#) de la liste d'envoi de courriels promotionnels.

TAB O



From: Narayan, Bala [<mailto:bala.narayan@rbc.com>]

Sent: Friday, July 10, 2020 1:37 PM

To: ROGER PU (ROGER.PU@HIGHYON.COM) <ROGER.PU@HIGHYON.COM>

Cc: Tsao, Jerry <jerry.tsao@rbc.com>

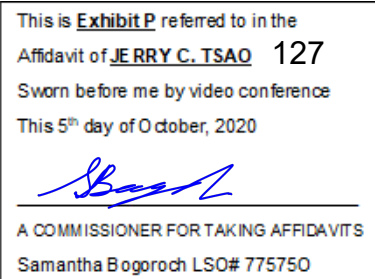
Subject: HIGHYON ASSETS CORP. - SLAS Transfer Letter

Hi Roger, find attached the letter advising you that the management of the companies mentioned therein is being transferred to by Jerry Tsao, Special Loans & Advisory services at the bank. Jerry will connect with you directly to discuss the next steps.

Jerry : fyi

Best Regards....Bala

TAB P



Type text here

From: Tsao, Jerry [<mailto:jerry.tsao@rbc.com>]
Sent: Monday, July 13, 2020 10:24 AM
To: 'Roger Pu' <roger.pu@highyon.com>
Cc: Stephen Skorbinski <sskorbinski@mindengross.com>; Timothy Dunn <TDunn@mindengross.com>
Subject: FW: HIGHYON ASSETS CORP. - SLAS Transfer Letter
Importance: High

Roger;

The Bank has retained counsel. We will be issuing formal demands for payment on all credit facilities for HIGHYON ASSETS CORP. with the expectation of exiting the banking relationship entirely. The demands will come from our counsel at Minden Gross LLP, who are cc: in this email. If you have counsel or plan on retaining counsel, please pass along his/her contact information.

Also, under the terms and conditions of the Master Client Agreement ("MCA"), we are providing you with 30 days' notice that we will be closing all bank accounts for HIGHYON DEVELOPMENT NO. 118 LP on August 13, 2020. Please make arrangements to move your banking elsewhere prior to that date.

Any and all correspondences going forward, email or otherwise, will be through our counsel. Should you wish to discuss, I can set up a call with our counsel.

Regards,

Jerry C. Tsao
Manager, Special Loans & Advisory Services | Group Risk Management | Royal Bank of Canada
20 King Street West, 2nd floor, Toronto, ON M5H 1C4
P: (416) 974-3555 F: (416) 974-0528 E: jerry.tsao@rbc.com

From: Narayan, Bala
Sent: Friday, July 10, 2020 1:37 PM

To: ROGER PU (ROGER.PU@HIGHYON.COM) <ROGER.PU@HIGHYON.COM>

Cc: Tsao, Jerry <jerry.tsao@rbc.com>

Subject: HIGHYON ASSETS CORP. - SLAS Transfer Letter

Hi Roger, find attached the letter advising you that the management of the companies mentioned therein is being transferred to by Jerry Tsao, Special Loans & Advisory services at the bank. Jerry will connect with you directly to discuss the next steps.

Jerry : fyi

Best Regards....Bala

TAB Q



MINDEN GROSS LLP
BARRISTERS & SOLICITORS
145 KING STREET WEST, SUITE 2200
TORONTO, ON, CANADA M5H 4G2
TEL 416.362.3711 FAX 416.864.9223
www.mindengross.com

DIRECT DIAL (416) 369-4335
E-MAIL tdunn@mindengross.com
FILE NUMBER 4119619

July 14, 2020

VIA REGISTERED MAIL AND REGULAR MAIL

PERSONAL & CONFIDENTIAL

BING (ROGER) PU 18 Country Heights Drive Richmond Hill, Ontario L4E 3M8	SHUYAN XU 18 Country Heights Drive Richmond Hill, Ontario L4E 3M8
---	---

Dear Sirs:

Re: Royal Bank of Canada ("Bank") and Highyon Assets Corp. ("Company")

We have been retained by the Bank in respect of the indebtedness owing to it by you.

As you are aware, you jointly and severally guaranteed all of the indebtedness and liabilities, present or future, direct or indirect, absolute or contingent, matured or not at any time owing by the Company to the Bank or remaining unpaid by the Company to the Bank in connection with a fixed rate term loan (as further particularized in item 1 below) pursuant to the terms of a Guarantee and Postponement of Claim dated June 14, 2018, limited to the sum of \$900,000 (the "**Guarantee**").

As at July 13, 2020, the Company is indebted to the Bank in the following amounts:

1. in respect of a fixed rate term loan (non-revolving Loan No. 07512-290406-001), in the amount of \$859,168.81, comprising principal in the amount of \$768,316.98, a breakage fee in the amount of \$88,442.68 and accrued interest to and including July 13, 2020 in the amount of \$2,409.15. Interest continues to accrue on the aforesaid principal amount at the rate of 5.45% per annum. The *per diem* amount on the aforesaid principal amount, given the Bank's current prime rate, is \$114.72;
2. in respect of a revolving demand facility (Loan No. 07512-29040616-003), in the amount of \$62,243.22, comprising principal in the amount of \$62,000 and accrued interest to and including July 13, 2020 in the amount of \$243.22. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate of interest plus 6.41% per annum. The *per diem* amount on the aforesaid principal amount, given the Bank's current prime rate, is \$15.05; and

3. in respect of Visa account number 4514 xxxx xxxx 9010 in the amount of \$50.00 as at July 13, 2020. Interest continues to accrue on the aforesaid amount at the rate in effect from time to time in accordance with your Visa arrangements with the Bank.

