

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYNAT INC.

Applicant

-and-

2796996 ONTARIO INC.

Respondent

***APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED***

MOTION RECORD

July 21, 2022

LIPMAN, ZENER & WAXMAN PC
Barristers and Solicitors
100 Sheppard Street East, Suite 850
Toronto, Ontario M2N 6N5

Ian Klaiman
Law Society No. 58955G
Tel: (416) 789-0652
Fax: (416) 789-9015
Emails: iklaiman@lzwlaw.com

**Lawyers for the Applicant,
Roynat Inc.**

TO: THIS HONOURABLE COURT

AND TO: Service List (attached)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED***

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**ONTARIO
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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***

SERVICE LIST
(as at June 23, 2022)

TO: THIS HONOURABLE COURT

AND TO: 2796996 Ontario Inc.
88 Main Street
Grimsby, Ontario L3M 1R6
Attention: Amjid Hussain Chaudhry, President

Emails: amjidchaudhry@yahoo.com & Insaaf.khawar@gmail.com

AND TO: Amjid Hussain Chaudhry
1240 Sheffield Road
Sheffield, Ontario L0R 1Z0

Email: amjidchaudhry@yahoo.com

AND TO: msi Spergel Inc.
505 Consumers Road, Suite 200
Toronto, Ontario M2J 4V8

Mukul Manchanda
Tel.: 416-498-4314
Email: mmanchanda@spergel.ca

AND TO: Town of Grimsby
160 Livingston Avenue
Grimsby, Ontario L3M 0J5
Email: info@grimsby.ca

AND TO: FOGLER RUBINOFF LLP
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, Ontario M5K 1G8

Tim Duncan
Tel.: 416-941-8817
Email: tduncan@foglers.com

Lawyers for Macewen Petroleum Inc.

AND TO: Elle Mortgage Corporation
1240 Sheffield Road
Sheffield, Ontario L0R 1Z0

**AND TO: Department of Justice,
Ontario Regional Office**
120 Adelaide Street West, Suite 400
Toronto, Ontario M5H 1T1

Diane Winters
Tel.: 416-973-3172
Email: diane.winters@justice.gc.ca

**AND TO: Minister of Finance
Legal Services Branch**
777 Bay Street, 11th Floor
Toronto, Ontario M5G 2C8

Leslie Crawford
Tel.: 905-433-5657

Email: leslie.crawford@ontario.ca

Insolvency Unit

Email: insolvency.unit@ontario.ca

TAB 1

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

B E T W E E N:

ROYNAT INC.

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-and-

2796996 ONTARIO INC.

Respondent

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COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED***

NOTICE OF MOTION

Roynat Inc. (“**Roynat**”) will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on July 25, 2022 at 9:30 a.m., or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING:

- ☐ In writing under subrule 37.12.1(1) because it is *(insert one of on consent, unopposed or made without notice)*;
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the Zoom details to be provided.

THE MOTION IS FOR:

1. An Order, substantially in the form attached hereto as Tab 7 of the Motion Record, for the following relief:

- (a) If necessary, an Order abridging the time for service and validating service of this Notice of Motion and Motion Record in the manner effected by the Applicant so that this Motion is properly returnable today and dispensing with service thereof on any party other than the parties served;
- (b) an Order pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (the “**CJA**”), appointing msi Spergel Inc. (“**Spergel**”) as Interim Receiver over all the property, assets, and undertakings of the Respondent 2796996 Ontario Inc. (the “**Borrower**”); and
- (c) such further and other relief as to this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

- 1. The Applicant Roynat is a subsidiary of Scotiabank, which provides financing and credit facilities principally to small and medium size business enterprises.
- 2. The Borrower is an Ontario corporation. The Borrower is the registered owner of the property municipally known as 88 Main Street West, Grimsby, Ontario (the “**Property**”).
- 3. The Borrower owns and operated an Esso gas-bar and convenience store on the Property. There is a Pizza Hut tenanted on the Property.

The Loan

4. Pursuant to an Offer to Finance dated April 28, 2021, (the “**Offer to Finance**”), Roynat advanced a loan to the Borrower in the principal sum of \$4,025,000.00 plus interest accruing at the rate of Canadian Variable Rate plus 3.2% per annum (the “**Loan**”).

Other Security

5. The Borrower’s indebtedness to Roynat pursuant to the Offer to Finance is also secured by, among other things, the following:

- (a) A Demand Debenture granted by the Borrower in favour of Roynat dated September 10, 2021 (the “**Debenture**”);
- (b) A Mortgage/Charge granted by the Borrower in favour of Roynat in the principal sum of \$5,000,000.00 registered against the Property on October 6, 2021 as Instrument No. NR591915 (the “**Mortgage**”); and
- (c) A Notice of Assignment of Rents granted by the Borrower in favour of Roynat registered against the Property on October 6, 2021 as Instrument No. NR591916.

6. Among other rights and remedies, the Debenture and the Mortgage provide for the appointment of a receiver or receiver and manager, in the event of default of the Borrower’s obligations.

Default and Demands

7. The Borrower is in default of its obligations to Roynat.

8. As such, on June 1, 2022, Roynat, through its counsel, made demand upon the Borrower pursuant to its obligations. Roynat declared the entire amount of the indebtedness of Borrower to be immediately due and payable, and enclosed Notice of Intention to Enforce Security against the Borrower pursuant to section 244(1) of the BIA.

9. As of June 1, 2022, the Borrower was indebted to Roynat, pursuant to the Loan in the sum of \$4,024,499.61, inclusive of principal and interest, but exclusive of costs and interest continuing to accrue, which indebtedness remains outstanding.

The Receivership Application

10. By Notice of Application issued June 23, 2022, Roynat applied to appoint Spergel as Receiver of the Borrower pursuant to s. 243(1) of the BIA and s. 101 of the CJA.

11. On or about June 29, 2022, the Borrower was served with the Application Record, but to date, has not responded.

The Borrower's Abandonment of the Business

12. On or about July 15, 2022, Roynat discovered that the Borrower had abandoned the gas station and convenience store and was no longer operating same.

13. Roynat also discovered that the Borrower was in arrears of payments under its insurance policy, which Roynat paid on or about July 18, 2022.

An Interim Receiver is Necessary

14. Given that the Borrower has abandoned its business and ceased operating, the appointment of an Interim Receiver, pending disposition of the Receivership Application, is necessary for the protection of the Borrower's estate, and the interests of Roynat, and the Borrower's other stakeholders.

15. If interim conservatory measures are not implemented immediately, the Borrower's value, and Roynat's security, will be placed in jeopardy.

16. The Interim Receivership sought will, on a temporary basis, stabilize and preserve the Borrower's property and business, and reduce the risk of environmental contamination, as a result of the Borrower's abandonment.

Other Grounds

17. As contained in the Affidavits of Cian McDonnell sworn June 20, 2022, and July 20, 2022, and the exhibits annexed thereto.

18. The Applicant relies on section 47(1) of the BIA, sections 63, 64 and 65 of the *Personal Property Security Act*, sections 96, 97, 100 and 101 of the CJA and Rules 1, 3, 16, 38, 39, 40, 41 and 44 of the *Rules of Civil Procedure*.

19. Such further and other grounds as the lawyers may advise.

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

1. The Affidavits of Cian McDonnell sworn June 20, 2022 and July 20, 2022, and exhibits annexed thereto.
2. The Affidavit of Tiegan Kilbride sworn June 27, 2022, and exhibits annexed thereto.
3. The Consent of Spergel to act as Interim Receiver.
4. The Notice of Application issued June 29, 2022.
5. Such further and other material as counsel may produce and this Honourable court may accept

July 20, 2022

LIPMAN, ZENER & WAXMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

IAN KLAIMAN [LSO No. 58955G]

Tel: 416-789-0652
Fax: 416-789-9015
Email: iklaiman@lzwlaw.com

Lawyers for the Applicant, Roynat Inc.

TO: THE SERVICE LIST (attached)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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Applicant

-and-

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R.S.O. 1990, c. C.43, AS AMENDED***

SERVICE LIST
(as at June 23, 2022)

TO: THIS HONOURABLE COURT

AND TO: 2796996 Ontario Inc.
88 Main Street
Grimsby, Ontario L3M 1R6
Attention: Amjid Hussain Chaudhry, President

Emails: amjidchaudhry@yahoo.com & Insaaf.khawar@gmail.com

AND TO: Amjid Hussain Chaudhry
1240 Sheffield Road
Sheffield, Ontario L0R 1Z0

Email: amjidchaudhry@yahoo.com

AND TO: msi Spergel Inc.
505 Consumers Road, Suite 200
Toronto, Ontario M2J 4V8

Mukul Manchanda
Tel.: 416-498-4314
Email: mmanchanda@spergel.ca

AND TO: Town of Grimsby
160 Livingston Avenue
Grimsby, Ontario L3M 0J5
Email: info@grimsby.ca

AND TO: FOGLER RUBINOFF LLP
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, Ontario M5K 1G8

Tim Duncan
Tel.: 416-941-8817
Email: tduncan@foglers.com

Lawyers for Macewen Petroleum Inc.

AND TO: Elle Mortgage Corporation
1240 Sheffield Road
Sheffield, Ontario L0R 1Z0

**AND TO: Department of Justice,
Ontario Regional Office**
120 Adelaide Street West, Suite 400
Toronto, Ontario M5H 1T1

Diane Winters
Tel.: 416-973-3172
Email: diane.winters@justice.gc.ca

**AND TO: Minister of Finance
Legal Services Branch**
777 Bay Street, 11th Floor
Toronto, Ontario M5G 2C8

Leslie Crawford
Tel.: 905-433-5657

Email: leslie.crawford@ontario.ca

Insolvency Unit

Email: insolvency.unit@ontario.ca

ROYNAT INC.
Applicant

-and-

2796996 ONTARIO INC.
Respondent

Court File No.: CV-22-00683167-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

LIPMAN, ZENER & WAXMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

IAN KLAIMAN [LSO No. 58955G]

Tel: 416-789-0652
Fax: 416-789-9015
Email: iklaiman@lzwlaw.com

Lawyers for the Applicant, Roynat Inc.

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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Applicant

-and-

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R.S.O. 1990, c. C.43, AS AMENDED***

AFFIDAVIT OF CIAN MCDONNELL

**I, CIAN MCDONNELL, of the City of Pickering, in the Province of Ontario, MAKE
OATH AND SAY AS FOLLOWS:**

1. I am a Senior Manager with the Investment Enhancement Group with Roynat Inc. (sometimes referred to as “**Roynat**”). As such, I have knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge, I have indicated my source of information and do verily believe such information to be true. Where correspondence is adopted as an exhibit, I do verily believe it was sent and received on the date(s) indicated.
2. This Affidavit is sworn further to my affidavit sworn June 20, 2022, and in support of this motion by Roynat for the appointment of msi Spergel Inc. (“**Spergel**”) as Interim Receiver

pursuant to s. 47(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) of the properties, assets, and undertakings of 2796996 Ontario Inc. (the “**Borrower**”).

The Receivership Application

3. By Notice of Application issued June 23, 2022, Roynat applied to appoint Spergel as Receiver of the Borrower pursuant to s. 243(1) of the BIA and s. 101 of the *Courts of Justice Act*.

