

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**ROYAL BANK OF CANADA**

Respondent

- and -

**2392319 ONTARIO INC.**

**(GREEN ISLAND TRADING COMPANY – Tenant)**

Applicant

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**MOTION RECORD  
(returnable September 28<sup>th</sup>, 2016)**

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Date: August 19, 2016

**TO: AIRD & BERLIS LLP**  
Barristers & Solicitors  
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*Counsel for Green Island Trading*

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

**ROYAL BANK OF CANADA**

Respondent

- and -

**2392319 ONTARIO INC.**

Applicant

**MOTION RECORD  
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# TAB 1

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

BETWEEN:

**ROYAL BANK OF CANADA**

Respondent

- and -

**2392319 ONTARIO INC.**

**(GREEN ISLAND TRADING COMPANY – Tenant)**

Applicant

**NOTICE OF MOTION  
(returnable September 28<sup>th</sup>, 2016)**

Green Island Trading Company (“**Green Island**”), in its capacity as a tenant at the premises located at 38 Metropolitan Road, Toronto, Ontario (the “**Premises**”), will make a motion to a judge presiding over the Commercial List on Wednesday, September 28<sup>th</sup>, 2016, at 10:00 a.m., or as soon thereafter as the motion may be heard at 330 University Avenue, Toronto, Ontario.

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

**THE MOTION IS FOR** an Order,

- (a) Setting aside the ex parte Order of Justice Wilton-Siegel, dated July 28<sup>th</sup>, 2016, as against Green Island Trading Company; or, the alternative

- (b) Staying the action against Green Island for compliance with a valid lease until July 31<sup>st</sup>, 2019, as msi Speigel, Inc. (the “**Receiver**”) failed to raise valid triable issues that evidence any breach of the Green Island’s lease obligations, and did not advise the Court of the recent payments or the ongoing discussions with the Receiver’s representative; and
- (c) Costs of this motion.

**THE GROUNDS FOR THIS MOTION ARE:**

- (a) Green Island, has a valid lease with 2292319 Ontario Inc. for a term that commenced on August 1<sup>st</sup>, 2015, and terminates on April 30<sup>th</sup>, 2019;
- (b) Green Island, is a duly authorized holder of a valid Health Canada licence permitting the cultivation of Marijuana for Medical Purposes with an expiration date of March 31<sup>st</sup>, 2014. The Plaintiff pleads that the Green Island’s licence is expired. This is erroneous. In accordance with a Federal Court injunction (*Allard v. Canada*, [2014] FCJ No. 412), all licences which were valid as of March 21<sup>st</sup>, 2014, will remain valid until the Federal Court rules otherwise;
- (c) Green Island is in complete compliance with all terms of the lease;
- (d) The Receiver served a 270-page Notice of Motion, electronically, on June 19<sup>th</sup>, 2016, and obtained an ex parte Order from Justice Wilton-Siegel, nine (9) days later, on July 28<sup>th</sup>, 2016;
- (e) On Sunday, August 7<sup>th</sup>, 2016, Counsel, on behalf of Green Island, contacted counsel for the Receiver daily to discuss setting aside the Order so that any issues could be discussed amicably;

- (f) The Receiver is alleging trivial and technical non-compliance breaches that are untrue at misleading to the court in their ex parte motion material to attempt to persuade the Court that breaches have occurred;
- (g) Green Island, together with the other tenants of the Premises made payments totaling \$45,000 on July 13<sup>th</sup>, 2016.
- (h) All rent payments have been made, and are up to date;
- (i) Green Island has a valid liability insurance policy that clearly states the nature of its business;
- (j) Green Island, through its representative and manager, Mr. Cuong Tran, was actively negotiating in good faith with Mr. Daniel Battison, a Corporate Estate Administrator employed by the Receiver, up until the hearing, and reasonably believed that all of the issues related to Green Island's tenancy were resolved;
- (k) On August 11<sup>th</sup>, 2016, Justice Newbould of this Honourable Court stayed the Order of Justice Wilton-Siegel, dated July 28<sup>th</sup>, 2016, until the hearing of this motion, and included the following time table:
- (l) Such further and other grounds as counsel may advise and this Court may permit.

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

- (a) The Order of Justice Wilton-Siegel, dated July 28<sup>th</sup>, 2016;
- (b) Agreement to Lease, between 2292319 Ontario, Inc. and Green Island Trading Company, dated July 20<sup>th</sup>, 2015;
- (c) Certificate of Liability Insurance, dated May 24<sup>th</sup>, 2016;
- (d) Email Correspondence between Cuong Tran and Daniel Battison;
- (e) Email Correspondence between Darren S. Sederoff & counsel from Aird Berlis;

- (f) Photocopies of Rent Payments made to 'msi Spergel, Inc. in Trust';
- (g) Confirmation of payments made to 'msi Speigel, Inc., in Trust' towards hydro arrears;
- (h) such further and other material as counsel may submit and this Court may permit.

**DATED** at Toronto this 19<sup>th</sup> day of August 2016.



**DARREN S. SEDEROFF &  
ASSOCIATES, P.C.**

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*Counsel for Green Island Trading*

ROYAL BANK OF CANADA

- and -

2392319 ONTARIO INC.

- and - GREEN ISLAND TRADING COMPANY

Respondent

Applicant

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

**NOTICE OF MOTION**

**DARREN S. SEDEROFF &**  
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*Counsel for Green Island Trading*



# TAB A

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

**THE HONOURABLE** ) **WEDNESDAY, THIS 28<sup>th</sup> DAY OF**  
 )  
**JUSTICE** ) **SEPTEMBER 2016.**  
 )  
 )

**BETWEEN:**

**ROYAL BANK OF CANADA**

Respondent

**- and -**

**2392319 ONTARIO INC.**

**(GREEN ISLAND TRADING COMPANY - Tenant)**

Applicant

**ORDER**

**THIS MOTION**, made by Green Island Trading Company (“**Green Island**”), in its capacity as a tenant at the premises located at 38 Metropolitan Road, Toronto, Ontario (the “**Premises**”), for an order staying the Order of Justice Wilton-Siegel, dated July 28<sup>th</sup>, 2016, until such time as a hearing may be held.

**ON HEARING** the submissions of counsel for the tenant, Green Island,

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

2. **THE COURT ORDERS** that the Order of Justice Wilton-Siegel, dated July 28<sup>th</sup>, 2016, is set aside; or, in the alternative;

3. **THIS COURT ORDERS** that the Order of Justice Wilton-Siegel, dated July 28<sup>th</sup>, 2016, is hereby stayed as against Green Island Trading Company until the expiration of the present and valid lease on July 31<sup>st</sup>, 2019.

**DATED** at Toronto this 28<sup>th</sup> day of September 2016.

---

JUSTICE,

ROYAL BANK OF CANADA

- and -

2392319 ONTARIO INC.

- and -

GREEN ISLAND TRADING COMPANY

Respondent

Applicant

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

**ORDER**

**DARREN S. SEDEROFF &  
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*Counsel for Green Island Trading*

# TAB 2

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) THURSDAY, THE 28TH DAY  
)  
JUSTICE WILTON-SIEGEL ) OF JULY, 2016

BETWEEN:

**ROYAL BANK OF CANADA**

Applicant

- and -

**2292319 ONTARIO INC.**

Respondent



**ORDER**

**THIS MOTION**, made by msi Spergel inc. (“Spergel”), in its capacity as the Court-appointed receiver (in such capacity, the “Receiver”), without security, of all of the assets, undertakings and properties of 2292319 Ontario Inc. (the “Debtor”), for an order, amongst other things: (i) approving the First Report of the Receiver dated July 18, 2016 (the “First Report”) and the actions of the Receiver set out therein; (ii) declaring that any purchaser of the premises municipally known as 38 Metropolitan Road, Toronto, Ontario (the “Premises”) from the Receiver shall be entitled to vacant possession of the Premises, free and clear of the interests and claims, if any, of any and all occupants of the Premises, including, without limitation, any and all leases, subleases and similar arrangements (collectively, the “Leases”) that may exist in respect of the Premises; (iii) authorizing the Receiver to terminate the Leases in respect of the Premises

any and all occupants of the Premises shall comply with such notice of termination and shall deliver up vacant possession of the Premises to the Receiver.