On behalf of the Bank, we hereby formally make demand upon you for payment by no later than July 24, 2020, of the sum of \$859,168.81, plus interest accruing under the Guarantee from the date hereof up until the date of payment in full and the legal fees on a full indemnity basis incurred by the Bank in connection with the collection of the amounts referred to above.

In the event payment is not made as requested, the Bank shall commence such legal proceedings it is entitled to commence against you in connection with your liabilities and obligations under the Guarantee.

We further advise you that the Bank expressly reserves its rights to take such further steps as are necessary at any time prior to July 24, 2020, without further notice if the Bank becomes aware of any matter which may impair its security.

If you wish to discuss this matter with us, please contact us immediately either directly or through your solicitor.

Yours truly,
MINDEN GROSS LLP
Per:

A handwritten signature in dark ink, appearing to read 'Timothy R. Dunn', with a stylized flourish at the end.

Timothy R. Dunn*
TRD/vh

cc Royal Bank of Canada – Attn: J. Tsao, Manager – Special Loans and Advisory Service

#4268611 v1 | 4119619

***PARTNER THROUGH PROFESSIONAL CORPORATION**

**MINDEN GROSS LLP****BARRISTERS & SOLICITORS**

145 KING STREET WEST, SUITE 2200

TORONTO, ON, CANADA M5H 4G2

TEL 416.362.3711 FAX 416.864.9223

www.mindengross.com

DIRECT DIAL (416) 369-4335

E-MAIL tdunn@mindengross.com

FILE NUMBER 4119619

July 14, 2020

VIA REGISTERED MAIL AND REGULAR MAIL**PERSONAL & CONFIDENTIAL****HIGHYON REALTY INC.**

350 Highway 7 East, Suite 310

Richmond Hill, Ontario

L4B 3N2

Attn: Bing (Roger) Pu

Dear Sirs:

Re: Royal Bank of Canada ("Bank") and Highyon Assets Corp. ("Company")

We have been retained by the Bank in respect of the indebtedness owing to it by you.

As you are aware, you guaranteed all of the indebtedness and liabilities, present or future, direct or indirect, absolute or contingent, matured or not at any time owing by the Company to the Bank or remaining unpaid by the Company to the Bank under a Guarantee and Postponement of Claim dated June 14, 2018, limited to the sum of \$900,000 (the "**Guarantee**").

As at July 13, 2020, the Company is indebted to the Bank in the following amounts:

1. in respect of a fixed rate term loan (non-revolving Loan No. 07512-290406-001), in the amount of \$859,168.81, comprising principal in the amount of \$768,316.98, a breakage fee in the amount of \$88,442.68 and accrued interest to and including July 13, 2020, in the amount of \$2,409.15. Interest continues to accrue on the aforesaid principal amount at the rate of 5.45% per annum. The *per diem* amount on the aforesaid principal amount is \$114.72;
2. in respect of a revolving demand facility (Loan No. 07512-29040616-003), in the amount of \$62,243.22, comprising principal in the amount of \$62,000 and accrued interest to and including July 13, 2020 in the amount of \$243.22. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate of interest plus of 6.41% per annum. The *per diem* amount on the aforesaid principal amount, given the Bank's current prime rate, is \$15.05; and

3. in respect of Visa account number 4514 xxxx xxxx 9010 in the amount of \$50.00 as at July 13, 2020. Interest continues to accrue on the aforesaid amount at the rate in effect from time to time in accordance with your Visa arrangements with the Bank.

On behalf of the Bank, we hereby formally make demand upon you for payment by no later than July 24, 2020, of the sum of \$900,000, plus interest accruing under the Guarantee from the date hereof up until the date of payment in full and the legal fees on a full indemnity basis incurred by the Bank in connection with the collection of the amounts referred to above.

In the event payment is not made as requested, the Bank shall commence such legal proceedings as it is entitled to commence against you in connection with your liabilities and obligations under the Guarantee.

We further advise you that the Bank expressly reserves its rights to take such further steps as are necessary at any time prior to July 24, 2020, without further notice if the Bank becomes aware of any matter which may impair its security.

We enclose a notice of intention to enforce security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

If you wish to discuss this matter with us, please contact us immediately either directly or through your solicitor.