4. As set out in the Affidavit of Service of Tiegan Kilbride, a copy of which is attached hereto as **Exhibit “A”**, on June 29, 2022, the Borrower was served with the Application Record of the Roynat Inc. by sending a copy by email to Amjid Hussain Chaudhry at amjidchaudhry@yahoo.com and Insaaf.khawar@gmail.com, President of the Borrower.

5. To date, the Borrower has not responded at all to the Application.

The Borrower’s Abandonment of the Business

6. By email dated July 15, 2022, a copy of which is attached hereto as **Exhibit “B”**, Noel Smith, who I understand is an account executive with Forstar Insurance Brokers Inc., wrote the following to Roynat regarding the Borrower:

This is a client of mine and he advises that he is no longer operating the gas station and to contact you about the late payments.

Attached is a notice from Travelers that they missed the June payment and now July is due.

The last payment due on this policy is August 14 2022 for this term.

The June, July and August payments are the only payments left in this policy term in the amount of \$1127.06 each + \$50.00 NSF fee for the missed June payment.

The prior payments were made.

Please advise how we can resolve this situation.

We need to address it asap.

7. In the afternoon of July 15, 2022, after Roynat received this email, I called Ms. Smith, who again confirmed to me that the Borrower was not operating the gas station, and was in arrears of its insurance payment.

8. On July 15, 2022, after speaking with Ms. Smith, I also called the Pizza restaurant tenanted on the Borrower's property, 88 Main Street West, Grimsby, Ontario, and a representative, whose name I cannot recall, advised me that, while the Pizza restaurant continues to operate, the gas station and convenience store had been abandoned.


9. On July 18, 2022, Roynat paid for the Borrower's insurance policy for June and July, 2022, as set out in the email and receipt from Ms. Smith dated July 18, 2022, a copy of which is attached as **Exhibit "C"**.

10. This Affidavit is sworn in support of the Roynat's motion to appoint Spergel as Interim Receiver pursuant to s. 47(1) of the BIA, and for no other or improper purpose.

SWORN before me by video conference)
from the City of Pickering in the Regional)
Municipality of Durham, to the City of)
Toronto in the Municipality of)
Metropolitan Toronto on this 20th day of)
July, 2022 in accordance with O. Reg.)
431/20, Administering Oath or)
Declaration Remotely)
)
)
)
)
)



CIAN MCDONNELL



A Commissioner for Taking Affidavits

*Virtually commissioned by I. Klaiman, LSO #58955G,
as per LSO corporate statement re COVID-19

This is **Exhibit “A”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of July, 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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- and -

2796996 ONTARIO INC.

Respondent

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OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED***

AFFIDAVIT OF SERVICE

I, **TIEGAN KILBRIDE**, of the City of Vaughan, in the Province of Ontario, MAKE OATH
AND SAY AS FOLLOWS:

1. I am a legal assistant at the firm of Lipman, Zener and Waxman PC.
2. On June 29, 2022, I served the Respondent, 2796996 Ontario Inc. with the Application Record of the Applicant, Roynat Inc., by sending a copy by email to Amjid Hussain Chaudhry at amjidchaudhry@yahoo.com and Insaaf.khawar@gmail.com, President of 2796996 Ontario Inc.
3. On June 29, 2022, I served msi Spergel Inc., Department of Justice, and the Ministry of Finance with the Application Record of the Applicant, Roynat Inc., by

sending a copy by email to mmanchanda@spergel.ca, diane.winters@justice.gc.ca, and Leslie.crawford@ontario.ca, respectively.

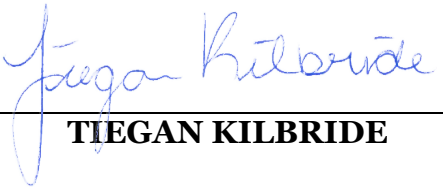
4. On June 29, 2022, I served the Town of Grimsby, Macewen Petroleum Inc., and Elle Mortgage Corporation with the Application Record of the Applicant, Roynat Inc., by sending a copy via regular mail.
5. A copy of the service email is attached hereto as Schedule "A".

SWORN before me by video)
conference from the City of Vaughan)
in the Regional Municipality of York,)
to the City of Toronto in the)
Municipality of Metropolitan Toronto)
on this 29th day of June, 2022 in)
accordance with O. Reg. 431/20,)
Administering Oath or Declaration)
Remotely)
)
)
)



A Commissioner for Taking Affidavits

*Virtually commissioned by I. Klaiman, LSO
#58955G, as per LSO corporate statement re COVID-19


TIEGAN KILBRIDE

Tiegan Kilbride

From: Tiegan Kilbride
Sent: June 29, 2022 2:15 PM
To: amjidchaudhry@yahoo.com; insaaf.khawar@gmail.com; mmanchanda@spergel.ca; diane.winters@justice.gc.ca; Crawford, Leslie A. (MOF); insolvency.unit@ontario.ca
Cc: Ian Klaiman
Subject: Roynat Inc. v. 2796996 Ontario Inc. (Grimsby Gas Station) - CV-22-00683167-00CL
Attachments: Letter to Service List encl Application Record - June 29, 2022.pdf; Application Record - June 28, 2022.pdf

Good Afternoon,

Attached hereto, please find the attached correspondence from Mr. Klaiman enclosing Roynat Inc's Application Record for the above-noted matter.

We serve the same upon you pursuant to the *Rules of Civil Procedure*.

Thank you,
Tiegan Kilbride | Legal Assistant
T. 416 789 0652 x310
F. 416 789 9015
tkilbride@lzwlaw.com



Lipman, Zener & Waxman PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto ON, M2N 6N5
lzwlaw.com

***** PLEASE NOTE - I am currently working remotely. Please send all documents electronically to avoid delays in reviewing same. If it is impractical for you to send your documents by email, I will call you to discuss a way to get them to me. Thank you for your understanding**

This message and any attachments are intended only for the addressee(s) and may contain privileged or confidential information. Any unauthorized disclosure is strictly prohibited. If you have received this message in error, please notify us immediately so that we may correct our internal records. Please then permanently delete the original message and any attachments and destroy any copies. Thank you.

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C.1985, c.B-3 AS AMENDED;
IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c.C-43, AS AMENDED

ROYNAT INC.
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-and-

2796996 ONTARIO INC.
Respondent

Court File No.: CV-22-00683167-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at
TORONTO

AFFIDAVIT OF SERVICE

LIPMAN, ZENER & WAXMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

IAN KLAIMAN [LSO 58955G]

Direct: 416-789-0658 / 416-789-0655
Fax: 416-789-9015
Email: iklaiman@lzwlaw.com
Lawyers for the Applicant

This is **Exhibit “B”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of July, 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19

From: Noel Smith <noel@forstar.ca>
Sent: July 15, 2022 12:11 PM
To: Nguyen, Tu-Anh <tu-anh.nguyen@roynat.com>
Subject: [External] URGENT!!! 2796996 Ontario Inc.
Importance: High

Hi Tu-Anh,

Thanks for taking my call.

This is a client of mine and he advises that he is no longer operating the gas station and to contact you about the late payments.

Attached is a notice from Travelers that they missed the June payment and now July is due.

The last payment due on this policy is August 14 2022 for this term.

The June, July and August payments are the only payments left in this policy term in the amount of \$1127.06 each + \$50.00 NSF fee for the missed June payment.
The prior payments were made.
Please advise how we can resolve this situation.

We need to address it asap.

Thank you



Noël

Noël Smith RIB
Account Executive
Forstar Insurance Brokers Inc.
Cell 647-868-1010
Email: noel@forstar.ca
Office phone: 905-702-5344

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Pour obtenir la traduction en français, [cliquez ici](#).

Haga [clic aquí](#) para ver la traducción al español.

This is **Exhibit “C”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of July, 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19

From: Noel Smith <noel@forstar.ca>

Sent: July 18, 2022 2:45 PM

To: McDonnell, Cian <Cian.McDonnell@scotiabank.com>

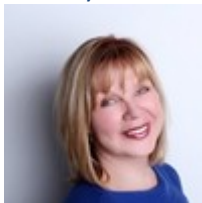
Subject: [External] FW: Dominion BillingCtrAdhoc BI PI - Transaction Receipt for \$2,404.12

Hi Cian

See the receipt for the June and July pmt for this policy. The final payment is due August 16 2022. \$1127.04. This will pay the policy to October 16 2022 (the renewal)

Please advise of the progress of this policy.

Thank you



Noël

Noël Smith RIB
Account Executive
Forstar Insurance Brokers Inc.
Cell 647-868-1010
Email: noel@forstar.ca
Office phone: 905-702-5344

From: DoNotReply@billing-notification.com <DoNotReply@billing-notification.com>

Sent: Monday, July 18, 2022 2:35 PM

To: Noel Smith <noel@forstar.ca>

Subject: Dominion BillingCtrAdhoc BI PI - Transaction Receipt for \$2,404.12

Term ID: 001

Sale - Approved

Date	07/18/22	Time 14:32:39
Method of Payment	Visa	
Entry Method	Manual	
Account #	XXXXXXXXXXXX7823	
Order ID	435210230-1000002567	
Approval Code	019422	
Amount	\$2,404.12	

Customer Copy

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Haga [clic aquí](#) para ver la traducción al español.

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C.1985, c.B-3 AS AMENDED;
IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c.C-43, AS AMENDED

ROYNAT INC.
Applicant

-and-

2796996 ONTARIO INC.
Respondent

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at
TORONTO

AFFIDAVIT OF CIAN MCDONNELL

LIPMAN, ZENER & WAXMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

IAN KLAIMAN [LSO 58955G]
Direct: 416-789-0658
Fax: 416-789-9015
Email: iklaiman@lzwlaw.com

Lawyers for the Applicant, Roynat Inc.

TAB 3



Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYNAT INC.

Applicant

-and-

2796996 ONTARIO INC.

Respondent

***APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT,
R.S.O. 1990, c. C.43, AS AMENDED***

NOTICE OF APPLICATION

TO THE RESPONDENT:

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

THIS APPLICATION will come on for a hearing:

- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

By zoom videoconference on a date to be fixed by the Court.

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

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

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

Date:

Issued by:

Local Registrar

Address of
Court Office:

9th
330 University Avenue, 7th Floor
Toronto, Ontario M5G 1R7

TO: Service List (attached)

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYNAT INC.