5. **THIS COURT ORDERS** that, prior to delivering up vacant possession of the Premises to the Receiver as provided in paragraph 4 of this Order, all Persons (as defined in the Receivership Order of the Honourable Justice Wilton-Siegel dated March 31, 2016) with notice of this Order who occupy the portion of the Premises occupied by Green Island Trading Co. shall cooperate with the Receiver by permitting it, its agents and any and all potential purchasers with full and unencumbered access to the Premises.

6. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as described in the First Report, be and are hereby approved.

7. **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.

8. **THIS COURT ORDERS** that the proposed relief in respect of vacant possession and termination of any and all Leases in respect of the portions of the Premises currently occupied by the businesses known as "Cool Ocean Impex" and "Scap to Go" shall be adjourned to a 9:30 appointment to be set, at which time the Lease in respect of Scrap to Go shall be terminated if

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

Court File No. CV-16-11331-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceedings commenced at Toronto

**ORDER**

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*Lawyers for nsi Spergel Inc., in its capacity as the Court-appointed  
receiver of 2392319 Ontario Inc.*



# TAB 3

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

BETWEEN:

**ROYAL BANK OF CANADA**

Respondent

- and -

**2392319 ONTARIO INC.**

**(GREEN ISLAND TRADING COMPANY - Tenant)**

Applicant

**FACTUM OF THE APPLICANT,**  
**GREEN ISLAND TRADING COMPANY**  
**(returnable September 28<sup>th</sup>, 2016)**

**DARREN S. SEDEROFF &**  
**ASSOCIATES, P.C.**  
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*Counsel for Green Island Trading*

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

BETWEEN:

**ROYAL BANK OF CANADA**

Respondent

- and -

**2392319 ONTARIO INC.**

**(GREEN ISLAND TRADING COMPANY - Tenant)**

Applicant

**FACTUM OF THE APPLICANT,  
GREEN ISLAND TRADING COMPANY  
(returnable September 28<sup>th</sup>, 2016)**

**PART I: Facts**

**Overview**

1. The Applicant, Green Island Trading Company (“**Green Island**”), entered into a lease agreement with 2292319 Ontario, Inc. on July 20<sup>th</sup>, 2016.  
**Affidavit of Cuong Tran, sworn on August 17<sup>th</sup>, 2016, para. 2**  
**Agreement to Lease, dated July 20<sup>th</sup>, 2016.**
2. Green Island has fully complied with all conditions of the lease of which it was aware.
3. Upon being advised that the premises located at 38 Metropolitan Road, in Toronto, Ontario (the “**Premises**”), entered into receivership, through no fault of Green Island, General

Manager, Cuong Tran, commenced communication on behalf of Green Island with Daniel Battiston, a Corporate Estate Administrator for msi Spergel Inc. (the “Receiver”).

**Affidavit of Cuong Tran, sworn on August 17<sup>th</sup>, 2016, para. 12**

4. Cuong Tran negotiated with Daniel Battiston, in good faith, to resolve any of the outstanding issues in relation to the Premises.
5. Rental payments were made directly to msi Spergel, Inc., in trust, as follows:
  - a. May 2<sup>nd</sup>, 2016, \$8,000, cheque no. 78037246;
  - b. May 2<sup>nd</sup>, 2016, \$5,000, cheque no. 78037247;
  - c. May 3<sup>rd</sup>, 2016, \$5,000, cheque no. 77020114;
  - d. May 3<sup>rd</sup>, 2016, \$8,000, cheque no. 77020115;
  - e. July 3<sup>rd</sup>, 2016, \$8,000, cheque no. 76434496;
  - f. July 3<sup>rd</sup>, 2016, \$5,000, cheque no. 76434497;
  - g. July 5<sup>th</sup>, 2016, \$20,000, cheque no. 76434551;
  - h. July 13<sup>th</sup>, 2016, \$19,073.90, cheque no. 76434695;
  - i. July 13<sup>th</sup>, 2016, \$10,000, bank draft.

**Affidavit of Cuong Tran, sworn on August 17<sup>th</sup>, 2016, para. 10**

6. On May 6<sup>th</sup>, 2016, Green Island provided the Receiver with a Certificate of Liability Insurance which clearly designated the Description of Operations as “Medical Marijuana – Grow Operations.”

**Affidavit of Cuong Tran, sworn on August 17<sup>th</sup>, 2016, para. 11**

7. Prior to the Motion filed by the Receiver, Green Island has negotiated in good faith to \$84,000 in hydro arrears. All outstanding hydro arrears have been paid in full.

**Affidavit of Cuong Tran, sworn on August 17<sup>th</sup>, 2016, para. 9**

## **PART II: THE ISSUE**

### **The Position of the Parties**

8. Green Island argue that there are four grounds to set aside the order as follows:
  - a. The Receiver served the motion material by electronic service on July 19<sup>th</sup>, 2016 for a motion to be heard on July 28<sup>th</sup>, 2016. An ex parte Order was signed on July 28<sup>th</sup>, 2016, to terminate the valid existing lease in ten (10) days, and for the tenants to vacate the leased property on ten-days-notice. The extremely short service, and immediate hearing date, failed to provide the Green Island with appropriate notice in light of the extreme prejudice that would flow to the product, namely, the sensitivity of the marijuana crops to a fixed schedule;
  - b. The original Order should not have been granted because the Receiver did not satisfy the test for such an Order, including providing evidence that the Green Island would not suffer prejudice; as Green Island is a Health Canada approved Medicinal Marijuana production site, irreparable consequences will occur if the lease is terminated with such short notice;
  - c. The Receiver failed to make full and fair disclosure on the ex parte motion by failing to advise the court of the recent ongoing discussions and payments made; and
  - d. Green Island was negotiating in good faith days prior to the motion and was under the understanding all rents, hydro and insurance issues were resolved prior to the motion.
  
9. Green Island's position is that all terms of the lease have been complied with, and the Receiver failed to present all the material facts regarding recent payments, access to hydro meters, and valid insurance being secured by the Green Island prior to the ex parte motion.

### **PART III: THE LAW AND ARGUMENT**

#### **Failure To Provide Adequate Notice**

10. On a motion to set aside a default judgment the court considers five major factors, one of which is whether the defendant has an arguable defence on the merits. The five factors are:

- a. whether the motion was brought promptly after the defendant learned of the default judgment;
- b. whether the defendant has a plausible excuse or explanation for the default;
- c. whether the defendant has an arguable defence on the merits;
- d. the potential prejudice to the defendant should the motion be dismissed, and the potential prejudice to the plaintiff should the motion be allowed; and
- e. the effect of any order the court might make on the overall integrity of the administration of justice.

11. Again, these factors are not rigid rules. The court has to decide whether, in the particular circumstances of the case, it is just to relieve a defendant from the consequences of default.

*Mountain View Farms Ltd. v. McQueen*, 2014 ONCA 194 (CanLII), 372 D.L.R. (4th) 526, at paras. 48-50.

#### **Full And Fair Disclosure On The Motion**

12. The moving parties' primary argument is that the plaintiffs failed to make full and fair disclosure on the motion. Rule 39.01(6) states that when a motion is made without notice, the moving party shall make full and fair disclosure of all material facts, and failure to do so is in itself sufficient ground for setting aside any order obtained on the motion.