Yours truly,
MINDEN GROSS LLP
 Per:



Timothy R. Dunn*
 TRD/vh
 Enclosure

cc Royal Bank of Canada – Attn: J. Tsao, Manager – Special Loans and Advisory Service

#4268618 v1 | 4119619

***PARTNER THROUGH PROFESSIONAL CORPORATION**

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

**PERSONAL & CONFIDENTIAL
REGISTERED MAIL AND ORDINARY MAIL**

TO: HIGHYON REALTY INC., an insolvent person

TAKE NOTICE THAT:

1. **ROYAL BANK OF CANADA**, a secured creditor, intends to enforce its security on the insolvent person's property described below:

all personal property of the insolvent person, including, without limitation, all inventory, equipment, machinery, fixtures, book debts, contractual rights, monies, chattel paper, intellectual property and goodwill of the insolvent person, together with all proceeds, additions, accretions and substitutions therefor.
2. The security that is to be enforced is in the form of a General Security Agreement.
3. The total amount of indebtedness secured by the security as at July 13, 2020 is \$921,462.03, plus all legal and other expenses incurred by the secured creditor, which expenses are secured by the above-noted security.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto this 14th day of July, 2020.

ROYAL BANK OF CANADA
by its solicitors, MINDEN GROSS LLP

Per:



Timothy R. Dunn

**MINDEN GROSS LLP****BARRISTERS & SOLICITORS**

145 KING STREET WEST, SUITE 2200

TORONTO, ON, CANADA M5H 4G2

TEL 416.362.3711 FAX 416.864.9223

www.mindengross.com

DIRECT DIAL (416) 369-4335

E-MAIL tdunn@mindengross.com

FILE NUMBER 4119619

July 14, 2020

VIA REGISTERED MAIL AND REGULAR MAIL**PERSONAL & CONFIDENTIAL****HIGHYON REALTY INC.**

350 Highway 7 East, Suite 310

Richmond Hill, Ontario

L4B 3N2

Attn: Bing (Roger) Pu

Dear Sirs:

Re: Royal Bank of Canada ("Bank") and Highyon Realty Inc. ("Company")

We have been retained by the Bank in respect of the indebtedness owing to it by the Company.

As you are no doubt aware, the indebtedness owing by the Company to the Bank is repayable on demand, and we have been informed by the Bank that as at July 13, 2020, the Company is indebted to it in respect of Visa account number 4516 xxxx xxxx 1642, in the amount of \$756.00 as at July 13, 2020. Interest continues to accrue on the aforesaid amount at the rate in effect from time to time in accordance with your Visa arrangements with the Bank.

On behalf of the Bank, we hereby advise you that the right of the Company to make any further borrowings under its agreement(s) with the Bank, and the obligation of the Bank to provide such borrowings, is hereby terminated and the indebtedness owing to the Bank by the Company expressed above is hereby declared to be immediately due and payable. Accordingly, on behalf of the Bank, we hereby formally make demand upon the Company for the payment by no later than July 24, 2020, of the amounts expressed above and all interest accruing thereon up until the date of payment in full and for all other amounts which the Company is liable for to the Bank in accordance with the security delivered by the Company to the Bank, including, without limitation, legal fees on a full indemnity basis.

In the event payment is not made as requested, we must advise you that the Bank reserves its rights to take such further steps as are necessary to recover the indebtedness and liabilities owing by the Company to the Bank, including, without limitation, the appointment of a receiver and manager of the property, assets and undertaking of the Company.

We further advise the Company that the Bank expressly reserves its rights to take such further steps as are necessary at any time prior to July 24, 2020, without further notice to you if the Bank becomes aware of any matter which may impair its security. In addition, the Bank expressly reserves its rights not to make further advances to you or to honour any cheques drawn on the accounts maintained by you with the Bank. However, in the event the Bank, in its discretion, makes such advances or honours such cheques, such conduct shall not extend the time to make payment as set out herein or impose any obligation on the Bank to make further advances or honour further cheques and any additional indebtedness arising therefrom shall be immediately repayable to the Bank.

We further advise you that your Visa card privileges in respect of account number 4516 xxxx xxxx 1642 have been canceled effective immediately. You will not be entitled thereafter to charge this card with any debt or obligation. Please cut all cards relating to this account in half and return them to us immediately.

We enclose a notice of intention to enforce security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

If you wish to discuss this matter with us, please contact us immediately either directly or through your solicitors.

Yours truly,
MINDEN GROSS LLP
 Per:



Timothy R. Dunn*
 TRD/vh
 Enclosure

cc Royal Bank of Canada – Attn: J. Tsao, Manager – Special Loans and Advisory Service

#4270718 v1 | 4119619

***PARTNER THROUGH PROFESSIONAL CORPORATION**

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

**PERSONAL & CONFIDENTIAL
REGISTERED MAIL AND ORDINARY MAIL**

TO: HIGHYON REALTY INC., an insolvent person

TAKE NOTICE THAT:

1. **ROYAL BANK OF CANADA**, a secured creditor, intends to enforce its security on the insolvent person's property described below:

all personal property of the insolvent person, including, without limitation, all inventory, equipment, machinery, fixtures, book debts, contractual rights, monies, chattel paper, intellectual property and goodwill of the insolvent person, together with all proceeds, additions, accretions and substitutions therefor.
2. The security that is to be enforced is in the form of a General Security Agreement.
3. The total amount of indebtedness secured by the security as at July 13, 2020, is \$756.00, plus all legal and other expenses incurred by the secured creditor, which expenses are secured by the above-noted security.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto this 14th day of July, 2020.