Applicant

-and-

2796996 ONTARIO INC.

Respondent

***APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT,
R.S.O. 1990, c. C.43, AS AMENDED***

SERVICE LIST
(as at June 23, 2022)

TO: THIS HONOURABLE COURT

AND TO: 2796996 Ontario Inc.
88 Main Street
Grimsby, Ontario L3M 1R6
Attention: Amjid Hussain Chaudhry, President

Emails: amjidchaudhry@yahoo.com & Insaaf.khawar@gmail.com

AND TO: Amjid Hussain Chaudhry
1240 Sheffield Road
Sheffield, Ontario L0R 1Z0

Email: amjidchaudhry@yahoo.com

AND TO: msi Spergel Inc.
505 Consumers Road, Suite 200
Toronto, Ontario M2J 4V8

Mukul Manchanda

Tel.: 416-498-4314

Email: mmanchanda@spergel.ca

AND TO: Town of Grimsby
160 Livingston Avenue
Grimsby, Ontario L3M 0J5

Tel.: 905-945-9634

AND TO: Macewen Petroleum Inc.
P.O. Box 100
Maxville, Ontario K0C 1T0

AND TO: Elle Mortgage Corporation
1240 Sheffield Road
Sheffield, Ontario L0R 1Z0

**AND TO: Department of Justice,
Ontario Regional Office**
120 Adelaide Street West, Suite 400
Toronto, Ontario M5H 1T1

Diane Winters

Tel.: 416-973-3172

Email: diane.winters@justice.gc.ca

**AND TO: Minister of Finance
Legal Services Branch**
777 Bay Street, 11th Floor
Toronto, Ontario M5G 2C8

Leslie Crawford

Tel.: 905-433-5657

Email: leslie.crawford@ontario.ca

Insolvency Unit

Email: insolvency.unit@ontario.ca

APPLICATION:

1. The Applicant, Roynat Inc. (“**Roynat**”), makes application for, *inter alia*
 - a. If necessary, an Order abridging the time for service and validating service of this Notice of Application and Application Record in the manner effected by the Applicant so that this Application is properly returnable today and dispensing with service thereof on any party other than the parties served;
 - b. an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, appointing msi Spergel Inc. as receiver and manager over all the property, assets, and undertakings of the Respondent; and
 - c. such further and other relief as to this Honourable Court may deem just.

THE GROUNDS FOR THE APPLICATION ARE:

Background

1. The Applicant Roynat is a subsidiary of Scotiabank, which provides financing and credit facilities principally to small and medium size business enterprises.
2. The Respondent 2796996 Ontario Inc. (the “**Borrower**”) is an Ontario corporation. The Borrower is the registered owner of the property municipally known as 88 Main Street West, Grimsby, Ontario (the “**Property**”).
3. The Borrower owns and operates an Esso gas-bar and convenience store on the Property. There is a Pizza Hut tenanted on the Property.

The Loan

4. Pursuant to an Offer to Finance dated April 28, 2021, (the “**Offer to Finance**”), Roynat advanced a loan to the Borrower in the principal sum of \$4,025,000.00 plus interest accruing at the rate of Canadian Variable Rate plus 3.2% per annum (the “**Loan**”).

Other Security

5. The Borrower's indebtedness to Roynat pursuant to the Offer to Finance is also secured by, among other things, the following:

(a) A Demand Debenture granted by the Borrower in favour of Roynat dated September 10, 2021 (the "**Debenture**");

(b) A Mortgage/Charge granted by the Borrower in favour of Roynat in the principal sum of \$5,000,000.00 registered against the Property on October 6, 2021 as Instrument No. NR591915 (the "**Mortgage**"); and

(c) A Notice of Assignment of Rents granted by the Borrower in favour of Roynat registered against the Property on October 6, 2021 as Instrument No. NR591916.

6. Among other rights and remedies, the Debenture and the Mortgage provide for the appointment of a receiver or receiver and manager, in the event of default of the Borrower's obligations.

Default and Demands

7. The Borrower is in default of its obligations to Roynat.

8. As such, on June 1, 2022, Roynat, through its counsel, made demand upon the Borrower pursuant to its obligations. Roynat declared the entire amount of the indebtedness of Borrower to be immediately due and payable, and enclosed Notice of Intention to Enforce Security against the Borrower pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*.

9. As of June 1, 2022, the Borrower was indebted to Roynat, pursuant to the Loan in the sum of \$4,024,499.61, inclusive of principal and interest, but exclusive of costs and interest continuing to accrue, which indebtedness remains outstanding.

It is Just and Convenient to Appoint a Receiver

10. The Borrower has been and continues to be unable to service the Loan commitments to Roynat and is in default of its payment obligations with respect to the Loan.

11. The Debenture and the Mortgage expressly provide for the appointment of a receiver or receiver and manager in the event of default.
12. Roynat has lost confidence in the ability of the Borrower and its principals to repay their respective commitments or to operate the business.
13. It is just and convenient in the circumstances to appoint a receiver of the properties, assets, and undertakings of the Borrower, with a power to market and sell the Property and the Borrower's Esso gas-bar and convenience store, for the benefit of Roynat and the other stakeholders of the Borrower. This will also provide all stakeholders with an orderly, transparent and court supervised sales process, conducted by an even-handed officer of the court, in order to maximize return for all stakeholders.
14. Roynat proposes that Spergel be appointed as the receiver and manager.
15. As contained in the Affidavit of Cian McDonnell and the exhibits annexed thereto.
16. The Applicant relies on section 243 of the *Bankruptcy and Insolvency Act*, sections 63, 64 and 65 of the *Personal Property Security Act*, sections 96, 97, 100 and 101 of the *Courts of Justice Act* and Rules 1, 3, 16, 38, 39, 40, 41 and 44 of the *Rules of Civil Procedure*.
17. Such further and other grounds counsel may advise and this Honourable Court may permit.

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

1. The Affidavit of Cian McDonnell and exhibits annexed thereto;
2. the Consent of Spergel to act as Receiver; and
3. such further and other material as counsel may produce and this Honourable court may accept.

Date of Issue: June ²⁴~~20~~, 2022

LIPMAN, ZENER & WAXMAN PC
Barristers and Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

IAN KLAIMAN
Law Society No. 58955G

Direct: 416-789-0658
Fax: 416-789-9015
Email: iklaiman@lzwlaw.com

**Lawyers for the Applicant,
Roynat Inc.**

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,

R.S.C.1985, c.B-3 AS AMENDED;

IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.

1990 c.C-43, AS AMENDED

ROYNAT INC.

Applicant

-and- 1945054 ONTARIO INC. et al.

Respondents

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at
TORONTO

NOTICE OF APPLICATION

LIPMAN, ZENER & WAXMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

IAN KLAIMAN [LSO 58955G]

Direct: 416-789-0658

Fax: 416-789-9015

Email: iklaiman@lzwlaw.com

Lawyers for the Applicant, Roynat Inc.

TAB 4

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYNAT INC.

Applicant

-and-

2796996 ONTARIO INC.

Respondent

***APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT,
R.S.O. 1990, c. C.43, AS AMENDED***

AFFIDAVIT OF CIAN MCDONNELL

**I, CIAN MCDONNELL, of the City of Pickering, in the Province of Ontario, MAKE
OATH AND SAY AS FOLLOWS:**

1. I am a Senior Manager with the Investment Enhancement Group with Roynat Inc. (sometimes referred to as “**Roynat**”). As such, I have knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge, I have indicated my source of information and do verily believe such information to be true. Where correspondence is adopted as an exhibit, I do verily believe it was sent and received on the date(s) indicated.

2. This Affidavit is sworn in support of an application by Roynat for the appointment of msi Spergel Inc. (“**Spergel**”) as receiver of the properties, assets, and undertakings of 2796996 Ontario Inc. (the “**Borrower**”).

The Parties

3. Roynat is a subsidiary of Scotiabank, which provides financing and credit facilities principally to small and medium size business enterprises.

4. The Borrower is an Ontario corporation that has its registered head office located in Grimsby, Ontario. Attached hereto as **Exhibit “A”** is a copy of the Corporation Profile Report obtained from the Ministry of Government Services (Ontario) for the Borrower dated May 13, 2022, which lists the Amjid Hussain Chaudhry (“**Chaudry**”) as its sole officer and director.

5. The Borrower is the registered owner of the property municipally known as 88 Main Street West, Grimsby, Ontario (the “**Property**”). Attached hereto as **Exhibit “B”** is a copy of the abstract of title and applicable instruments for the Property. The Borrower purchased the Property on October 6, 2021 for \$5,825,000.00.

6. The Borrower owns and operates an Esso gas-bar and convenience store on the Property. There is a Pizza Hut tenanted on the Property.

The Loan

7. Pursuant to an Offer to Finance dated April 28, 2021, (the “**Offer to Finance**”), a copy of which is attached as **Exhibit “C”**, Roynat advanced a loan to the Borrower in the principal sum of \$4,025,000.00 plus interest accruing at the rate of Canadian Variable Rate plus 3.2% per annum (the “**Loan**”).

The Guarantee

8. The Borrower’s indebtedness to Roynat pursuant to the Offer to Finance is secured by the guarantee of Chaudry dated September 10, 2021 limited to the sum of \$800,000.00 plus interest to accrue from the date of demand at the rate of Canadian Variable Rate plus 3.2% per annum, a copy of which is attached hereto as **Exhibit “D”**.

Other Security

9. The Borrower's indebtedness to Roynat pursuant to the Offer to Finance is also secured by, among other things, the following:

- (a) A Demand Debenture granted by the Borrower in favour of Roynat dated September 10, 2021 (the "**Debenture**"), a copy of which is attached hereto as **Exhibit "E"**;
- (b) A Mortgage/Charge granted by the Borrower in favour of Roynat in the principal sum of \$5,000,000.00 registered against the Property on October 6, 2021 as Instrument No. NR591915 (the "**Mortgage**"), a copy of which is attached hereto as **Exhibit "F"**, and as reflected in the abstract of title and applicable instruments referenced at paragraph 5 above as Exhibit "B"; and
- (c) A Notice of Assignment of Rents granted by the Borrower in favour of Roynat registered against the Property on October 6, 2021 as Instrument No. NR591916, a copy of which is attached hereto as **Exhibit "G"**, and as reflected in the abstract of title and applicable instruments referenced at paragraph 5 above as Exhibit "B".

10. Among other rights and remedies, the Debenture and the Mortgage provide for the appointment of a receiver or receiver and manager, in the event of default of the Borrower's obligations.

11. Roynat registered its security interest in the Debenture in the Province of Ontario. Attached hereto as **Exhibit "H"** is a copy of the Ministry of Government Services Personal Property Security Registration System Enquiry Response Certificate for the Borrower dated October 6, 2021, which confirms only two registrations against the Borrower both in favour of Roynat:

- (a) A financing statement registered on May 26, 2021, for a period of 5 years indicating a collateral classification of inventory, equipment, accounts and other assets, motor vehicle included; and

- (b) A financing statement registered on May 26, 2021, for a period of 5 years indicating a security interest in accounts and other assets of the Company in favour of Roynat referring to a general assignment of rents and leases for the Property.

Other Secured Creditors

12. As noted above, the PPSA search of the Borrower confirms no other creditors with a registered security interest, apart from Roynat.

13. Based on the real property abstract referenced in paragraph 5 above as Exhibit “B”, I note that the following registrations have been registered on title to the Property:

- (a) A Mortgage/Charge in favour of Roynat in the principal sum of \$5,000,000.00 registered against the Property on October 6, 2021 as Instrument No. NR591915;
- (b) A Notice of Assignment of Rents granted in favour of Roynat registered against the Property on October 6, 2021 as Instrument No. NR591916;
- (c) A Mortgage/Charge in favour of MacEwen Petroleum Inc. in the principal sum of \$450,000.00 registered against the Property on October 8, 2021, as Instrument No. NR592161; and
- (d) A Mortgage/Charge in favour of Elle Mortgage Corporation in the principal sum of \$1,050,000.00 registered against the Property on February 9, 2022, as Instrument No. NR604765.