13. In this regard, the moving parties rely on the decision of Sharpe J., as he then was, in *United States of America v. Friedland*, [1996] O.J. No. 4399 (Gen.Div.), in which he stated as follows:

- a. For that reason, the law imposes an exceptional duty on the party who seeks ex parte relief. That party is not entitled to present only its side of the case in the best possible light, as it would if the other side were present. Rather, it is incumbent on the moving party to make a balanced presentation of the facts in law. The moving party

must state its own case fairly and must inform the Court of any points of fact or law known to it which favour the other side. The duty of full and frank disclosure is required to mitigate the obvious risk of injustice inherent in any situation where a Judge is asked to grant an order without hearing from the other side.

- b. If the party seeking [ex] parte relief fails to abide by this duty to make full and frank disclosure by omitting or misrepresenting material facts, the opposite party is entitled to have the order set aside.
- c. Judges facing ex parte motions rely upon the candour of moving parties to make full and fair disclosure of all material facts. Without such disclosure, judges are placed in a vulnerable position in which they may make orders that are unfair to the opposite party or parties. This was clearly the case in this action.

#### **PART IV: CONCLUSION AND ORDER SOUGHT**

- 14. Green Island has an existing, valid lease agreement, valid and current liability insurance, and has made every attempt to resolve any outstanding arrears or has been negotiating in good faith to do so.
- 15. The Receiver failed to provide adequate notice, and failed to provide full and fair disclosure when it sought and obtained the ex parte Order, signed by Justice Wilton-Siegel on July 28<sup>th</sup>, 2016.
- 16. Counsel for Green Island contacted the counsel for the Receiver immediately, acted diligently, and the issues raised should be decided at a full and frank hearing on their merits. Pursuant to the Order of Justice Newbould, dated August 11<sup>th</sup>, 2016, a timetable was set for the service and filing of materials for this motion, any responses, and the scheduling of this motion date.
- 17. The ex parte Order of Justice Wilton-Siegel, dated July 28<sup>th</sup>, 2016, ought to be set aside, or, in the alternative;

18. The action against Green Island Trading Company ought to be stayed for compliance with a valid lease until July 31<sup>st</sup>, 2019.
19. Green Island is seeking costs for its attendance on August 11<sup>th</sup>, 2016, on the Commercial List Scheduling Court, for the purpose of obtaining a stay of Justice Wilton-Siegel's Order, dated July 28<sup>th</sup>, 2016.
20. Green Island also seeks an Oder for costs of this motion and for any examinations on affidavits conducted.

**DATED** August 19<sup>th</sup>, 2016.

**ALL OF WHICH IS RESEPECTFULLY SUBMITTED**

  
\_\_\_\_\_  
**DARREN S. SEDEROFF &  
ASSOCIATES, P.C.**  
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**Darren S. Sederoff (LSUC# 44030I)**  
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*Counsel for Green Island Trading*



ROYAL BANK OF CANADA

- and -

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- and -

GREEN ISLAND TRADING COMPANY

Respondent

Applicant

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

**FACTUM OF THE APPLICANT,  
GREEN ISLAND TRADING COMPANY  
(returnable September 28<sup>th</sup>, 2016)**

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*Counsel for Green Island Trading*

# TAB 4

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

B E T W E E N :

**ROYAL BANK OF CANADA**

Applicant

- and -

**2392319 ONTARIO INC.**

Respondent

**AFFIDAVIT OF CUONG TRAN**  
**(General Manager of Green Island Trading Company)**

I, **CUONG TRAN**, of the City of Toronto in the Province of Ontario, General Manager, and authorized representative of Green Island Trading Company, the Applicant in this action, MAKE OATH AND SAY:

1. I am the General Manager of Green Island Trading Company ("**Green Island**"), and as such have knowledge of the matters hereinafter deposed to;
2. Green Island, entered into a valid lease with 2292319 Ontario Inc. on July 29<sup>th</sup>, 2016, to lease space at the premises located at 38 Metropolitan Road, in Toronto, Ontario (the "**Premises**"), for a term that commenced on August 1<sup>st</sup>, 2015, and terminates on April 30<sup>th</sup>, 2019. Attached hereto and marked as Exhibit 'A' to this my Affidavit is a copy of the Agreement to Lease, dated July 20<sup>th</sup>, 2016;
3. An Order, dated March 31<sup>st</sup>, 2016, appointed msi Speigel, Inc., (the "**Receiver**") of all of the assets of 2292319 Ontario Inc., which included the Premises.

4. Green Island, is a duly authorized holder of a Health Canada licence permitting the cultivation of Marijuana for Medical Purposes with an expiration date of March 31<sup>st</sup>, 2014. The Plaintiff pleads that the Green Island's licence is expired. This is erroneous. In accordance with a Federal Court injunction (*Allard v. Canada*, [2014] FCJ No. 412), all licences which were valid as of March 21<sup>st</sup>, 2014, will remain valid until the Court rules otherwise;
5. Green Island is in complete compliance with all terms of the lease;
6. The Receiver served Green Island with a 270-page Notice of Motion, electronically, on June 19<sup>th</sup>, 2016, and obtained an ex parte Order from Justice Wilton-Siegel, nine (9) days later, on July 28<sup>th</sup>, 2016;
7. Counsel, on behalf of Green Island, contacted counsel for the Receiver on August 7<sup>th</sup>, 2016, in an attempt to negotiate a resolution of the parties' issues. Attached hereto and marked as Exhibit 'B' to this my Affidavit is a copy of the email correspondence between my counsel, and counsel for the Receiver;
8. The Receiver is alleging trivial and technical non-compliance breaches that are untrue at misleading to the court in their ex parte motion material to attempt to persuade the Court that breaches have occurred;
9. All hydro arrears have been paid in full. Attached hereto and marked as Exhibit 'C' to this my Affidavit are copies of the checks made payable to the Receiver, msi Spiegel, Inc., in Trust, in relation to hydro arrears;
10. All rent payments have been made, and are up to date. Attached hereto and marked as Exhibit 'D' to this my Affidavit are copies of the checks made payable to the Receiver, msi Spiegel, Inc., in Trust, in relation to rent payments;
11. Green Island has a valid liability insurance policy that clearly states that the nature of its business is a Medical Marijuana Grow Operation. The Certificate of Liability insurance was

provided to the Receiver on May 6<sup>th</sup>, 2016. Attached hereto and marked as Exhibit 'E' to this my Affidavit is a copy of the Certificate of Liability Insurance;

12. As early as June 18<sup>th</sup>, 2016, I was actively negotiating in good faith with Mr. Daniel Battison, a Corporate Estate Administrator employed by the Receiver, and up until I received Justice Wilton-Siegel's Order, dated July 28<sup>th</sup>, 2016, I reasonably believed that all of the issues related to Green Island's tenancy were resolved. Attached hereto and marked as Exhibit 'F' to this my Affidavit is a copy of the email correspondence between myself, and Daniel Battiston, Corporate Estate Administrator for the Receiver;

13. This Affidavit is made in good faith, and for no improper purpose, in support of a motion to stay the Order of Justice Wilton-Siegel, dated July 28<sup>th</sup>, 2016.

**SWORN BEFORE ME** at the City of )  
 )  
Toronto in the Province of Ontario )  
 )  
this day of August 2016. )

\_\_\_\_\_  
CUONG TRAN

A Commissioner, etc.

# TAB A

Agreement to Lease Commercial - Long Form

Form 51 for use in the Province of Ontario

This Agreement to Lease dated this 20th day of July 20 15

TENANT (Lessee), GREEN ISLAND TRADING COMPANY (Full legal names of all Tenants)

LANDLORD (Lessor), 2292319 ONTARIO INC (Full legal name of Landlord)

The Tenant hereby offers to lease from the Landlord the premises as described herein on the terms and subject to the conditions as set out in this Agreement.