ROYAL BANK OF CANADA
by its solicitors, MINDEN GROSS LLP

Per:



Timothy R. Dunn

**MINDEN GROSS LLP****BARRISTERS & SOLICITORS**

145 KING STREET WEST, SUITE 2200

TORONTO, ON, CANADA M5H 4G2

TEL 416.362.3711 FAX 416.864.9223

www.mindengross.com

DIRECT DIAL (416) 369-4335

E-MAIL tdunn@mindengross.com

FILE NUMBER 4119619

July 14, 2020

VIA REGISTERED MAIL AND REGULAR MAIL**PERSONAL & CONFIDENTIAL****HIGHYON ASSETS CORP.**

350 Highway 7 East, Suite 310

Richmond Hill, Ontario

L4B 3N2

Attn: Bing (Roger) Pu

Dear Sirs:

Re: Royal Bank of Canada ("Bank") and Highyon Assets Corp. ("Company")

We have been retained by the Bank in respect of the indebtedness owing to it by the Company.

We refer to a confirmation of credit facilities letter dated March 4, 2020, as amended from time to time, between the Bank and the Company (the "**Loan Agreement**").

Pursuant to the terms of the Loan Agreement, the Company covenanted that, among other things, it would not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights (the "**Charge Covenant**"). The Bank informed the Company by letter dated June 16, 2020, that the Company is in breach of the Charge Covenant and required that the Company remedy such breach by no later than June 30, 2020. The Company has failed to remedy its breach of the Charge Covenant and, as result, the Bank is hereby demanding payment of the outstanding indebtedness owing by the Company to the Bank.

We have been informed by the Bank that, as at July 13, 2020, the Company is indebted to it in the following amounts:

1. in respect of a fixed rate term loan (non-revolving Loan No. 07512-290406-001), in the amount of \$859,168.81, comprising principal in the amount of \$768,316.98, a breakage fee in the amount of \$88,442.68 and accrued interest to and including July 13, 2020 in the amount of \$2,409.15. Interest continues to accrue on the aforesaid principal amount at the rate of 5.45% per annum. The *per diem* amount on the aforesaid principal amount is \$114.72;

2. in respect of a revolving demand facility (Loan No. 07512-29040616-003), in the amount of \$62,243.22, comprising principal in the amount of \$62,000 and accrued interest to and including July 13, 2020, in the amount of \$243.22. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate of interest plus 6.41% per annum. The *per diem* amount on the aforesaid principal amount, given the Bank's current prime rate, is \$15.05; and
3. in respect of Visa account number 4514 xxxx xxxx 9010 in the amount of \$50.00 as at July 13, 2020. Interest continues to accrue on the aforesaid amount at the rate in effect from time to time in accordance with your Visa arrangements with the Bank.

On behalf of the Bank, we hereby advise you that the right of the Company to make any further borrowings under its agreement(s) with the Bank, and the obligation of the Bank to provide such borrowings, is hereby terminated and the indebtedness owing to the Bank by the Company expressed above is hereby declared to be immediately due and payable. Accordingly, on behalf of the Bank, we hereby formally make demand upon the Company for the payment by no later than July 24, 2020, of the amounts expressed above and all interest accruing thereon up until the date of payment in full and for all other amounts which the Company is liable for to the Bank in accordance with the security delivered by the Company to the Bank, including, without limitation, legal fees on a full indemnity basis.

In the event payment is not made as requested, we must advise you that the Bank reserves its rights to take such further steps as are necessary to recover the indebtedness and liabilities owing by the Company to the Bank, including, without limitation, the appointment of a receiver and manager of the property, assets and undertaking of the Company and the Bank shall commence such legal proceedings as it is entitled to commence against the Company in connection with its liabilities and obligations under any and all mortgage security delivered by the Company to the Bank.

We further inform the Company that the Bank expressly reserves its rights to take such further steps as are necessary at any time prior to July 24, 2020, without further notice to you if the Bank becomes aware of any matter which may impair its security. In addition, the Bank expressly reserves its rights not to make further advances to you or to honour any cheques drawn on the accounts maintained by you with the Bank. However, in the event the Bank, in its discretion, makes such advances or honours such cheques, such conduct shall not extend the time to make payment as set out herein or impose any obligation on the Bank to make further advances or honour further cheques and any additional indebtedness arising therefrom shall be immediately repayable to the Bank.

We further advise you that your Visa card privileges in respect of the account number referenced above have been cancelled effectively immediately. Please cut up all cards related to this account and return them to us immediately.

We enclose a notice of intention to enforce security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

If you wish to discuss this matter with us, please contact us immediately either directly or through your solicitors.

Yours truly,
MINDEN GROSS LLP
Per:

A handwritten signature in dark ink, appearing to read 'Timothy R. Dunn', with a stylized flourish at the end.