14. Attached hereto as **Exhibit “I”** is a copy of the Tax Certificate from the Town of Grimsby in respect of the Property showing that for the calendar year 2022, the Borrower was in arrears of realty taxes in the sum of \$17,610.22.

15. Other than what is set out above, I am not aware of any other secured creditors of the Debtors, including any other government priority claims.

Default and Demands

16. By June 2022, the Borrower was in default of its obligations to Roynat; namely:

- (a) the Borrower is required to submit to Roynat unaudited quarterly financial statements no later than 45 days following the end of such period; the financial statements of the Borrower for the period ending December 31, 2021 are currently 121 days overdue;
- (b) the Borrower agreed to provide an Assignment of Life Insurance on the life of Amjid Hussain Chaudhry for \$800,000 within 60 days of closing; the Borrower has not provided the Assignment of Life Insurance which was due by December 6, 2021; and
- (c) an Event of Default will occur if any Obligor fails to make the payment of any principal, interest, charges or other amounts owing under the Offer to Finance; the following amounts are currently overdue and are payable by the Borrower to Roynat:

Principal Due:	\$33,150.00
Interest	\$44,981.76
Late Payment Charge	\$ 379.81
Returned Cheque Fee	<u>\$ 200.00</u>
	<u>\$78,711.57</u>

17. As such, on June 1, 2022, Roynat, through its counsel, made demand upon the Borrower pursuant to its obligations. Roynat declared the entire amount of the indebtedness of Borrower to be immediately due and payable, and enclosed Notice of Intention to Enforce Security against the Borrower pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*. Attached hereto as **Exhibit “J”** are copies of the said demand and notice.

18. As of June 1, 2022, the Borrower was indebted to Roynat, pursuant to the Loan in the sum of \$4,024,499.61, inclusive of principal and interest, but exclusive of costs and interest continuing to accrue, which indebtedness remains outstanding. Attached hereto as **Exhibit “K”** is a copy of the payout statement from Roynat dated May 30, 2022.

It is Just and Convenient to Appoint a Receiver

19. The Borrower has been and continues to be unable to service the Loan commitments to Roynat and is in default of its payment obligations with respect to the Loan.

20. The Debenture and the Mortgage expressly provide for the appointment of a receiver or receiver and manager in the event of default.

21. Roynat has lost confidence in the ability of the Borrower and its principals to repay their respective commitments or to operate the business.

22. It is just and convenient in the circumstances to appoint a receiver of the properties, assets, and undertakings of the Borrower, with a power to market and sell the Property and the Borrower's Esso gas-bar and convenience store, for the benefit of Roynat and the other stakeholders of the Borrower. This will also provide all stakeholders with an orderly, transparent and court supervised sales process, conducted by an even-handed officer of the court, in order to maximize return for all stakeholders.

23. This Affidavit is sworn in support of the Roynat's application to appoint a Receiver and for no other or improper purpose.

SWORN before me by video conference)
from the City of Pickering in the Regional)
Municipality of Durham, to the City of)
Toronto in the Municipality of)
Metropolitan Toronto on this 20th day of)
June, 2022 in accordance with O. Reg.)
431/20, Administering Oath or)
Declaration Remotely)



A Commissioner for Taking Affidavits

*Virtually commissioned by I. Klaiman, LSO #58955G,
as per LSO corporate statement re COVID-19



CIAN MCDONNELL

This is **Exhibit “A”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of June 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19



Ministry of Government and
Consumer Services

Profile Report

2796996 ONTARIO INC. as of May 13, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2796996 ONTARIO INC.
Ontario Corporation Number (OCN)	2796996
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	December 02, 2020
Registered or Head Office Address	1240 Sheffield Road, Sheffield, Ontario, Canada, L0R 1Z0

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors

1

Maximum Number of Directors

5

Name

Amjid Hussain CHAUDHRY

Address for Service

1240 Sheffield Road, Sheffield, Ontario, Canada, L0R 1Z0

Resident Canadian

Yes

Date Began

December 02, 2020

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Officer(s)

There are no active Officers currently on file for this corporation.

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Corporate Name History
Name
Effective Date

2796996 ONTARIO INC.
December 02, 2020

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name

Effective Date

BCA - Articles of Incorporation

December 02, 2020

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

This is **Exhibit “B”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of June 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19

LAND
REGISTRY
OFFICE #30

46020-0220 (LT)

PAGE 1 OF 5
PREPARED FOR gnanou01
ON 2022/05/16 AT 12:12:42

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

PROPERTY DESCRIPTION: PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 46020-0088

PIN CREATION DATE:
2016/10/26

OWNERS' NAMES
2796996 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2016/10/26 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2003/03/24 **						
NR354944	2014/06/18	APL ANNEX REST COV		BLACK GOLD OPERATING GROUP INC.		C
NR372308	2015/01/07	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** BLACK GOLD OPERATING GROUP INC.	88GRIMSBY INC.	
NR386593	2015/07/15	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 88GRIMSBY INC.	BANK OF MONTREAL	
NR386594	2015/07/15	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** 88GRIMSBY INC.	BANK OF MONTREAL	
		REMARKS: NR386593				
30R14573	2015/07/22	PLAN REFERENCE				C
NR436826	2017/01/20	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTRY OF FINANCE		
NR438156	2017/02/03	DISCHARGE INTEREST		*** COMPLETELY DELETED ***		

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #30

46020-0220 (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
				HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE		
REMARKS: NR436826.						
NR442624	2017/03/29	CHARGE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	HOME TRUST COMPANY CREEMORE FINANCIAL LTD.	
NR442625	2017/03/29	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 88GRIMSBY INC.	HOME TRUST COMPANY CREEMORE FINANCIAL LTD.	
REMARKS: NR442624.						
NR442718	2017/03/30	CHARGE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	2349506 ONTARIO INC.	
NR443848	2017/04/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
REMARKS: NR386593.						
NR486730	2018/07/20	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** CREEMORE FINANCIAL LTD.	2358769 ONTARIO INC. SOUDAN MANAGEMENT SERVICES LIMITED MARK J. SHINER PROFESSIONAL CORPORATION SOLEST INVESTMENTS LIMITED MCRAE, JEFF MCRAE, SHAWN HERBERT, PAUL M. PERLMAN ENTERPRISES INC. R. PERLMAN ENTERPRISES INC.	
REMARKS: NR442624. 50% INTEREST						
NR494923	2018/10/23	CHARGE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	YX HOLDINGS INC.	
NR500529	2018/12/27	NOTICE	\$1	THE CORPORATION OF THE TOWN OF GRIMSBY		C
NR535446	2020/02/21	CHARGE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	O2G SECURED CAPITAL INC.	
NR545422	2020/06/30	CHARGE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	CALICOM SOLUTIONS INC. HOLDER, SIDNEY	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
NR545423	2020/06/30	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 88GRIMSBY INC.	1407659 ONTARIO INC. CALICOM SOLUTIONS INC. HOLDER, SIDNEY 1407659 ONTARIO INC.	
		REMARKS: NR545422				
NR545424	2020/06/30	POSTPONEMENT		*** COMPLETELY DELETED *** 2349506 ONTARIO INC.	CALICOM SOLUTIONS INC. ET AL	
		REMARKS: NR442718 TO NR545422				
NR545425	2020/06/30	POSTPONEMENT		*** COMPLETELY DELETED *** YX HOLDINGS INC.	CALICOM SOLUTIONS INC. HOLDER, SIDNEY 1407659 ONTARIO INC.	
		REMARKS: NR494923 TO NR545422				
NR545426	2020/06/30	POSTPONEMENT		*** COMPLETELY DELETED *** O2G SECURED CAPITAL INC.	CALICOM SOLUTIONS INC. HOLDER, SIDNEY 1407659 ONTARIO INC.	
		REMARKS: NR535446 TO NR545422				
NR559540	2020/12/01	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** N. ARCHITECTURE INC.		
NR562320	2020/12/22	CERTIFICATE		N. ARCHITECTURE INC.		C
		REMARKS: NR559540				
NR566205	2021/02/05	NOTICE	\$1	88GRIMSBY INC.	MACEWEN PETROLEUM INC.	C
NR566206	2021/02/05	CHARGE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	MACEWEN PETROLEUM INC.	
NR566386	2021/02/09	NOTICE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	MACEWEN PETROLEUM INC.	
		REMARKS: AMENDS NR566205				
NR569604	2021/03/11	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** BUILTRON CONTRACTING INC.		
NR591283	2021/09/30	APL DEL CONST LIEN		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: NR559540.		N. ARCHITECTURE INC.		
NR591847	2021/10/06	APL DEL CONST LIEN		*** COMPLETELY DELETED *** BUILTRON CONTRACTING INC.		
		REMARKS: NR569604.				
NR591913	2021/10/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** YX HOLDINGS INC.		
		REMARKS: NR494923.				
NR591914	2021/10/06	TRANSFER	\$5,825,000	88GRIMSBY INC.	2796996 ONTARIO INC. <i>see copy</i>	C
NR591915	2021/10/06	CHARGE	\$4,025,000	2796996 ONTARIO INC.	ROYNAT INC. <i>see copy</i>	C
NR591916	2021/10/06	NO ASSGN RENT GEN		2796996 ONTARIO INC.	ROYNAT INC. <i>see copy</i>	C
		REMARKS: NR591915				
NR591938	2021/10/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2349506 ONTARIO INC.		
		REMARKS: NR442718.				
NR592010	2021/10/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2358769 ONTARIO INC. SOUDAN MANAGEMENT SERVICES LIMITED MARK J. SHINER PROFESSIONAL CORPORATION SOLEST INVESTMENTS LIMITED MCRAE, JEFF MCRAE, SHAWN HERBERT, PAUL M. PERLMAN ENTERPRISES INC. R. PERLMAN ENTERPRISES INC. HOME TRUST COMPANY		
		REMARKS: NR442624.				
NR592011	2021/10/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** CALICOM SOLUTIONS INC. HOLDER, SIDNEY 1407659 ONTARIO INC.		
		REMARKS: NR545422.				
NR592058	2021/10/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** O2G SECURED CAPITAL INC.		