1. PREMISES: The "Premises" consisting of approximately 22970 square feet more or less on the 2ND floor of the "Building" known municipally as 38 METROPOLITAN in the CITY of TORONTO, Province of Ontario, as shown outlined on the plan attached as Schedule "..."

2. USE: The Premises shall be used only for PRODUCTION MARIJUANA LICENSE

3. TERM OF LEASE:

(a) The Lease shall be for a term of FORTY-EIGHT (48) months commencing on the 1ST day of AUGUST 20 15, and terminating on the 30TH day of APRIL 20 19

(b) Provided the Tenant is not at any time in default of any covenants within the Lease, the Tenant shall be entitled to renew this Lease for additional term(s) of months (each) on written notice to the Landlord given not less than months prior to the expiry of the current term at a rental rate to be negotiated. In the event the Landlord and Tenant can not agree on the fixed minimum rent at least two months prior to expiry of the current lease, the fixed minimum rent for the renewal period shall be determined by arbitration in accordance with the Arbitration Act or any successor or replacement act.

4. RENTAL: Fixed minimum rent: The fixed minimum rent payable by the Tenant for each complete twelve-month period during the lease term shall be:

From 1.AUG.14 to 31.JUL.19 inclusive, \$ 96000 per annum being \$ 8000 per month, based upon \$ 3.7 per sq feet (feet/metres)
From ... to ... inclusive, \$ ... per annum being \$ ... per month, based upon \$ ... per sq (feet/metres)
From ... to ... inclusive, \$ ... per annum being \$ ... per month, based upon \$ ... per sq (feet/metres)
From ... to ... inclusive, \$ ... per annum being \$ ... per month, based upon \$ ... per sq (feet/metres)
From ... to ... inclusive, \$ ... per annum being \$ ... per month, based upon \$ ... per sq (feet/metres)

plus HST, and other tax (other than income tax) imposed on the Landlord or the Tenant with respect to rent payable by the Tenant, payable on: (Check one box only)

[X] the 1ST day of each month commencing

[ ] the ... day of the first month immediately following completion of the Landlord's Work.

The fixed minimum rent shall be adjusted if the actual measurements of the Leased Premises differ from the approximate area. The actual measurement shall be agreed upon and failing agreement, calculated by an Ontario Land Surveyor/Architect using the current Building Owners And Managers Association standard form of measurement and shall be binding on both parties.

INITIALS OF TENANT(S):

[Handwritten initials]

INITIALS OF LANDLORD(S):

[Handwritten initials]



upon acceptance

5. DEPOSIT AND PREPAID RENT: The Tenant delivers..... (Herewith/Upon acceptance/as otherwise described in this Agreement)

by negotiable cheque payable to..... THE LANDLORD 2292319 ONTARIO INC "Deposit Holder"
in the amount of..... Sixteen thousand (HST INCLUDED)

Canadian dollars (Can\$ 16,000.00) to be deposited and held in trust as security for the faithful performance by the Tenant of all terms, covenants and conditions of the Agreement and after the earlier of occupancy by the tenant or execution of the Lease to be applied by the Landlord against the FIRST and LAST month's rent and HST. If the Agreement is not accepted, the deposit is to be returned to the Tenant without interest or deduction. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Tenant is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

6. SERVICES: (Check one box only)

- [X] The Tenant shall pay the cost of hydro, gas, water, heating, air-conditioning and for all other services and utilities as may be provided to the premises. The tenant shall arrange with the local authority for connection of gas, electricity and water in the name of the Tenant.
[] The Landlord shall pay the cost of hydro, gas, water, heating, air-conditioning and for all other services and utilities as may be provided to the premises.

7. ADDITIONAL RENT AND CHARGES:

[] Check this box if Additional Rent as described below to be paid by Tenant

The Tenant shall additionally pay a proportionate share of all costs and expenses incurred by the Landlord in maintaining, operating, cleaning, insuring and repairing the property and, without limiting the generality of the foregoing, such costs and expenses shall include the costs of:

- (i) snow, garbage, and trash removal;
(ii) landscaping and planters;
(iii) heating, ventilating and air-conditioning, and providing hot and cold water and other utilities and services to, and operating the common areas of the property, and maintaining and repairing the machinery and equipment for such utilities and services;
(iv) the realty taxes, assessments, rates, charges and duties levied or assessed against the property (save any tax on the personal income of the Landlord);
(v) insuring the property and such other insurance as the Landlord will effect against public liability, property damage, loss of rental income and other casualties and risks.
(vi) .....

8. SCHEDULES: The Schedules attached hereto shall form an integral part of this Agreement to Lease and consist of: Schedule(s).....

9. IRREVOCABILITY: This offer shall be irrevocable by..... Tenant (Landlord/Tenant) until 11:59 PM a.m./p.m. on the 29th day of July, 2015, after which time if not accepted, this offer shall be null and void and all monies paid thereon shall be returned to the Tenant without interest or deduction.

10. NOTICES: The Landlord hereby appoints the Listing Brokerage as agent for the Landlord for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Tenant's Brokerage) has entered into a representation agreement with the Tenant, the Tenant hereby appoints the Tenant's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Landlord and the Tenant (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Tenant or the Landlord for the purpose of giving and receiving notices. Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: ..... (For delivery of Documents to Landlord) FAX No.: ..... (For delivery of Documents to Tenant)

Email Address: ..... (For delivery of Documents to Landlord) Email Address: ..... (For delivery of Documents to Tenant)

INITIALS OF TENANT(S): [Signature] INITIALS OF LANDLORD(S): [Signature]



5. **DEPOSIT AND PREPAID RENT:** The Tenant delivers upon acceptance 3.  
(Herewith/Upon acceptance/otherwise described in this Agreement)

by negotiable cheque payable to THE LANDLORD 2202319 ONTARIO INC "Deposit Holder"  
in the amount of Sixteen thousand (HST INCLUDED)

Canadian dollars (Can\$ 16,000.00) to be deposited and held in trust as security for the faithful performance by the Tenant of all terms, covenants and conditions of the Agreement and after the earlier of occupancy by the tenant or execution of the Lease to be applied by the Landlord against the FIRST and LAST month's rent and HST. If the Agreement is not accepted, the deposit is to be returned to the Tenant without interest or deduction. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Tenant is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

6. **SERVICES: (Check one box only)**

- The Tenant shall pay the cost of hydro, gas, water, heating, air-conditioning and for all other services and utilities as may be provided to the premises. The tenant shall arrange with the local authority for connection of gas, electricity and water in the name of the Tenant.
- The Landlord shall pay the cost of hydro, gas, water, heating, air-conditioning and for all other services and utilities as may be provided to the premises.

7. **ADDITIONAL RENT AND CHARGES:**

Check this box if Additional Rent as described below to be paid by Tenant

The Tenant shall additionally pay a proportionate share of all costs and expenses incurred by the Landlord in maintaining, operating, cleaning, insuring and repairing the property and, without limiting the generality of the foregoing, such costs and expenses shall include the costs of:  
(i) snow, garbage, and trash removal;  
(ii) landscaping and planters;  
(iii) heating, ventilating and air-conditioning, and providing hot and cold water and other utilities and services to, and operating the common areas of the property, and maintaining and repairing the machinery and equipment for such utilities and services;  
(iv) the realty taxes, assessments, rates, charges and duties levied or assessed against the property (save any tax on the personal income of the Landlord);  
(v) insuring the property and such other insurance as the Landlord will effect against public liability, property damage, loss of rental income and other casualties and risks.  
(vi) .....

8. **SCHEDULES:** The Schedules attached hereto shall form an integral part of this Agreement to Lease and consist of: Schedule(s).....