Timothy R. Dunn*
TRD/vh
Enclosure

cc Royal Bank of Canada – Attn: J. Tsao, Manager – Special Loans and Advisory Service

#4268619 v1 | 4119619

***PARTNER THROUGH PROFESSIONAL CORPORATION**

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

**PERSONAL & CONFIDENTIAL
REGISTERED MAIL AND ORDINARY MAIL**

TO: HIGHYON ASSETS CORP., an insolvent person

TAKE NOTICE THAT:

1. **ROYAL BANK OF CANADA**, a secured creditor, intends to enforce its security on the insolvent person's property described below:
 - (a) all personal property of the insolvent person, including, without limitation, all inventory, equipment, machinery, fixtures, book debts, contractual rights, monies, chattel paper, intellectual property and goodwill of the insolvent person, together with all proceeds, additions, accretions and substitutions therefor; and
 - (b) real property known municipally as 350 Highway 7 East, Suites 302 and 310, together with Unit 186, Level A and Unit 187, Level A, Richmond Hill, Ontario L4B 3N2 and legally described in PINs 29302-0093, 29302-0094, 29302-0326 and 29302-0327, York Region Condominium Plan 771 (collectively, the "**Hwy 7 Property**").
2. The security that is to be enforced is in the form of:
 - (a) a General Security Agreement; and
 - (b) a Charge/Mortgage of Land in the principal amount of \$900,000 registered against title to the Hwy 7 Property.
3. The total amount of indebtedness secured by the security as at July 13, 2020, is \$921,462.03, plus all legal and other expenses incurred by the secured creditor, which expenses are secured by the above-noted security.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.


DATED at Toronto this 14th day of July, 2020.

ROYAL BANK OF CANADA
by its solicitors, MINDEN GROSS LLP
Per:



Timothy R. Dunn

TAB R

This is Exhibit R referred to in the
Affidavit of JERRY C. TSAO
Sworn before me by video conference
This 5th day of October, 2020

A COMMISSIONER FOR TAKING AFFIDAVITS
Samantha Bogoroch LSO# 775750

141

Type t

From: Tsao, Jerry
Sent: Monday, July 27, 2020 1:16 PM
To: 'Roger Pu' <roger.pu@highyon.com>
Cc: 'Timothy Dunn' <TDunn@mindengross.com>; 'Stephen Skorbinski' <SSkorbinski@mindengross.com>
Subject: RE: RBC/Highyon Assets Corp. ("Assets") and Highyon Realty Inc. ("Realty") {File #4119619}
Importance: High

Roger;

Please direct your questions to our counsel.

Thank you.

Regards,

Jerry C. Tsao
Manager, Special Loans & Advisory Services | Group Risk Management | Royal Bank of Canada
20 King Street West, 2nd floor, Toronto, ON M5H 1C4
P: (416) 974-3555 E: jerry.tsao@rbc.com<<mailto:jerry.tsao@rbc.com>>

From: Tsao, Jerry
Sent: Monday, July 27, 2020 12:59 PM
To: Roger Pu <roger.pu@highyon.com<<mailto:roger.pu@highyon.com>>>
Cc: 'Timothy Dunn' <TDunn@mindengross.com<<mailto:TDunn@mindengross.com>>>; Stephen Skorbinski
<SSkorbinski@mindengross.com<<mailto:SSkorbinski@mindengross.com>>>
Subject: FW: RBC/Highyon Assets Corp. ("Assets") and Highyon Realty Inc. ("Realty") {File #4119619}
Importance: High

Roger;

Demands expired on July 24. We will be cancelling the VISA cards for HIGHYON ASSETS CORP. and HIGHYON REALTY INC. The balances are \$50 and \$918 respectively. The \$50 is an annual fee which we will reverse. We will debit the #7072 bank account for HIGHYON REALTY to pay off the \$918 as our legal right of offset.

As per the Master Client Agreement, we are providing you with the 30 days' notice that we will be closing the following bank accounts on August 27:

HIGHYON DEVELOPMENT NO. 118 LP – CAD Account #3450 and USD Account #5335

If you have any questions, please have your counsel contact ours.

Regards,

Jerry C. Tsao

Manager, Special Loans & Advisory Services | Group Risk Management | Royal Bank of Canada

20 King Street West, 2nd floor, Toronto, ON M5H 1C4

P: (416) 974-3555 E: jerry.tsao@rbc.com<<mailto:jerry.tsao@rbc.com>>

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

TAB S

Court File No. CV-20-00648781-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

and

**HIGHYON ASSETS CORP., HIGHYON REALTY INC.,
BING PU and SHUYAN XU**

Defendants

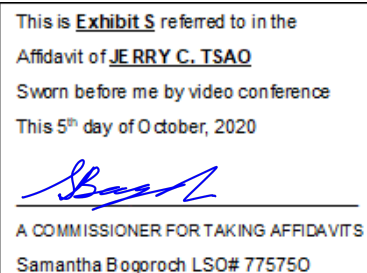
CONSENT

msi Spergel inc. hereby agrees to act as Receiver in the above-noted matter.