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LAND
REGISTRY
OFFICE #30

46020-0220 (LT)

PAGE 5 OF 5
PREPARED FOR gnanou01
ON 2022/05/16 AT 12:12:42

* 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
REMARKS: NR535446.						
NR592160	2021/10/08	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
				MACEWEN PETROLEUM INC.		
REMARKS: NR566206.						
NR592161	2021/10/08	CHARGE	\$450,000	2796996 ONTARIO INC.	MACEWEN PETROLEUM INC. <i>see copy</i>	C
NR592162	2021/10/08	NOTICE	\$1	2796996 ONTARIO INC.	MACEWEN PETROLEUM INC. <i>see copy</i>	C
NR604765	2022/02/09	CHARGE	\$1,050,000	2796996 ONTARIO INC.	ELLE MORTGAGE CORPORATION <i>see copy</i>	C

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PRINTED ON 16 MAY, 2022 AT 12:28:07
FOR GNANOU01



PROPERTY INDEX MAP
NIAGARA(No. 30)

LEGEND

FREEHOLD PROPERTY	
LEASEHOLD PROPERTY	
LIMITED INTEREST PROPERTY	
CONDOMINIUM PROPERTY	
RETIRED PIN (MAP UPDATE PENDING)	
PROPERTY NUMBER	0449
BLOCK NUMBER	08050
GEOGRAPHIC FABRIC	
EASEMENT	

THIS IS NOT A PLAN OF SURVEY

NOTES

REVIEW THE TITLE RECORDS FOR COMPLETE
PROPERTY INFORMATION AS THIS MAP MAY
NOT REFLECT RECENT REGISTRATIONS

THIS MAP WAS COMPILED FROM PLANS AND
DOCUMENTS RECORDED IN THE LAND
REGISTRATION SYSTEM AND HAS BEEN PREPARED
FOR PROPERTY INDEXING PURPOSES ONLY

FOR DIMENSIONS OF PROPERTIES BOUNDARIES SEE
RECORDED PLANS AND DOCUMENTS

ONLY MAJOR EASEMENTS ARE SHOWN

REFERENCE PLANS UNDERLYING MORE RECENT
REFERENCE PLANS ARE NOT ILLUSTRATED



Properties

PIN

46020 - 0217 LT

Interest/Estate

Fee Simple

Description

PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD NO. 81, PART 3 30R14573; TOWN OF GRIMSBY

Address

88 MAIN STREET WEST
GRIMSBY

PIN

46020 - 0220 LT

Interest/Estate

Fee Simple

Description

PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY

Address

88 MAIN STREET WEST
GRIMSBY

Consideration

Consideration

\$5,825,000.00

Transferor(s)

The transferor(s) hereby transfers the land to the transferee(s).

Name

88GRIMSBY INC.

Address for Service

18 Blossom Lane, Hamilton, ON, L9C
2W6

I, Fauzia Maqbool Chaudhary, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Transferee(s)	Capacity	Share
<div><div>Name</div><div>2796996 ONTARIO INC.</div></div> <div><div>Address for Service</div><div>88 Main St W, Grimsby, Ontario L3M 1R6</div></div>	Registered Owner	

Signed By

Waheed Ahmed Mirza

5A-165 Matheson Blvd. East
Mississauga
L4Z 3K2

acting for
Transferor(s)

Signed

2021 10 06

Tel

416-824-3950

Fax

416-900-0864

I am the solicitor for the transferor(s) and I am not one and the same as the solicitor for the transferee(s).
I have the authority to sign and register the document on behalf of the Transferor(s).

Imran Akram

1300 Hurontario St.
Mississauga
L5G 3H3

acting for
Transferee(s)

Signed

2021 10 06

Tel

289-814-2944

Fax

289-814-2942

I am the solicitor for the transferee(s) and I am not one and the same as the solicitor for the transferor(s).
I have the authority to sign and register the document on behalf of the Transferee(s).

Submitted By

IMRAN AKRAM

1300 Hurontario St.
Mississauga
L5G 3H3

2021 10 06

Tel

289-814-2944

Fax

289-814-2942

Fees/Taxes/Payment

Statutory Registration Fee

\$65.30

Provincial Land Transfer Tax

\$68,475.00

Total Paid

\$68,540.30

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

File Number

Transferee Client File Number : M213146

LAND TRANSFER TAX STATEMENTS

In the matter of the conveyance of: 46020 - 0217 PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD NO. 81, PART 3 30R14573; TOWN OF GRIMSBY

46020 - 0220 PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY

BY: 88GRIMSBY INC.

TO: 2796996 ONTARIO INC. Registered Owner

1. AMJID HUSSAIN CHAUDHRY

I am

- ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- ☐ (c) A transferee named in the above-described conveyance;
- ☐ (d) The authorized agent or solicitor acting in this transaction for _____ described in paragraph(s) () above.
- ☒ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for 2796996 ONTARIO INC. described in paragraph(s) (1) above.
- ☐ (f) A transferee described in paragraph () and am making these statements on my own behalf and on behalf of _____ who is my spouse described in paragraph () and as such, I have personal knowledge of the facts herein deposited to.

2. I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein: does not contain a single family residence or contains more than two single family residences.

3. The total consideration for this transaction is allocated as follows:

(a) Monies paid or to be paid in cash	\$3,600,000.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	\$0.00
(ii) Given Back to Vendor	\$0.00
(c) Property transferred in exchange (detail below)	\$0.00
(d) Fair market value of the land(s)	\$0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	\$0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	\$0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	\$3,600,000.00
(h) VALUE OF ALL CHATTELS -items of tangible personal property	\$1,725,000.00
(i) Other considerations for transaction not included in (g) or (h) above	\$500,000.00
(j) Total consideration	\$5,825,000.00

6. Other remarks and explanations, if necessary.

- 1. d) Consideration (i) - Other consideration for transaction not included in Considerations (g) or (h): Goodwill of the business.
- 2. The information prescribed for purposes of section 5.0.1 of the Land Transfer Tax Act is not required to be provided for this conveyance.
- 3. The transferee(s) has read and considered the definitions of "designated land", "foreign corporation", "foreign entity", "foreign national", "specified region" and "taxable trustee" as set out in subsection 1(1) of the Land Transfer Tax Act. The transferee(s) declare that this conveyance is not subject to additional tax as set out in subsection 2(2.1) of the Act because:
- 4. (c) The transferee(s) is not a "foreign entity" or a "taxable trustee".
- 5. The transferee(s) declare that they will keep at their place of residence in Ontario (or at their principal place of business in Ontario) such documents, records and accounts in such form and containing such information as will enable an accurate determination of the taxes payable under the Land Transfer Tax Act for a period of at least seven years.
- 6. The transferee(s) agree that they or the designated custodian will provide such documents, records and accounts in such form and containing such information as will enable an accurate determination of the taxes payable under the Land Transfer Tax Act, to the Ministry of Finance upon request.

PROPERTY Information Record

A. Nature of Instrument: Transfer

LRO 30 Registration No. NR591914 Date: 2021/10/06

B. Property(s):

PIN 46020 - 0217	Address 88 MAIN STREET WEST GRIMSBY	Assessment Roll No -
PIN 46020 - 0220	Address 88 MAIN STREET WEST GRIMSBY	Assessment Roll No 2615010 - 007145000000

C. Address for Service: 88 Main St W, Grimsby, Ontario L3M 1R6

D. (i) Last Conveyance(s):

PIN 46020 - 0217	Registration No. NR418957
PIN 46020 - 0220	Registration No. NR372308

(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes☒ No☐ Not known☐

E. Tax Statements Prepared By: Imran Akram

1300 Hurontario St.

Mississauga L5G 3H3

Properties				
PIN	46020 - 0217	LT	Interest/Estate	Fee Simple
Description	PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD NO. 81, PART 3 30R14573; TOWN OF GRIMSBY			
Address	88 MAIN STREET WEST GRIMSBY			
PIN	46020 - 0220	LT	Interest/Estate	Fee Simple
Description	PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY			
Address	GRIMSBY			

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	2796996 ONTARIO INC.
Address for Service	88 Main Street West Grimsby, ON L3M 1R6
I, Amjid Hussain Chaudhry, President, have the authority to bind the corporation.	
This document is not authorized under Power of Attorney by this party.	

Chargee(s)	Capacity	Share
Name	ROYNAT INC.	
Address for Service	2 Robert Speck Parkway, 4th Floor Mississauga, ON L4Z 1H8	

Statements
Schedule: See Schedules

Provisions			
Principal	\$4,025,000.00	Currency	CDN
Calculation Period	See Schedule		
Balance Due Date	See Schedule		
Interest Rate	See Schedule		
Payments			
Interest Adjustment Date			
Payment Date	See Schedule		
First Payment Date			
Last Payment Date			
Standard Charge Terms			
Insurance Amount	Full insurable value		
Guarantor			

Signed By				
Terrilee Ruth Elaine Walek		900-3 Robert Speck Pkwy Mississauga L4Z 2G5	acting for Chargor(s)	Signed 2021 10 06
Tel	905-276-9111			
Fax	905-276-2298			
I have the authority to sign and register the document on behalf of the Chargor(s).				

Submitted By		
KEYSER MASON BALL LLP		900-3 Robert Speck Pkwy Mississauga L4Z 2G52021 10 06
Tel	905-276-9111	
Fax	905-276-2298	

Fees/Taxes/Payment

Statutory Registration Fee	\$65.30
Total Paid	\$65.30

File Number

Chargor Client File Number :	M213146
Chargee Client File Number :	DDG/TW 20466-85

DEBENTURE

2796996 ONTARIO INC.

TO: ROYNAT INC. ("Roynat")
2 Robert Speck Parkway, 4th Floor, Mississauga, ON L4Z 1H8

DATE: ~~May~~ 10th 2021
September

FOR VALUE RECEIVED and intending to be legally bound by this debenture (this "Debenture"), the undersigned (the "Debtor") agrees as follows:

1. **Promise to Pay.** The Debtor promises to pay on demand to or to the order of Roynat, at its address specified above, all amounts now or in the future owing by the Debtor to Roynat under or in connection with the Obligations (as defined below) up to the principal amount of Four Million Twenty-Five Thousand Dollars (\$4,025,000.00) and interest at the rate of up to 25% per annum, accruing daily and payable monthly, both before and after maturity, default and judgment, and interest on overdue interest at the same rate.
2. **Security.** As security for the payment and performance of all present and future indebtedness, liabilities and obligations of the Debtor to Roynat, whether direct or indirect, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency or otherwise, under or in respect of agreements or dealings between the Debtor and Roynat or agreements or dealings between the Debtor and others by which Roynat may be or become in any manner whatsoever a creditor of the Debtor (all such indebtedness, liabilities, obligations, expenditures, costs and expenses are hereinafter collectively referred to as the "Obligations") including, without limitation, obligations under (i) any and all letter agreements and offers to finance/or offers to lease, (as amended from time to time, "Offers of Finance") entered into by the Debtor and Roynat from time to time, (ii) any promissory notes, guarantees or indemnities executed by the Debtor in favour of Roynat, and (iii) this Debenture and any other security delivered to Roynat by the Debtor from time to time (collectively, the "Financing Documents"), the Debtor:
 - (a) mortgages and charges, as and by way of a fixed and specific mortgage and charge and grants a security interest to and in favour of Roynat in, all freehold real and immovable property described in Schedule "A" hereto, together with all buildings, erections, fixed machinery and fixed equipment presently situated thereon or which may at any time hereafter be constructed or placed thereon or used in connection therewith;
 - (b) mortgages and charges, as and by way of a fixed and specific mortgage and charge and grants a security interest to and in favour of Roynat in, all leasehold real and immovable property described in Schedule "B" hereto, together with all buildings, erections, fixed machinery and fixed equipment presently situated thereon or which may at any time hereafter be constructed or placed thereon or used in connection therewith;
 - (c) mortgages and charges, as and by way of a floating charge and grants a security interest to and in favour of Roynat in, all of its present and future interests in real property not referred to in items (a) and (b) immediately above,
 - (d) mortgages, charges, assigns, transfers and pledges, as and by way of a fixed and specific mortgage and charge and grants a security interest to and in favour of Roynat in all of the assets, undertaking and property of the Debtor not subject to the charges and security interests in items (a), (b) and (c) immediately above, including, without limitation:
 - (i) **Intangibles** - all intangible property including without limitation book debts and accounts, all contractual rights and insurance claims, licences, computer software, warranties, ownership certificates, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Debtor;
 - (ii) **Books & Records** - all of the Debtor's, manuals, publications, letters, deeds, documents, writings, papers, invoices, 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;