9. **IRREVOCABILITY:** This offer shall be irrevocable by Tenant until 11:59 PM a.m./p.m. on the 29th day of July, 2015, after which time if not accepted, this offer shall be null and void and all monies paid thereon shall be returned to the Tenant without interest or deduction.  
(Landlord/Tenant)

10. **NOTICES:** The Landlord hereby appoints the Listing Brokerage as agent for the Landlord for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Tenant's Brokerage) has entered into a representation agreement with the Tenant, the Tenant hereby appoints the Tenant's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Landlord and the Tenant (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Tenant or the Landlord for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: ..... (For delivery of Documents to Landlord) FAX No.: ..... (For delivery of Documents to Tenant)

Email Address: ..... (For delivery of Documents to Landlord) Email Address: ..... (For delivery of Documents to Tenant)

INITIALS OF TENANT(S):  INITIALS OF LANDLORD(S): 

**11. LANDLORD'S AND TENANT'S WORK:** The Landlord agrees to complete the work described as the "Landlord's Work" in Schedule "....." attached hereto. The Tenant agrees to complete any additional work necessary to prepare the Premises for the Tenant's use, described as "Tenant's Work" in Schedule "....." attached hereto. The Tenant shall not proceed with any work within or affecting the Premises without the Landlord's prior written approval, which approval shall not be unreasonably withheld.

**12. SIGNAGE:** The Tenant may, at its own expense, erect signage in a good and workmanlike manner, subject to municipal by-laws and government regulations and subject to the Landlord's written approval as to the design, colour, and content of any such signs, which approval shall not be unreasonably withheld, and to be located as follows: .....

**13. INSURANCE:** The Tenant agrees to insure the property and operations of the Tenant, including insurance for fire and such additional perils as are normally insured against, liability insurance and any other insurance as may be reasonably required by the Landlord.

**14. EXECUTION OF LEASE:** The Lease shall be prepared by the Landlord at the Landlord's expense, in accordance with the terms and conditions of this Agreement. The Lease will be signed and executed by both parties hereto prior to the commencement of work on the premises by either party and prior to occupancy by the Tenant.



**15. OCCUPANCY OR RENT TO ABATE:** In the event the premises are not completed by the Landlord for occupancy by the Tenant on the date set out herein for commencement of the Term of the Lease, the rent under this agreement shall abate to the extent of such delay, and the Tenant hereby agrees to accept such abatement of rent in full settlement of all claims which the Tenant might otherwise make because the Premises were not ready for occupancy by the said date.

**16. ASSIGNMENT:** This Agreement to Lease shall not be assignable or otherwise transferable by the Tenant. The Tenant may not sublet or assign or transfer its interest in the Lease contemplated herein without securing the written consent from the Landlord, which consent shall not be unreasonably withheld, provided however, if the consent is granted, the Tenant shall remain liable for all obligations under the Lease. If the Tenant is a corporation, the transfer of the majority of the issued shares in the capital stock, or any transfer, issuance or division of shares of the corporation sufficient to transfer control of the corporation shall be deemed for all purposes to be an assignment within the meaning of this Agreement and any Lease. This provision shall not apply to a corporation whose shares are listed and traded on any recognized public stock exchange in Canada or the United States.

**17. PARKING:** Unless otherwise stipulated, parking, if applicable, shall be in common and unreserved.

**18. AGREEMENT IN WRITING:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between Landlord and Tenant. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.

**19. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the broker is not legal, accounting, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.

INITIALS OF TENANT(S):  INITIALS OF LANDLORD(S): 

**20. BINDING AGREEMENT:** This Agreement and the acceptance thereof shall constitute a binding agreement by the parties to enter into the Lease of the Premises and to abide by the terms and conditions herein contained.

**21. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal.

Witness: \_\_\_\_\_ (Tenant or Authorized Representative) DATE: 2015/07/29 (Seal)

Witness: \_\_\_\_\_ (Tenant or Authorized Representative) DATE: \_\_\_\_\_ (Seal)

Witness: \_\_\_\_\_ (Guarantor) DATE: \_\_\_\_\_ (Seal)

We/I the Landlord hereby accept the above offer, and agree that the commission together with applicable Harmonized Sales Tax (and any other tax as may hereafter be applicable) may be deducted from the deposit and further agree to pay any remaining balance of commission forthwith.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Witness: \_\_\_\_\_ (Landlord or Authorized Representative) DATE: 2015/07/29 (Seal)

Witness: \_\_\_\_\_ (Landlord or Authorized Representative) DATE: 2015/07/29 (Seal)

**CONFIRMATION OF ACCEPTANCE:** Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 8:00 PM this 29 day of July, 2015. FONG SO HOW (Signature of Landlord or Tenant)

**INFORMATION ON BROKERAGE(S)**

Listing Brokerage..... Tel.No.(.....)

(Salesperson / Broker name)

Co-op/Buyer Brokerage..... Tel.No.(.....)

(Salesperson / Broker name)

**ACKNOWLEDGEMENT**

I acknowledge receipt of my signed copy of this accepted Agreement to Lease and I authorize the Brokerage to forward a copy to my lawyer.

FONG SO HOW DATE: 2015/07/29  
(Landlord)

..... DATE.....  
(Landlord)

Address for Service.....  
..... Tel.No.(.....)

Landlord's Lawyer.....  
Address.....

Email.....  
(.....)..... (.....).....  
Tel.No. FAX No.

I acknowledge receipt of my signed copy of this accepted Agreement to Lease and I authorize the Brokerage to forward a copy to my lawyer.

FONG SO HOW DATE: 2015/07/29  
(Tenant)

..... DATE.....  
(Tenant)

Address for Service.....  
..... Tel.No.(.....)

Tenant's Lawyer.....  
Address.....

Email.....  
(.....)..... (.....).....  
Tel.No. FAX No.

**FOR OFFICE USE ONLY** **COMMISSION TRUST AGREEMENT**

To: Co-operating Brokerage shown on the foregoing Agreement to Lease:  
In consideration for the Co-operating Brokerage procuring the foregoing Agreement to Lease, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS Rules and shall be subject to and governed by the MLS Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement to Lease. Acknowledged by:

.....  
(Authorized to bind the Listing Brokerage) (Authorized to bind the Co-operating Brokerage)

# TAB B

**Subject:** Fwd: Green Island Trading Company  
**Date:** Monday, August 15, 2016 at 11:47:30 AM Eastern Daylight Time  
**From:** Darren  
**To:** Jenefer Wilcox

Darren S. Sederoff & Associates PC  
4789 Yonge Street, Suite 805  
Hullmark Corporate Centre  
(416) 366-9303

Begin forwarded message:

**From:** Darren <[dsederoff@rogers.com](mailto:dsederoff@rogers.com)>  
**Date:** August 7, 2016 at 10:44:58 AM EDT  
**To:** [smitra@airdberlis.com](mailto:smitra@airdberlis.com), [jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)  
**Subject:** Green Island Trading Company

Please be advised I have been retained by Green Island Trading Company.

I am aware that a Motion unopposed served on July 16, 2016 by email (270 pages) was heard on July 28, 2016 where the court ordered my client is to vacate the leased property by August 14, 2016.

I am in the process of reviewing the lease, motion and the order. I've been advised my client have complied with any requests from the Landlord and are Not in default of any lease conditions. In fact have recently complied with all requests.

The leased premises are Health Canada approved medical marijuana sites. Moving any licensed production licenses are on hold in light of the Allard (Federal Court decision) and will cause irreparable harm and violate Charter rights etc.

Before I bring an emergency motion to set aside the July 28, 2016 can we discuss this matter on Monday.

Sorry to contact you on the weekend but time is of the essence.

My cellphone is 647 223-3600. Thank you.