DATED at **TORONTO**, Ontario this 5th day of October, 2020.

msi Spergel inc.Per: 

Name: Mukul Manchanda, CPA, CIRP, LIT
Title: Principal



B E T W E E N

ROYAL BANK OF CANADA
Plaintiff

-and-

HIGHYON ASSETS CORP., et al
Defendants
Court File No. CV-20-00648781-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

CONSENT

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindengross.com
Tel: 416-369-4115
Fax: 416-864-9223

Lawyers for the Plaintiff, Royal Bank of Canada

(File No. 4119619)

TAB 3



Electronically issued
Délivré par voie électronique : 05-Oct-2020
Toronto

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

**HIGHYON ASSETS CORP., HIGHYON REALTY INC.,
BING PU and SHUYAN XU**

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, **WITHIN TWENTY DAYS** after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date October 5, 2020

Issued by _____
Local Registrar

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

TO: HIGHYON ASSETS CORP.
350 Highway 7 East, Suite 310
Richmond Hill, Ontario
L4B 3N2

AND TO: HIGHYON REALTY INC.
350 Highway 7 East, Suite 310
Richmond Hill, Ontario
L4B 3N2

AND TO: BING PU
18 Country Heights Drive
Richmond Hill, Ontario
L4E 3M8

AND TO: SHUYAN XU
18 Country Heights Drive
Richmond Hill, Ontario
L4E 3M8

CLAIM

1. The Plaintiff, Royal Bank of Canada ("**RBC**") claims against the defendant, Highyon Assets Corp. ("**Highyon Assets**):

- (a) An order pursuant to 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.C.43, as amended, appointing msi Spergel inc. ("**Spergel**") as receiver (in such capacity, the "**Receiver**"), without security, over all of the assets, undertakings, and property of Highyon Assets, including the real property municipally known as Suites 302 and 310, 350 Highway 7 East, Richmond Hill, Ontario [PIN 29302-0093, PIN 29302-0094, PIN 29302-0326, and PIN29302-0327] (the "**Property**"), and all other property, assets, and undertakings relating thereto.

2. RBC claims against the defendant, Highyon Realty Inc. ("**Highyon Realty**):

- (a) Payment in the sum of \$839,537.61 under Highyon Realty's guarantee of the debts of Highyon Assets to RBC, together with interest thereon from July 14, 2020 to the date of judgment at RBC's prime rate of interest per annum in effect from time to time plus 5.00%, both before and after judgment.

3. RBC claims against the defendants Bing Pu ("**Roger**") and Shuyan Xu ("**Shuyan**):

- (a) Payment in the sum of \$839,537.61 under Roger and Shuyan's guarantee of the debts of Highyon Assets owing to RBC, together with interest thereon from July 14, 2020 to the date of judgment at RBC's prime rate of interest per annum in effect from time to time plus 5.00%, both before and after judgment.
4. RBC claims against the defendants collectively:
- (a) Payment in the sum of \$5,395.52 in respect of legal fees incurred by RBC;
 - (b) In the alternative to the interest claimed above, pre-judgment and post-judgment interest in accordance with sections 128 and 129 of the *Courts of Justice Act*, R.S.O., c. C.43, as amended;
 - (c) The costs of this proceeding on a solicitor and client basis; and
 - (d) Such further and other relief as this Honourable Court may deem just.

The Parties

5. RBC is a chartered bank with offices in Toronto, Ontario.
6. Highyon Assets is a corporation incorporated pursuant to the laws of Ontario. Its registered office is at 350 Highway 7 East, Suite 310, Richmond Hill, Ontario.
7. Highyon Realty is a corporation incorporated pursuant to the laws of Ontario. Its registered office is at 350 Highway 7 East, Suite 310, Richmond Hill, Ontario.

8. The defendant, Roger, is an individual residing in Richmond Hill, Ontario. Roger is an officer and director of Highyon Assets and Highyon Realty.

9. The defendant, Shuyan, is an individual residing in Richmond Hill, Ontario. Shuyan is an officer Roger and Shuyan jointly and severally guaranteed the debts, liabilities and obligations of Highyon Assets and Highyon Realty to RBC.

Highyon Assets' Indebtedness

10. Pursuant to a commitment letter dated March 4, 2020 and accepted by Highyon Assets on April 6, 2020, as amended and extended from time to time (collectively, the "**Loan Agreement**"), RBC extended the following to Highyon Assets:

- (a) a \$774,167.35 fixed rate term loan (non-revolving) ("**Term Loan**");
- (b) a \$75,000.00 revolving demand facility available by way of RBP based loans ("**LOC**"); and
- (c) a Visa Facility to a maximum of \$15,000.00.

11. In support of the Loan Agreement, Highyon Assets extended, among other things:

- (a) a general security agreement in favor of RBC constituting a first ranking security interest on all personal property of Highyon Assets;
- (b) a collateral mortgage in the amount of \$900,000 signed by Highyon Assets constituting a first fixed charge on the lands and improvements located at

Suites 302 and 310, 350 Highway 7 East, Richmond Hill, Ontario (the **“Mortgage”**);

- (c) a guarantee and postponement of claim in the amount of \$900,000 signed by Roger and Shuyan in support of the Term Facility; and
- (d) a guarantee and postponement of claim in the amount of \$900,000 signed by Highyon Realty, supported by a general security agreement constituting a first ranking security interest in all personal property of Highyon Realty;

(Collectively, the **“Security”**).

12. Pursuant to the Loan Agreement, Highyon Assets covenanted among other things, that it would not, without prior written consent of RBC, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights (the **“Charge Covenant”**).