- (iii) **Equipment** - all of the Debtor's tools, machinery, equipment, apparatus, furniture, plants, fixtures, vehicles and other tangible personal property, other than Inventory (as defined below), (collectively, the "Equipment") including, without limitation, the Equipment described in Schedule "C" hereto, if any;
- (iv) **Inventory** - all of the Debtor's tangible personal property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in a business or profession or that are finished goods (collectively, the "Inventory");
- (v) **Other Property** - the Debtor's undertaking and all of the Debtor's other property and assets including, without limitation, uncalled capital, judgments, rights, franchises, chattel paper, documents of title, goods, instruments, and money (as those terms are defined in the Personal Property Security Act governing this Debenture); and
- (vi) **Investment Property** - all of the Debtor's investment property, including shares stock, warrants, bonds, debenture stock and other securities (in each case whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts; and
- (vii) **Proceeds** - all of the Debtor's property in any form derived directly or indirectly from any use or dealing with the Collateral or that indemnifies or compensates for loss of or damage to the Collateral (collectively, the "Proceeds");

but excluding, (A) any consumer goods, and (B) the last day of the term of any lease, verbal or written, or any agreement therefor now held or hereafter held by the Debtor, but should such charge become enforceable, the Debtor shall thereafter stand possessed of the last day of such leasehold interest in trust for Roynat and shall assign and dispose thereof as Roynat may direct.

Without limiting the preceding part of this Section, a security interest is taken in all of the Debtor's present and after acquired personal property. The security interest created by item (c) above is intended as a floating charge that will attach as provided in Section 3 below. The floating charge shall become a fixed charge as soon as Roynat notifies the Debtor to that effect. And for the same consideration and purposes and subject to the same exceptions, the Debtor hereby charges as and by way of a first floating charge to and in favour of Roynat, and grants to Roynat a security interest in, the undertaking of the Debtor and all its property and assets for the time being, both present and future, and of whatsoever nature and wherever situate (other than property and assets from time to time effectively subjected to the fixed and specific mortgages and charges created hereby or by any instrument supplemental hereto).

All of the assets, property and undertaking and property of the Debtor subject to the charges and security interests above are collectively referred to herein as the "Collateral".

- 3. **Attachment**. All security interests created by this Debenture attach immediately upon execution of the Debenture. The attachment of the floating charge has not been postponed and the floating charge shall attach to any particular property intended to be subject to it as soon as the Debtor has rights in such property.
- 4. **Covenants**. The Debtor hereby declares, covenants and agrees that:
 - (a) **To Pay Rents and Taxes** - shall pay all rents, taxes and assessments lawfully imposed upon all real property forming part of the Collateral or on which the Collateral is located or any part thereof when the same become due and payable, and shall provide to Roynat on request receipts for such payment;
 - (b) **Conduct of Business** - shall carry on and conduct its business in a proper and efficient manner, shall not materially alter the kind of business carried on by it, shall observe and perform all of its obligations under leases, licences and other agreements to which it is a party so as to preserve and protect the Collateral and its value, and shall comply with all laws, regulations and judgments applicable to the Debtor and all of its property, assets and undertaking;
 - (c) **Not to Sell** - shall not, except for Inventory sold in the ordinary course of business and except as otherwise expressly permitted in any Financing Document, remove, destroy, lease, sell or otherwise dispose or part with possession of any of the Collateral;

- (d) No Other Liens - shall not create, assume or suffer to exist any charge, lien, federal or provincial government priority claim arising pursuant to statute including any deemed trust, security interest or encumbrance upon any Collateral except as permitted in any applicable Financing Document. No provision hereof shall be construed as a subordination or postponement of the security interest created hereunder to or in favour of any other charge, lien, security interest or encumbrance, whether or not it is permitted;
- (e) To Hold Proceeds of Unauthorized Sale in Trust - in the event the Collateral or any part thereof is sold or disposed of prior to the full discharge of this Debenture by Roynat, in any manner not authorized by this Debenture, shall hold all proceeds of such sale or disposition received by the Debtor as trustee for Roynat until the Debtor has been fully released from this Debenture by Roynat;
- (f) To Insure - shall keep insured the Collateral to its full insurable value or in such amounts as Roynat may reasonably require against all risks, with insurers approved by Roynat and will pay all premiums necessary for such purposes as the same shall become due;
- (g) Inspection by Roynat - shall allow any employees or third parties retained by Roynat at any reasonable time to enter the premises of the Debtor or others to inspect the Collateral and to inspect the books and records of the Debtor relating to the Collateral and make extracts therefrom, and shall permit Roynat prompt access to such other persons, as Roynat may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Collateral or the books and records of the Debtor relating to the Collateral, provided that any information so obtained shall be kept confidential, save as required by Roynat in exercising its rights hereunder or pursuant to any applicable law or court order. The Debtor shall pay all costs and expenses (including all legal fees and disbursements on a solicitor and own client and full indemnity basis) of third parties retained by Roynat for purposes of inspection under this Section 4(g);
- (h) Use and Maintenance - shall cause the Collateral to be operated in accordance with any applicable manufacturer's manuals or instructions, by competent and duly qualified personnel. Any and all additions and accessions to and parts and replacements for the Collateral shall immediately become subject to the security interest created hereby. The Debtor shall not change the intended use of the Collateral without obtaining the prior written consent of Roynat which will not be unreasonably withheld or delayed;
- (i) Possession and Control - shall, on request by Roynat, deliver to Roynat possession of all chattel paper, instruments and negotiable documents of title. The Obligor shall also take whatever steps Roynat requires to enable Roynat to obtain control of any investment property forming part of the Collateral, including (a) arranging for any securities intermediary, futures intermediary or issuer of uncertificated securities to enter into an agreement satisfactory to Roynat to enable Roynat to obtain control, (b) delivering any certificated security to Roynat with any necessary endorsement and (c) having any security registered in the name of Roynat or its nominee;
- (j) Location of Collateral - shall keep the Collateral in the locations set forth in Schedule "C" hereto, except for goods in transit to such locations, or Inventory on lease or consignment, or with the prior written consent of Roynat and provided that the Debtor shall effect such further registrations and obtain such other consents and grant such other security, at the sole cost and expense of the Debtor, as may be required or desirable to protect or preserve the security hereby created and to maintain the priority intended to be granted to Roynat hereunder as against all others including landlords;
- (k) No Affixation - shall not permit the Collateral to be attached to or affixed to real or other personal property without the prior written consent of Roynat which will not be unreasonably withheld or delayed. The Debtor shall obtain and deliver to Roynat such waivers as Roynat may reasonably request from any owner, landlord or mortgagee of premises on which the Collateral is located or to which the Collateral may become affixed or attached. The Debtor shall promptly do, execute and deliver all such further acts, documents, agreements or assurances as Roynat may reasonably require for giving effect to the intent of this Debenture and shall register such notice or documents against the title to such premises as Roynat may reasonably request to protect its interests hereunder and shall maintain plates or marks showing the name of Roynat upon the Collateral as requested; and
- (l) Registered Office/Jurisdiction of Incorporation - shall not change its jurisdiction of incorporation or registered office address from that listed in Schedule "C" without the prior written consent of Roynat.

5. **Waiver of Covenants.** Roynat may waive in writing any breach by the Debtor of any of the provisions contained in this Debenture or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, provided that no such waiver or any other act, failure to act or omission by

Roynat shall extend to or be taken in any manner to affect any subsequent breach or default or the rights of Roynat resulting therefrom.

6. **Performance of Covenants by Roynat.** If the Debtor shall fail to perform any covenant on its part herein contained, Roynat may in its absolute discretion perform any such covenant capable of being performed by it, but Roynat shall be under no obligation to do so. If any such covenant requires the payment of money or if the Collateral or any part thereof shall become subject to any charge, lien, security interest or encumbrance ranking in priority to the security interest created hereby, Roynat may in its absolute discretion make such payment and/or pay or discharge such charge, lien, security interest or encumbrance, but Roynat shall be under no obligation to do so. All sums so paid by Roynat, together with interest at the highest rate chargeable by Roynat from time to time on the Obligations, shall be payable by the Debtor on demand and shall constitute a charge upon the Collateral. No such performance or payment shall relieve the Debtor from any default hereunder or any consequences of such default.
7. **Events of Default.** Each of the following events shall constitute an "Event of Default":
 - (a) a "default", an "event of default" or similar circumstance identified in any Financing Document; or
 - (b) the failure of the Debtor to pay any of the Obligations when due; or
 - (c) any demand for payment validly made by Roynat pursuant to any Financing Document that is not met in accordance with the terms of the demand.
8. **Enforcement.** Upon the happening of any Event of Default, the security granted herein shall become immediately enforceable and Roynat may at its option declare this Debenture to be in default and may exercise any rights, powers or remedies available to Roynat at law or in equity or under the Personal Property Security Act or other applicable legislation and, in addition, may exercise one or more of the following rights, powers or remedies, which rights, powers and remedies are cumulative:
 - (a) to, without exercising any of its other rights or remedies hereunder, give notice of the security interest in, and the assignment to, Roynat of any debt or liability forming part of the Collateral and may direct such person to make all payments on account of any such debt or liability to Roynat;
 - (b) to declare the full amount of the Obligations to be immediately due and payable;
 - (c) to terminate the Debtor's right to possession of the Collateral, cause the Debtor to immediately assemble and deliver the Collateral at such place or places as may be specified by Roynat, and enter upon the premises where the Collateral is located and take immediate possession thereof, whether it is affixed to the realty or not, and remove the Collateral without liability to Roynat for or by reason of such entry or taking of possession, whether for damage to property caused by taking such or otherwise;
 - (d) to enter upon and hold, possess, use, repair, preserve and maintain all or any part of the Collateral and make such replacements thereof and additions thereto as Roynat shall deem advisable;
 - (e) to sell, for cash or credit or part cash and part credit, lease or dispose of or otherwise realize upon the whole or any part of the Collateral whether by public or private sale as Roynat in its absolute discretion may determine without notice to the Debtor or advertisement and after deducting from the proceeds of sale (including complete reimbursement for 100% of all legal fees and disbursements) incurred in the repossession, sale, lease or other disposition of the Collateral apply the proceeds thereof to the Obligations in the manner and order to be determined by Roynat, provided however that Roynat shall only be liable to account to the Debtor, any subsequent encumbrancers and others for money actually received by Roynat and provided that the Debtor shall pay any deficiency forthwith;
 - (f) to appoint by instrument in writing any person or persons to be a receiver or receiver and manager of all or any portion of the Collateral, to fix the receiver's remuneration and to remove any receiver so appointed and appoint another or others in its stead;
 - (g) to apply to any court of competent jurisdiction for the appointment of a receiver or receiver and manager for all or any portion of the Collateral;

- (h) to have any instruments or investment property registered in its name or in the name of its nominee and shall be entitled but not required to exercise voting and other rights that the holder of that Collateral may at any time have; but Roynat shall not be responsible for any loss occasioned by the exercise of those rights or by failure to exercise them. Roynat may also enforce its rights under any agreement with any securities intermediary, futures intermediary or issuer of uncertificated securities; and
- (i) to retain the Collateral in satisfaction of the Obligations.