Darren S. Sederoff & Associates PC  
4789 Yonge Street, Suite 805  
Hullmark Corporate Centre  
(416) 366-9303

# TAB C







# TAB D

程

10358 (1013)

Customer's Record of Draft Purchased

# The Toronto-Dominion Bank

78037247

7080 WARDEN AVENUE  
MARKHAM, ON L3R 5Y2

DATE  
2016-05-02  
YYYYMMDD

Transit-Serial No. 1882-78037247

Pay to the Order of MSI SPEVDEL INC. \$ \*\*\*\*\*5,000.00

\*\*\*\*\*FIVE THOUSAND\*\*\*\*\*  
Authorized signature required for amounts over CAD \$5,000.00

Re  
The Toronto-Dominion Bank  
Toronto, Ontario  
Canada M5K 1A2

Receipt Only - Non Negotiable

Please retain for presentation in event Original lost

10358 (1013)

Customer's Record of Draft Purchased

77020114

# The Toronto-Dominion Bank

3477 SHEPPARD AVENUE EAST  
SCARBOROUGH, ON M1T 3K6

DATE  
2016-05-03  
YYYYMMDD

Transit-Serial No. 1033-77020114

Pay to the Order of MSI SPERDEL INC., IN TRUST \$ \*\*\*\*\*5,000.00

\*\*\*\*\*FIVE THOUSAND\*\*\*\*\*  
Authorized signature required for amounts over CAD \$5,000.00

Re  
The Toronto-Dominion Bank  
Toronto, Ontario  
Canada M5K 1A2

Receipt Only - Non Negotiable

Please retain for presentation in event Original lost

10358 (1013)

Customer's Record of Draft Purchased

# The Toronto-Dominion Bank

76434497

7080 WARDEN AVENUE  
MARKHAM, ON L3R 5Y2

DATE 2016-07-03  
YYYYMMDD

Transit-Serial No. 1882-76434497

Pay to the Order of MSI SPEGEL INC., IN TRUST

\$ \*\*\*\*\*5,000.00

\*\*\*\*\*FIVE THOUSAND\*\*\*\*\*  
Authorized signature required for amounts over CAD \$5,000.00  
\*\*\*\*\*00/100 Canadian Dollars

Re

The Toronto-Dominion Bank  
Toronto, Ontario  
Canada M5K 1A2

Receipt Only - Non Negotiable

Please retain for presentation in event Original lost

10358 (1013)

Customer's Record of Draft Purchased

# The Toronto-Dominion Bank

78037246

7080 WARDEN AVENUE  
MARKHAM, ON L3R 5Y2

DATE 2016-05-02  
YYYYMMDD

Transit-Serial No. 1882-78037246

Pay to the Order of MSI SPEGEL INC.

\$ \*\*\*\*\*8,000.00

\*\*\*\*\*EIGHT THOUSAND\*\*\*\*\*  
Authorized signature required for amounts over CAD \$5,000.00  
\*\*\*\*\*00/100 Canadian Dollars

Re

The Toronto-Dominion Bank  
Toronto, Ontario  
Canada M5K 1A2

Receipt Only - Non Negotiable

Please retain for presentation in event Original lost

10358 (1013)

Customer's Record of Draft Purchased

77020115

# The Toronto-Dominion Bank

3477 SHEPPARD AVENUE EAST  
SCARBOROUGH, ON M1T 3K6

DATE 2016-05-03  
YYYYMMDD

Transit-Serial No. 1033-77020115

Pay to the MSI SPERGEL INC., IN TRUST \$ \*\*\*\*\*8,000.00  
Order of \_\_\_\_\_

\*\*\*EIGHT THOUSAND\*\*\*\*\*00/100 Canadian Dollars

Authorized signature required for amounts over CAD \$5,000.00

Re \_\_\_\_\_  
The Toronto-Dominion Bank  
Toronto, Ontario  
Canada MSK 1A2

Receipt Only - Non Negotiable

Please retain for presentation in event Original lost

10358 (1013)

Customer's Record of Draft Purchased

76434496

# The Toronto-Dominion Bank

7080 WARDEN AVENUE  
MARKHAM, ON L3R 5Y2

DATE 2016-07-03  
YYYYMMDD

Transit-Serial No. 1882-76434496

Pay to the MSI SPERGEL INC., IN TRUST \$ \*\*\*\*\*8,000.00  
Order of \_\_\_\_\_

\*\*\*EIGHT THOUSAND\*\*\*\*\*00/100 Canadian Dollars  
Authorized signature required for amounts over CAD \$5,000.00

Re \_\_\_\_\_

The Toronto-Dominion Bank  
Toronto, Ontario  
Canada MSK 1A2

Receipt Only - Non Negotiable

Please retain for presentation in event Original lost

10358 (1013)

Customer's Record of Draft Purchased

76434695

# The Toronto-Dominion Bank

DATE 2016-07-13  
YYYYMMDD

7080 WARDEN AVENUE  
MARKHAM, ON L3R 5Y2

Transit-Serial No. 1882-76434695

Pay to the Order of MSI SPERCEL INC., IN TRUST

\$ \*\*\*\*\*19,073.90

\*\*\*NINETEEN THOUSAND SEVENTY THREE\*\*\*\*\*90/100 Canadian Dollars  
Authorized signature required for amounts over CAD \$5,000.00

Re The Toronto-Dominion Bank  
Toronto, Ontario  
Canada M5K 1A2

Receipt Only - Non Negotiable

Please retain for presentation in event Original lost

10358 (1013)

Customer's Record of Draft Purchased

76434551

# The Toronto-Dominion Bank

DATE 2016-07-05  
YYYYMMDD

7080 WARDEN AVENUE  
MARKHAM, ON L3R 5Y2

Transit-Serial No. 1882-76434551

Pay to the Order of MSI SPERCEL INC IN TRUST

\$ \*\*\*\*\*20,000.00

\*\*\*TWENTY THOUSAND\*\*\*\*\*  
Authorized signature required for amounts over CAD \$5,000.00

Re The Toronto-Dominion Bank  
Toronto, Ontario  
Canada M5K 1A2

Receipt Only - Non Negotiable

Please retain for presentation in event Original lost

884073



信託

2207400 172 BIL-200702

Transit	Branch / Centre bancaire	Account No. / N° de compte
04612	453 DUNDAS AT SPADINA BANKING CTR TORONTO, ONT	04612/283536
FOR THE PURCHASE OF A BANK DRAFT		
INCLUDING HANDLING CHARGES OF		
PAID TO -		
		10,000.00
		7.50
NSI SPERGL INC., IN TRUST*****		

**Total \$** \*\*\*\*\*10,007.50

DATE 2016-07-13  
MM DD



**Debit Advice / Avis de débit**

- LEE, MS SAU FONG F
- 19 EDENRROCK CRES
- RICHMOND HILL
- L4B 4R5

ON

Pro Manager / Pour le directeur  
Le logo CIBC est une marque déposée de la Banque CIBC.

*Lee Sau Fong*  
*Lee*

# TAB E



# CERTIFICATE OF LIABILITY INSURANCE

This certificate is issued as a matter of information only and confers no rights upon the certificate holder and imposes no liability on the insurer. This certificate does not amend, extend or alter the coverage afforded by the policies below.

**1. CERTIFICATE HOLDER - NAME AND MAILING ADDRESS**

MSI Spergel Inc.  
  