13. The Loan Agreement provides, among other things that:

- (a) the failure to abide by any of the covenants, including the Charge Covenant, will constitute an event of default under the Loan Agreement; and
- (b) upon an event of default, RBC may, at its sole discretion, cancel any facilities under the Loan Agreement, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with

respect to any term facility, and to realize on all or any portion of any security.

14. By written guarantee and postponement of claim on RBC's standard Form 812 dated June 14, 2018, Highyon Realty guaranteed payment to RBC of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Highyon Assets to RBC, limited to the principal sum of \$900,000 together with interest from the date of demand at a rate equal to RBC's prime interest rate per annum in effect from time to time plus 5.00%, both before and after judgment (the **"Highyon Realty Guarantee"**).

15. By written guarantee and postponement of claim on RBC's standard Form 812 dated June 14, 2018, Roger and Shuyan guaranteed payment to RBC of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Highyon Assets to RBC, limited to the principal sum of \$900,000 together with interest from the date of demand at a rate equal to RBC's prime interest rate per annum in effect from time to time plus 5.00%, both before and after judgment (the **"Pu and Xu Guarantee"**).

16. The Highyon Realty Guarantee and Pu and Xu Guarantee are collectively referred to as the **"Highyon Assets Guarantees"**.

17. The Highyon Assets Guarantees provide that:

- (a) Highyon Realty and Roger and Shuyan, as guarantors, waive any right to require RBC to first exhaust its recourse against Highyon Assets or any securities held by RBC;
- (b) Highyon Realty and Roger and Shuyan's liability to make payment under the Highyon Assets Guarantees arise on receiving a demand for payment from RBC;
- (c) Highyon Realty and Roger and Shuyan will pay all of RBC's legal costs on a solicitor and own client basis incurred by or on behalf of RBC as a result of any action instituted on the basis of the Highyon Assets Guarantees; and
- (d) The Highyon Assets Guarantees cover all liabilities and shall apply to secure any ultimate balance due or remaining unpaid to RBC.

The Demands

18. A title search on the Property was conducted in or about May 2020 which revealed the following:

- (a) the Mortgage in favour of RBC, as described in paragraph 12(b) above;
- (b) a mortgage in the amount of \$150,000 made between Highyon Assets, as mortgagor, and Margaret Hui, as mortgagee, registered on title to the Property as instrument YR2904645 on December 3, 2018; and

- (c) a mortgage in the amount of \$200,000 made between Highyon Assets, as mortgagor, and Roger Lam, as mortgagee, registered on title to the Property as instrument YR3052188 on January 2, 2020.

19. Highyon Assets breached the Loan Agreement and in particular, the Charge Covenant, by granting the charges described in paragraphs 19(b) and (c) above without the authorization or consent of RBC. As a result of this breach, the accounts of Highyon Assets were transferred to RBC's Special Loans and Advisory Services Group in or about July 2020.

20. By letter dated June 16, 2020, RBC informed Highyon Assets that it was in breach of the Charge Covenant and required that Highyon Assets remedy the breach by no later than June 30, 2020. Highyon Assets failed to remedy the breach.

21. On or about July 13, 2020, RBC conducted a further title search on the Property which revealed an additional mortgage in the amount of \$2,800,000 made between Highyon Assets, as mortgagor, and Guohui Liang, as mortgagee, registered on title to the Property as instrument YR3117703 on July 10, 2020.

22. By way of demand letter sent on July 14, 2020, RBC made demand on Highyon Assets for repayment of indebtedness owed to RBC. The demand letter provides as follows:

Pursuant to the terms of the Loan Agreement, the Company covenanted that, among other things, it would not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other

encumbrance affecting any of its properties, assets or other rights (the “**Charge Covenant**”). The Bank informed the Company by letter dated June 16, 2020, that the Company is in breach of the Charge Covenant and required that the Company remedy such breach by no later than June 30, 2020. The Company has failed to remedy its breach of the Charge Covenant and, as result, the Bank is hereby demanding payment of the outstanding indebtedness owing by the Company to the Bank.

We have been informed by the Bank that, as at July 13, 2020, the Company is indebted to it in the following amounts:

1. in respect of a fixed rate term loan (non-revolving Loan No. 07512-290406-001), in the amount of \$859,168.81, comprising principal in the amount of \$768,316.98, a breakage fee in the amount of \$88,442.68 and accrued interest to and including July 13, 2020 in the amount of \$2,409.15. Interest continues to accrue on the aforesaid principal amount at the rate of 5.45% per annum. The *per diem* amount on the aforesaid principal amount is \$114.72;
 2. in respect of a revolving demand facility (Loan No. 07512-29040616-003), in the amount of \$62,243.22, comprising principal in the amount of \$62,000 and accrued interest to and including July 13, 2020, in the amount of \$243.22. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate of interest plus 6.41% per annum. The *per diem* amount on the aforesaid principal amount, given the Bank's current prime rate, is \$15.05; and
 3. in respect of Visa account number 4514 xxxx xxxx 9010 in the amount of \$50.00 as at July 13, 2020. Interest continues to accrue on the aforesaid amount at the rate in effect from time to time in accordance with your Visa arrangements with the Bank.
23. As part of the demand letter, RBC also gave notice of its intentions to enforce its security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*.
24. By way of demand letter dated July 14, 2020, RBC made demand on Highyon Realty, Roger and Shuyan in accordance with the Highyon Assets Guarantees.