9. **Powers of Receiver.**

- (a) Any receiver (which term includes a receiver and manager) shall have all of the powers of Roynat set forth in this Debenture and, in addition, shall have the following powers:
 - (i) to lease all or any portion of the Collateral and for this purpose execute contracts in the name of the Debtor, which contracts shall be binding upon the Debtor and the Debtor hereby irrevocably constitutes such receiver as its attorney for such purposes;
 - (ii) to take possession of the Collateral, collect all rents, issues, incomes and profits derived therefrom and realize upon any additional or collateral security granted by the Debtor to Roynat and for that purpose may take any proceedings in the name of the Debtor or otherwise; andto carry on or concur in carrying on the business which the Debtor is conducting and for that purpose the receiver may borrow money on the security of the Collateral in priority to this Debenture;
- (b) Any receiver appointed pursuant to the provisions hereof shall be deemed to be the agent of the Debtor for the purposes of:
 - (i) carrying on and managing the business and affairs of the Debtor, and
 - (ii) establishing liability for all of the acts or omissions of the receiver while acting in any capacity hereunder and Roynat shall not be liable for such acts or omissions,

provided that, without restricting the generality of the foregoing, the Debtor irrevocably authorizes Roynat to give instructions to the receiver relating to the performance of its duties as set out herein.

10. **Application of Moneys.** All moneys actually received by Roynat or by the receiver pursuant to Sections 8 and 9 of this Debenture shall be applied:

- (a) first, in payment of those claims, if any, of secured creditors of the Debtor (including any claims of the receiver pursuant to Section 9(a)), ranking in priority to the charges created by this Debenture as directed by Roynat or the receiver;
- (b) second, in payment of all costs, charges and expenses (including all legal fees and disbursements on a solicitor and own client and full indemnity basis) of and incidental to the appointment of the receiver and the exercise by the receiver or Roynat of all or any of the powers granted to them under this Debenture, including the reasonable remuneration of the receiver or any agent or employee of the receiver or any agent of Roynat and all outgoings properly paid by the receiver or Roynat in exercising their powers as aforesaid;
- (c) third, in or towards the payment to Roynat of all other obligations due to it by the Debtor in such order as Roynat in its sole discretion may determine;
- (d) fourth, in or towards the payment of the obligation of the Debtor to persons if any, with security interests against Collateral ranking subsequent to those in favour of Roynat; and
- (e) fifth, subject to applicable law any surplus shall be paid to the Debtor.

11. **Realization Costs.** The Debtor shall pay all costs and expenses (including all legal fees and disbursements on a solicitor and own client and full indemnity basis) of Roynat incidental to or which in any way relates to this Debenture or its enforcement, including, (i) taking, recovering or possessing the Collateral; (ii) taking any actions or other proceedings to enforce the

remedies provided herein or otherwise in relation to this Debenture or the Collateral, or by reason of a default under any Financing Document or the non-payment of the moneys thereby secured; (iii) taking or responding to proceedings, giving notices and giving responses required under any applicable law concerning or relating to any Financing Document, including compliance with the provisions of applicable bankruptcy, insolvency, personal property security and mortgage enforcement legislation; and (iv) obtaining the advice of counsel and other advisors in relation to the foregoing, all such costs and expenses and other monies payable hereunder, together with interest at the highest rate chargeable by Roynat from time to time on the Obligations, shall form part of the Obligations, shall be payable by the Debtor on demand and shall be secured hereby.

12. **Possession of Collateral.** The Debtor acknowledges that Roynat or any receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from Roynat or any such receiver to assemble and deliver possession of the Collateral at such place or places as directed.
13. **Deficiency.** The Debtor shall remain liable to Roynat for any deficiency after the proceeds of any sale, lease or disposition of Collateral are received by Roynat and applied in accordance with the provisions of Section 10(c) hereof.
14. **Appointment of Monitor.** If in the opinion of Roynat, acting reasonably, a material adverse change has occurred in the financial condition of the Debtor, or if Roynat in good faith believes that the ability of the Debtor to pay any of its obligations to Roynat or to perform any other covenant contained herein has become impaired or if an Event of Default has occurred, Roynat may by written notice to the Debtor, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the Collateral, the Debtor or its business and affairs for the purpose of reporting to Roynat. The Debtor shall give the Monitor its full co-operation, including full access to facilities, assets and records of the Debtor and to its creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Debtor nor shall it participate in the management of the Debtor's affairs and shall incur no liability in respect thereof or otherwise in connection with the Debtor, its business and affairs or the Collateral. The Monitor shall act solely on behalf of Roynat and shall have no contractual relationship with the Debtor as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Debenture. All reasonable fees and expenses of the Monitor (including complete reimbursement for 100% of all legal fees and disbursements) shall be paid by the Debtor upon submission to it of a written invoice therefor. Roynat may at its option upon the occurrence of an event of default appoint or seek to have appointed the Monitor as receiver, receiver and manager, liquidator, or trustee in bankruptcy of the Debtor or the Collateral or any part thereof.
15. **Application of Insurance Proceeds.** Any insurance moneys received by Roynat may at the option of Roynat be applied to rebuilding or repairing the Collateral, or be paid to the Debtor, or any such moneys may be applied in the sole discretion of Roynat, in whole or in part, to the repayment of the Obligations or any part thereof whether then due or not, with any partial payments to be credited against principal instalments payable thereunder in inverse order of their maturity dates.
16. **No Merger or Novation.** The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Debtor to perform its obligations hereunder or to pay the Obligations hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of Roynat to interest in effect from time to time hereunder and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Debenture or of any instruments or documents supplemental hereto shall not operate as a merger of any representation, warranty, term, condition or other provision contained in any other obligation or indebtedness of the Debtor to Roynat or under any Offer of Finance.
17. **Security in Addition.** The security hereby constituted is in addition to any other security now or hereafter held by Roynat. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the moneys secured hereby, shall not release or affect the security created hereby.
18. **Partial Discharges.** Roynat may in its sole discretion grant partial discharges or releases of security in respect of any of the Collateral on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the remainder of the security created hereby nor shall it alter the obligations of the Debtor under the Obligations or hereunder.
19. **Assignment.** This Debenture may be assigned by Roynat to any other person and, if so assigned, the assignee shall have and be entitled to exercise any and all discretions, rights and powers of Roynat hereunder, and all references herein to Roynat shall include such assignee. The Debtor may not assign this Debenture or any of its rights or obligations hereunder. This Debenture shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Debenture and the security interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against Roynat.

20. **Limited Power of Attorney.** The Debtor hereby appoints Roynat as the Debtor's attorney, with full power of substitution, in the name and on behalf of the Debtor, to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Debtor has agreed to execute, deliver and do hereunder, under any Offer of Finance or otherwise, or as may be required by Roynat or any receiver to give effect to this Debenture or in the exercise of any rights, powers or remedies hereby conferred on Roynat or any receiver, and generally to use the name of the Debtor in the exercise of all or any of the rights, powers or remedies hereby conferred on Roynat or any receiver. This appointment, being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Debtor or for any other reason.
21. **Amalgamation.** The Debtor acknowledges that if it amalgamates with any other corporation or corporations (a) the Collateral and the lien created hereby shall extend to and include all the property and assets of each of the amalgamating corporations and the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (b) the term "Debtor", where used herein shall extend to and include each of the amalgamating corporations and the amalgamated corporation, and (c) the term, "Obligations", where used herein shall extend to and include the Obligations of each of the amalgamating corporations and the amalgamated corporation. Nothing in this Section 21 shall be interpreted as permitting the Debtor to amalgamate in violation of any covenant of the Debtor contained herein or in any other agreement binding the Debtor.
22. **Severability.** Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Debenture.
23. **Notices.** Any notice required or desired to be given hereunder or under any Offer of Finance or under any instrument supplemental hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by sending the same by registered mail, postage prepaid, to Roynat or to the Debtor at their respective addresses set out above and, in the case of electronic communication, to the facsimile numbers set out above. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice sent by facsimile or other means of electronic transmission shall be deemed to have been delivered on the business day following the sending of the notice, and any notice so mailed shall be conclusively deemed given on the third business day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments herein referred to may be changed by notice in writing given pursuant hereto.

Notwithstanding the foregoing, if the Personal Property Security Act requires that notice be given in a special manner, then such notice or communication shall be given in such manner.

24. **General.**

- (a) The Debtor authorizes Roynat to file such financing statements, notices of security interest, caveats and other documents and do such acts and things as Roynat may consider appropriate to perfect its security in the Collateral, to protect and preserve its interest in the Collateral and to realize upon the Collateral.
- (b) Nothing in this Debenture will in any way obligate Roynat to advance any funds, or otherwise make or cause to make credit available to the Debtor, nor will Roynat have any liability for any failure or delay in its part to exercise any rights hereunder.
- (c) If more than one Debtor executes this Debenture, the obligations of such Debtors hereunder shall be joint and several.
- (d) The division of this Debenture into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.
- (e) When the context so requires, the singular shall include the plural and vice versa and words importing gender include all genders; all rights, advantages, privileges, immunities, powers and things hereby secured to the Debtor shall be equally secured to and exercised by its successors and assigns.
- (f) Time is of the essence in this Debenture.
- (g) The Debtor, if a corporation, waives the rights, benefits and protection given by and agrees that The Limitation of Civil Rights Act and The Land Contracts (Actions) Act, both of Saskatchewan, shall not apply to this Debenture or

to any agreement renewing or extending this Debenture or to the rights, powers or remedies of Roynat under this Debenture or under any agreement renewing or extending this Debenture.

- (h) The security interests created by this Debenture are continuing, to secure a current or running account, and will extend to the ultimate balance of the Obligations, regardless of any intermediate payment or discharge of the Obligations in whole or in part. Without limiting the foregoing, the Obligations may include advances and re-advances under revolving credit facilities, which permit borrowing, repayment of all or part of the amount borrowed and re-borrowing of amounts previously paid.

- 25. **Receipt.** The Debtor hereby acknowledges receipt of a true copy of this Debenture and, to the extent permitted by law, waives all rights to receive from Roynat a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Debenture or any supplemental or collateral security granted to Roynat.
- 26. **Governing Law and Headings.** This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The division of this Debenture into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.
- 27. **Invalidity, etc.** Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Debenture.
- 28. **Interest Calculations.** Interest payable on the Debenture shall be payable both before and after demand, default and judgement at the Loan Rate with interest on overdue interest at the same rate. For the purposes of the *Interest Act* (Canada), the yearly rate of interest applicable to amounts owing on this Debenture shall be calculated on the basis of a 365 day year.