505 Consumers Road  
Suite 200  
Toronto, ON M2J 4V8

**2. INSURED'S FULL NAME AND MAILING ADDRESS**

GREEN ISLAND TRADING COMPANY  
250 ALTON TOWERS CIRCLE  
P.O. BOX 17517  
SCARBOROUGH, ON M1S 5M5

**3. DESCRIPTION OF OPERATIONS/LOCATIONS/AUTOMOBILES/SPECIAL ITEMS TO WHICH THIS CERTIFICATE APPLIES** (but only with respect to the operations of the Named Insured)

MEDICAL MARIJUANA - GROW OPERATIONS  
LOCATION ADDRESS: 38 METROPOLITAN ROAD, 2/F, TORONTO, ON M1V 5M5  
Name Insured: Green Island Trading Company o/b Zhen Hai Hou & Ri Xin He & Shao Shan Chen & Mee Theng  
Chong & Lei Ding

Add Certificate Holder as Additional Insured and Loss Payee

**4. COVERAGES**

This is to certify that the policies of insurance listed below have been issued to the insured named above for the policies period indicated notwithstanding any requirement, terms or conditions of any contract or other document with respect to which this certificate may be issued or may pertain. The insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

TYPE OF INSURANCE	INSURANCE COMPANY AND POLICY NUMBER	EFFECTIVE DATE YYYY/MM/DD	EXPIRY DATE YYYY/MM/DD	LIMITS OF LIABILITY (Canadian dollars unless indicated otherwise)		
				COVERAGE	DED.	AMOUNT OF INSURANCE
<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> Claims Made OR <input checked="" type="checkbox"/> Occurrence <input type="checkbox"/> Products and/or completed operations <input type="checkbox"/> Employer's Liability <input checked="" type="checkbox"/> Cross Liability  <input checked="" type="checkbox"/> Tenants Legal Liability <input type="checkbox"/> Pollution Liability Extension  <input type="checkbox"/> Non-Owned Automobiles <input type="checkbox"/> Hired Automobiles	BURNS & WILCOX      CPR0120572-00	2016/ 4/28	2017/ 4/28	Commercial General Liability Bodily Injury and Property Damage Liability - General Aggregate	10,000	3,000,000
				- Each Occurrence		3,000,000
				Products and Completed Operations Aggregate		
				<input type="checkbox"/> Personal Injury Liability		3,000,000
				<input checked="" type="checkbox"/> Personal and Advertising Injury Liability		
				Medical Payments		5,000
				Tenants Legal Liability		250,000
				Pollution Liability Extension		
				Non-Owned Automobile		
				<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> Described Automobiles <input type="checkbox"/> All Owned Automobiles <input type="checkbox"/> Leased Automobiles ** <input type="checkbox"/> <input type="checkbox"/> ** All Automobiles leased in excess of 30 days where the insured is required to provide insurance		
				Bodily Injury (Per Person)		
				Bodily Injury (Per Accident)		
				Property Damage		
<b>EXCESS LIABILITY</b> <input type="checkbox"/> Umbrella Form <input type="checkbox"/>				Each Occurrence		
				Aggregate		
<b>OTHER LIABILITY (SPECIFY)</b> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						

**5. CANCELLATION**

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 15 days written notice to the certificate holder named above, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

**6. BROKERAGE/AGENCY FULL NAME AND MAILING ADDRESS**

ThinkInsure Ltd.  
11 Allstate Parkway Suite 206  
Markham, Ontario L3R 9T8

BROKER CLIENT ID: GRE106

**7. ADDITIONAL INSURED NAME AND MAILING ADDRESS** (but only with respect to the operations of the Named Insured)

MSI Spergel Inc.  
  
505 Consumers Road  
Suite 200  
Toronto, ON M2J 4V8

**8. CERTIFICATE AUTHORIZATION**

Issuer ThinkInsure Ltd.

Authorized Representative *Elton Cui*

Signature of Authorized Representative  *Elton Cui*

Contact Number(s)

Type No Type No  
Type Phone No (905) 415-8800 Type Fax No (905) 415-8875

Certificate Date

2016 | 5 | 24

E-Mail Address

ELTON@THINKINSURE.CA



Item 6. Summary of Coverages and Limits of Liability

Section	Form Title	Form Number	Coverage	Limit of Liability		Deductible	Co-Insurance
All Sections	Schedule of Forms and Endorsements	00ML0012 56 01 09					
	Statutory Conditions all Provinces Except Quebec	00CPR0004 56 10 10					
General Liability	Canada Programs Commercial General Liability Coverage Form	00 CPR0066 56 05 11	Coverage A - "Bodily Injury" and "Property Damage" Liability	\$3,000,000	Each Occurrence	\$10,000	
			Coverage B - "Personal and Advertising Injury" Liability Sustained	\$3,000,000	by any one person or organization	Nil	
			Coverage C - Medical Payments	\$5,000	Bodily Injury sustained by any one person	Nil	
			Coverage D - Tenants Legal Liability	\$250,000	Property Damage to any one premises	\$10,000	
			General Aggregate (other than Products-Completed Operations	\$5,000,000			
			Products Completed Operations Aggregate	Not Covered			
	Tobacco Products & Health Hazard Exclusion	TBD		Included			
	Cannabis Hazard Exclusion	TBD		Included			
	Employee Benefits	00CPR0015561010		\$1,000,000	Each Employee	\$5,000	
				\$2,000,000	Aggregate		
	Employers Liability	00CPR0014561010		\$2,000,000	Each Accident	Nil	
				\$2,000,000	Aggregate		
	SPF. No. 6 - Non-Owned Auto	00CA0124 56 10 12	SPF. No. 6 - Non-Owned Auto	\$3,000,000			
SEF 94 - Legal Liability for Damage to Hired Automobiles	00CA0117 56 08 10	SEF 94 - Legal Liability for Damage to Hired Automobiles	\$50,000		\$1,000		
SEF 96 - Contractual Liability	00CA0119 56 08 10	SEF 96 - Contractual Liability	Included				
SEF 99 - Excluding Long Term Leased Vehicles	00CA0118 56 08 10	SEF 99 - Excluding Long Term Leased Vehicles	Included				
Products- Completed Operations Hazard - Exclusion Endorsment	00CGL0301 56 12 08	Products- Completed Operations Hazard - Exclusion Endorsment					

IN CONSIDERATION OF THE PAYMENT OF PREMIUM AND IN RELIANCE UPON STATEMENTS MADE IN THE APPLICATION, THIS POLICY INCLUDING ALL ENDORSEMENTS ISSUED HEREIN, SHALL CONSTITUTE THE CONTRACT BETWEEN THE COMPANY AND THE NAMED INSURED.



Patrick K. Nails  
Secretary



Hugh Sturgess  
CEO & President

Date: 18-Jul-16

# TAB F

From: Jenefer Wilcox <jeneferwilcox@gmail.com>  
Subject: FW: Notice of Outstanding Utility Charges and Demand for Payment  
Date: August 8, 2016 at 11:12 AM  
To: Darren S. Sederoff & Associates, P.C. <sederoff.pc@gmail.com>



Please print

**From:** Darren <dsederoff@rogers.com>  
**Date:** Monday, August 8, 2016 at 8:36 AM  
**To:** Jenefer Wilcox <jeneferwilcox@gmail.com>  
**Subject:** Fwd: Notice of Outstanding Utility Charges and Demand for Payment

Darren S. Sederoff & Associates PC  
4789 Yonge Street, Suite 805  
Hullmark Corporate Centre  
(416) 366-9303

Begin forwarded message:

**From:** Cuong Tran <ctran822@gmail.com>  
**Date:** August 6, 2016 at 5:00:24 PM EDT  
**To:** [dsederoff@rogers.com](mailto:dsederoff@rogers.com)  
**Subject:** Fwd: Notice of Outstanding Utility Charges and Demand for Payment

On Tue, Jul 12, 2016 at 7:03 PM, Daniel Battiston <[dbattiston@spergel.ca](mailto:dbattiston@spergel.ca)> wrote:

1 pm is fine

Daniel Battiston, CPA, CA  
Corporate Estate Administrator

On Tue, Jul 12, 2016 at 6:52 PM -0400, "Cuong Tran" <[ctran822@gmail.com](mailto:ctran822@gmail.com)> wrote:

sorry is it possible at 1 pm ?