25. The demands expired on July 24, 2020 and Highyon Assets, Highyon Realty, Roger and Shuyan have failed to repay in full the indebtedness owing to RBC pursuant to the terms of the Loan Agreement, Security and Highyon Assets Guarantees delivered to RBC, as applicable.

26. The amount outstanding and owing by Highyon Assets to RBC as at October 2, 2020 is as follows:

Term Loan	\$853,768.64
LOC	\$71,068.94
Visa Facility	\$0.00

Relief Sought

27. RBC has provided the defendants with more than sufficient time to repay the indebtedness and comply with their obligations under the Loan Agreement and Security. The defendants have been unable to fulfil their obligations to RBC.

28. The appointment of a receiver is provided for in the Security.

29. RBC specifically pleads and relies upon the terms of the Loan Agreement, Highyon Assets Guarantees, and the Security.

30. At the time of pleading, the indebtedness remains outstanding by the defendants.

31. RBC therefore pleads that the defendants are liable to it for the relief sought herein.

October 5, 2020

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO#42081V)
rmoses@mindengross.com
Tel: 416-369-4115
Fax: 416-864-9223

Lawyers for the Plaintiff

#4292820 | 4119619

B E T W E E N

ROYAL BANK OF CANADA
Plaintiff

-and-

HIGHYON ASSETS CORP., et al.
Defendants

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

STATEMENT OF CLAIM

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO#42081V)
rmoses@mindengross.com
Tel: 416-369-4115
Fax: 416-864-9223

Lawyers for the Plaintiff

TAB 4

Court File No. CV-20-00648781-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

**HIGHYON ASSETS CORP., HIGHYON REALTY INC.,
BING PU and SHUYAN XU**


Defendants

CONSENT

msi Spergel inc. hereby agrees to act as Receiver in the above-noted matter.

DATED at **TORONTO**, Ontario this 5th day of October, 2020.

msi Spergel inc.

Per: 
Name: Mukul Manchanda, CPA, CIRP, LIT
Title: Principal

B E T W E E N

ROYAL BANK OF CANADA
Plaintiff

-and-

HIGHYON ASSETS CORP., et al
Defendants
Court File No. CV-20-00648781-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

CONSENT

MINDEN GROSS LLP
Barristers and Solicitors
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Toronto, ON M5H 4G2

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Tel: 416-369-4115
Fax: 416-864-9223

Lawyers for the Plaintiff, Royal Bank of Canada

(File No. 4119619)

TAB 5

Court File No. CV-20-00648781-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE GILMORE

)
)
)

FRIDAY, THE 16th DAY
OF OCTOBER, 2020

B E T W E E N :

ROYAL BANK OF CANADA

Plaintiff

and

**HIGHYON ASSETS CORP., HIGHYON REALTY INC.,
BING PU and SHUYAN XU**

Defendants

**ORDER
(appointing Receiver)**

THIS MOTION made by the Plaintiff 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 [and manager] (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Highyon Assets Corp. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day via Zoom video conference as a result of the COVID-19 pandemic.

ON READING the affidavit of Jerry C. Tsao sworn October 5, 2020 and the Exhibits thereto and on hearing the submissions of counsel for the Receiver, [NTD: no one appearing for the Debtor] although duly served as appears from the affidavit of service of

Samantha Bogoroch 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 application and the application is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

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

RECEIVER'S POWERS

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

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

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

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

terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$25,000.00, provided that the aggregate consideration for all such transactions does not exceed \$75,000.00; 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,
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, including against title to the following real property: Suites 302 & 310, 350 Highway 7 East, Richmond Hill, Ontario [PIN 29302-0093, PIN 29302-0094, PIN 29302-0326 and PIN 29302-0327];
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

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

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

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

such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract,

agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000.00 (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

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

GENERAL

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

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

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

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

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

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any

other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$_____

1. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the "**Receiver**") of the assets, undertakings and properties Highyon Assets Corp. 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 _____, 2020 (the "**Order**") made in an action having Court file number CV-20-00648781-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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 _____, 20__.

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

Per: _____

Name:

Title:

B E T W E E N:

ROYAL BANK OF CANADA
Plaintiff

- and -

HIGHYON ASSETS CORP., HIGHYON REALTY INC.,
BING PU and SHUYAN XU
Defendants

Court File No. CV-20-00648781-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

O R D E R

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Fax: 416-864-9223

Lawyers for the Plaintiff

(File No. 4119619)

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

- and -

**HIGHYON ASSETS CORP., HIGHYON REALTY INC.,
BING PU and SHUYAN XU**
Defendants

Court File No. CV-20-00648781-00CL

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD OF
THE PLAINTIFF,
ROYAL BANK OF CANADA
(RETURNABLE OCTOBER 16, 2020)**

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Lawyers for the Plaintiff

(File No. 4119619)