On Tue, Jul 12, 2016 at 6:13 PM, Cuong Tran <[ctran822@gmail.com](mailto:ctran822@gmail.com)> wrote:

thank you ,i'll be there before 12 noon

On Tue, Jul 12, 2016 at 5:46 PM, Daniel Battiston <[dbattiston@spergel.ca](mailto:dbattiston@spergel.ca)> wrote:


Mr. Tran,

I will be available at 11 am tomorrow if you would like to see me at my office.

**Daniel Battiston, CPA, CA | Corporate Estate Administrator**

 **msi Spergel inc., Licensed Insolvency Trustee**  
505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8  
T [647-288-7625](tel:647-288-7625) | F [416-494-7199](tel:416-494-7199)

**SPERGEL** [dbattiston@spergel.ca](mailto:dbattiston@spergel.ca) | [www.spergel.ca](http://www.spergel.ca)

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**From:** Cuong Tran [<mailto:ctran822@gmail.com>]

**Sent:** July 12, 2016 05:17 PM

**To:** Daniel Battiston

**Subject:** Re: Notice of Outstanding Utility Charges and Demand for Payment

Daniel

do you have time to see me tomorrow in your office,i want give you the cheque of the Hydro, Also I want to discuss with you regarding the letter that I received from your lawyer's office

Cuong Tran

On Wed, Jul 6, 2016 at 8:27 PM, Daniel Battiston <[dbattiston@spergel.ca](mailto:dbattiston@spergel.ca)> wrote:

Mr. Tran,

I will not be in the office tomorrow or Friday but you can drop off the cheque with reception and they will make sure it is deposited correctly.

Best regards,

**Daniel Battiston, CPA, CA | Corporate Estate Administrator**

 **msi Spergel inc., Licensed Insolvency Trustee**  
505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8  
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**From:** Cuong Tran [<mailto:ctran822@gmail.com>]  
**Sent:** July 6, 2016 06:46 PM

**To:** Daniel Battiston  
**Subject:** Re: Notice of Outstanding Utility Charges and Demand for Payment

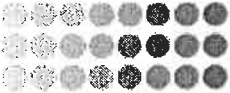
Hi Daniel, can i meet you in your office tomorrow at 12 noon

On Wed, Jul 6, 2016 at 12:22 PM, Daniel Battiston  
<[dbattiston@spergel.ca](mailto:dbattiston@spergel.ca)> wrote:

Please deliver the bank draft to my office today.  
With respect to the gas, hold off on paying the bill as I will need to contact them to have the accounts transitioned to us.  
Please bring me a copy of the gas bill if you have it.

Thanks

**Daniel Battiston, CPA, CA** | Corporate Estate Administrator

 **msi Spergel inc., Licensed Insolvency Trustee**  
505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8  
T [647-288-7625](tel:647-288-7625) | F [416-494-7199](tel:416-494-7199)

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**From:** Cuong Tran [<mailto:ctran822@gmail.com>]  
**Sent:** July 6, 2016 12:21 PM

**To:** Daniel Battiston  
**Subject:** Re: Notice of Outstanding Utility Charges and Demand for Payment

h

Hi Daniel we have a bank draft to pay the hydro,can I bring it to you today.also how about the gas.do we nav thru your office .because the

Enbridge gaz company ask us to pay the bill,we did pay the previous months , please advise me what I should do .thank you

On Wed, Jun 29, 2016 at 9:30 PM, Daniel Battiston  
<[dbattiston@spergel.ca](mailto:dbattiston@spergel.ca)> wrote:  
Ok see you then

Daniel Battiston, CPA, CA  
Corporate Estate Administrator

On Wed, Jun 29, 2016 at 8:45 PM -0400, "Cuong Tran"  
<[ctran822@gmail.com](mailto:ctran822@gmail.com)> wrote:

Hi Daniel ,can I come in Monday July 4th at 2pm to meet you in your office

On Mon, Jun 20, 2016 at 5:35 PM, Daniel Battiston  
<[dbattiston@spergel.ca](mailto:dbattiston@spergel.ca)> wrote:  
Mr. Tran,

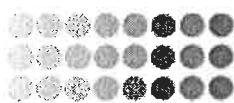
To confirm, please attend my office on Wednesday, June 22, 2016 at 2 PM to discuss the demand for payment of outstanding hydro usage previously issued by the receiver.

In preparation for the meeting, I would like you to supply me with a current reading of the two hydro sub-meters located within your premises.

In addition, I ask that you supply me with information with respect to historical readings so that we can attempt to reconcile Green Island's hydro usage for the periods indicated in the demand notice.

Best regards,

Daniel Battiston, CPA, CA | Corporate Estate Administrator



msi Spergel inc., Licensed Insolvency Trustee

505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8

T [647-288-7625](tel:647-288-7625) | F [416-494-7199](tel:416-494-7199)

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**From:** Daniel Battiston

**Sent:** June 20, 2016 09:20 AM

**To:** 'Cuong Tran'

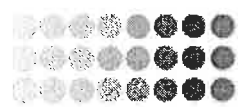
**Subject:** RE: Notice of Outstanding Utility Charges and Demand for Payment

Mr. Tran,


I do not expect to be in the office on June 21. You can come by my office on Wednesday, June 22<sup>nd</sup> at 2 PM to discuss the outstanding hydro billings.

Thank you

Daniel Battiston, CPA, CA | Corporate Estate Administrator

 **msi Spergel inc., Licensed Insolvency Trustee**  
505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8  
T 647-288-7625 | F 416-494-7199

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**From:** Cuong Tran [<mailto:ctran822@gmail.com>]

**Sent:** June 18, 2016 05:17 PM

**To:** Daniel Battiston

**Subject:** Re: Notice of Outstanding Utility Charges and Demand for Payment

Hi Daniel, can i come and meet you on june 21st 2016 about noon time ,i want to show you all the hydro bill paid receipt that i did pay during my lease period ,i am very cooperated to let you access into my unit,but unfortunetly you said you can not get into there,i am sure idid tell my worker to be there waiting for you coming.anyway if possible confirm the appointment day ,icome n meet you in your office.

On Thu, Jun 16, 2016 at 2:45 PM, Daniel Battiston

<[dbattiston@spergel.ca](mailto:dbattiston@spergel.ca)> wrote:

Please refer to the attached notice and accompanying hydro bills in connection with your occupancy at 38 Metropolitan Road.

Please confirm receipt of this email.

Best regards,

Daniel Battiston, CPA, CA | Corporate Estate Administrator

 **msi Spergel inc., Licensed Insolvency Trustee**  
505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8  
T 647-288-7625 | F 416-494-7199

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ROYAL BANK OF CANADA

- and -

2392319 ONTARIO INC.

- and -

GREEN ISLAND TRADING COMPANY

Respondent

Applicant

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

**AFFIDAVIT OF CUONG TRAN**

**DARREN S. SEDEROFF &  
ASSOCIATES, P.C.**  
4789 Yonge Street  
Suite 805  
Toronto, ON M2N 0G3

**Darren S. Sederoff (LSUC# 440301)**  
Tel: (416) 366-9303  
Fax: (416) 364-2308  
Email: dsederoff@rogers.com

*Counsel for Green Island Trading*



ROYAL BANK OF CANADA

- and -

2392319 ONTARIO INC.

- and -

GREEN ISLAND TRADING COMPANY

Respondent

Applicant

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

**MOTION RECORD**

**DARREN S. SEDEROFF &**  
**ASSOCIATES, P.C.**  
4789 Yonge Street  
Suite 805  
Toronto, ON M2N 0G3

**Darren S. Sederoff (LSUC# 440301)**  
Tel: (416) 366-9303  
Fax: (416) 364-2308  
Email: dsederoff@rogers.com

*Counsel for Green Island Trading*