{FOR ALBERTA AND SASKATCHEWAN}

- 29. **Waiver of Certain Legislation.** The Debtor hereby declares and covenants that:
 - (a) *The Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action as defined in *The Land Contracts (Actions) Act* with respect to this Debenture, any of the Mortgaged Premises or any supplemental or collateral security granted to Roynat;
 - (b) *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to: (i) this Debenture; (ii) any indenture, instrument or agreement entered into by the Debtor, at any time hereafter, supplemental, collateral or ancillary hereto or in implementation of this Debenture or the Offer of Finance and involving the payment by the Debtor of money or the liability of the Debtor to pay money; (iii) any mortgage, charge or other security for the payment of the money made, given or created by this Debenture; (iv) any instrument or agreement entered into by the Debtor at any time hereafter, renewing or extending or collateral to this Debenture or any other security given to Roynat by the Debtor; or (v) the rights, powers or remedies of Roynat or a receiver or any other person under this Debenture or under any other security granted by the Debtor to Roynat or instrument or agreement collateral, supplemental or ancillary hereto or referred to in this Debenture; and
 - (c) to the extent permitted by law, the Debtor expressly waives its rights under the *Alberta Insurance Act* and *The Fire Prevention (Metropolis) Act*, 1774 (GEO III, Ch. 78).

{FOR BRITISH COLUMBIA}

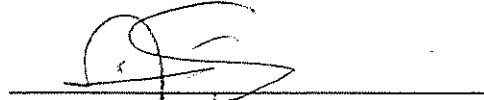
- 30. **Right of Consolidation.**
 - (a) The right of consolidation shall apply to this Debenture notwithstanding Section 31 of the *Property Law Act* of British Columbia or any similar statutory provision in force from time to time.
 - (b) For the purposes of Section 203 of the *Land Title Act* (British Columbia), the floating charge hereby created over the Borrower's real and immovable property, both freehold and leasehold, shall become a fixed charge thereon upon the earlier of:
 - (i) the occurrence of an Event of Default; or

- (ii) Roynat taking any action pursuant to Section 9 hereof to enforce and realize on the security hereby constituted.

IN WITNESS WHEREOF the Debtor has executed this Debenture as of the date first written above.

2796996 ONTARIO INC.

Per:



Name: Amjid Hussain Chaudhry

Title: President

I have authority to bind the Corporation

Schedule "A"— this belongs with Demand Debenture

SCHEDULE "A"

List of Freehold Property

FIRSTLY: PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD. NO. 81, PART 3 30R14573; TOWN OF GRIMSBY, being the whole of PIN 46020-0217(LT)
SECONDLY: PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY being the whole of PIN 46020-0220(LT) and municipally known as 88 Main St. West, Grimsby, Ontario (the "Property")

Schedule "B"— this belongs with Demand Debenture

SCHEDULE "B"

List of Leasehold Property

506160.v3.20170908

SCHEDULE "C"

LOCATION OF COLLATERAL

Location of Collateral:

FIRSTLY: PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD. NO. 81, PART 3 30R14573; TOWN OF GRIMSBY, being the whole of PIN 46020-0217(LT)

SECONDLY: PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY being the whole of PIN 46020-0220(LT) and municipally known as 88 Main St. West, Grimsby, Ontario (the "Property")

Properties

PIN

46020 - 0217 LT

Description

PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD NO. 81, PART 3 30R14573; TOWN OF GRIMSBY

Address

88 MAIN STREET WEST
GRIMSBY

PIN

46020 - 0220 LT

Description

PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY

Address

GRIMSBY

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name

2796996 ONTARIO INC.

Address for Service

88 Main St. West
Grimsby, ON L3M 1R6

I, Amjid Hussain Chaudhry, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Party To(s)

Capacity

Share

Name

ROYNAT INC.

Address for Service

2 Robert Speck Parkway, 4th Floor
Mississauga, ON L4Z 1H8

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, NR591915 registered on 2021/10/06 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Terrilee Ruth Elaine Walek

900-3 Robert Speck Pkwy
Mississauga
L4Z 2G5

acting for
Applicant(s)

Signed

2021 10 06

Tel

905-276-9111

Fax

905-276-2298

I have the authority to sign and register the document on behalf of all parties to the document.

Terrilee Ruth Elaine Walek

900-3 Robert Speck Pkwy
Mississauga
L4Z 2G5

acting for
Party To(s)

Signed

2021 10 06

Tel

905-276-9111

Fax

905-276-2298

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

KEYSER MASON BALL LLP

900-3 Robert Speck Pkwy
Mississauga
L4Z 2G5

2021 10 06

Tel

905-276-9111

Fax

905-276-2298

Fees/Taxes/Payment

Statutory Registration Fee

\$65.30

Total Paid

\$65.30

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

File Number

Party To Client File Number : DDG/TW 20466-85

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS INDENTURE dated this 10th day of ~~May~~, 2021.
September, 2021.

BETWEEN

2796996 Ontario Inc., a corporation incorporated under the laws of Ontario and having its registered head office at 88 Main Street West, Grimsby, Ontario

(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

ROYNAT INC., a corporation incorporated under the laws of Canada and having an office at 2 Robert Speck Parkway, 4th Floor, Mississauga, ON L4Z 1H8

(hereinafter called "Roynat")

OF THE SECOND PART

WHEREAS by a charge (the "Mortgage") dated the 10th day of ~~May~~, 2021 in the face amount of \$4,025,000.00 which Mortgage was registered in the Land Registry Office for the Land Titles Division of Niagara North (No. 30), the Assignor granted, mortgaged and charged to Roynat the lands and premises described in Schedule "A" hereto (the said lands and premises together with the buildings, improvements and fixtures situate thereon being hereinafter referred to as the "Premises") to secure the payment to Roynat of the principal of, interest on and all other moneys which may become owing on or pursuant to the Mortgage (whenever in this Indenture reference is made to the Mortgage it shall be deemed to include any renewals or extensions thereof and any Charges taken in substitution therefor either in whole or in part); and

WHEREAS as security for the due performance by the Assignor of all the covenants contained in the Mortgage, the Assignor has agreed to assign, transfer and set over unto Roynat all of its right, title and interest in all rents, charges and other monies (the "Rents") now due and payable or hereafter to become due and payable under any leases now or hereafter existing of any and all portions of the Premises; and

NOW THIS INDENTURE WITNESSETH that in consideration of the premises and other good and valuable consideration the Assignor represents, covenants and agrees with Roynat as follows:

1. Assignment The Assignor hereby irrevocably assigns, transfers and sets over unto Roynat the Rents and all benefits and advantages to be derived therefrom, including any guarantees given to the Assignor in respect of the Rents, to hold and receive the same unto Roynat its successors and assigns, with full power and authority to demand, collect, sue for, recover, receive receipts for the Rents and to enforce payment of the same in the name of the Assignor.

2. Where Assignor Not In Default Until the Assignor defaults under the covenants, terms and conditions contained in this Indenture or an event of default occurs under the Mortgage, the Assignor may demand, receive, collect and enjoy the Rents only as the same fall due and payable and not in advance, but nothing shall permit or authorize the Assignor to collect or receive Rents contrary to the covenants contained herein.

3. Remedies The Assignor, in the event of a default hereunder or under the Mortgage, hereby authorizes the Bank, at its option and in addition to any other rights it may have hereunder or under any other agreement or at common law or in equity, to deliver to any or all of the tenants, licencees or occupiers of the Premises notices to pay all Rents to Roynat and to collect such Rents and, in addition, enter upon the Premises by its officers, agents or employees for the purpose of collecting the Rents and/or operating and maintaining the Premises. The Assignor hereby authorizes Roynat generally to perform all such acts, including any acts by way of enforcement of the covenants and exercise of the rights contained in the Leases or otherwise, as may in the opinion of Roynat be necessary or desirable for the proper operation and maintenance of the Premises, which acts may be performed in the name of the Assignor or in the name of Roynat as in the absolute discretion of Roynat may seem proper or advisable. Roynat shall, after deduction of all collection charges and all expenses, which Roynat in its absolute discretion shall deem advisable to pay for the proper operation and maintenance of the Premises, credit the remainder of the moneys which it may receive in connection with the Premises on account of any amount or amounts due to Roynat from the Assignor in such manner as Roynat shall in its sole discretion determine. Notwithstanding anything herein, Roynat shall be liable to account only for such monies as shall actually come into its hands.

4. Receipts by the Roynat The Assignor hereby agrees that all receipts given by Roynat to the lessee under any leases on account of any Rents paid to Roynat in accordance with the terms of this Indenture shall constitute a good and valid discharge therefor to the lessee.

5. Not Mortgagee in Possession Nothing herein contained shall be deemed to have the effect of making Roynat responsible for the collection of the Rents or any part thereof for the performance of any covenants, terms or conditions either by the Lessors or the lessees contained in any leases and Roynat shall not by virtue of this Indenture be deemed a mortgagee in possession of the Premises.

6. Perform Covenants of Landlord The Assignor shall at all times perform all of the Lessor's covenants and obligations contained in any leases and any failure on the part of the Assignor thereunder shall constitute a default hereunder and shall be deemed to be in default under

the Mortgage.

7. Valid Leases The Assignor hereby covenants with Roynat notwithstanding any act of the Assignor that all leases are good, valid and subsisting leases and that the Assignor now has good right, full power and absolute authority to assign each such lease according to the true intent and meaning of this Indenture.

8. No prepayment of Rents The Assignor will not accept payment from the lessee in advance and will not cause payment to be made in advance on its direction for a period longer than provided in the respective lease and breach of this covenant shall be deemed to be default under the Mortgage.

9. Covenants The Assignor shall not without the written approval of the Roynat first had and obtained:

(a) do or omit to do any act having the effect of terminating, cancelling or accepting the surrender of any leases to be terminated;

(b) amend, alter or vary the term or rents of any leases;

(c) waive, reduce or abate any of its rights or remedies under any leases or the obligations of any other parties thereunder or in respect thereof; and

(d) permit any material default or breach of covenant by the lessee under any leases.

10. Waiver of Covenants Roynat may waive any default or breach of covenant and shall not be bound to serve any notice upon any lessee under any leases upon the happening of any default or breach of covenant, but any such waiver shall not extend to any subsequent default or breach of covenant.

11. Further Assurances The Assignor covenants and agrees from time to time and at all times hereafter at the request of Roynat to execute and deliver at the expense of the Assignor such further assurances for better and more perfectly assigning to Roynat any Leases whether presently existing or hereafter created and the rents payable thereunder in the manner aforesaid as Roynat may require.

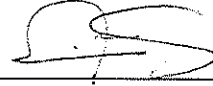
12. Re-assignment The assignment, transfer and setting over herein provided shall not be revoked or rescinded by any variation of the terms of the Mortgage or any extension of time for payment or otherwise but shall remain in full force and effect until the Assignor shall have performed all of its obligations under the Mortgage. A discharge of the Mortgage executed by Roynat shall operate as a re-assignment of the Rents without the need for any further conveyance, but Roynat shall, at the request and at the expense of the Assignor, execute and deliver a full re-assignment to the Assignor of the Rents and all its right, title and interest therein.

13. Binding Effect This Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators successors and assigns. This Indenture shall be governed by and construed in accordance with the laws of the Province of Ontario.

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the day and year first above written.

2796996 ONTARIO INC.

Per: _____



Name: Amjid Hussain Chaudhry

Title: President

I have authority to bind the Corporation

Schedule "A"

FIRSTLY: PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD. NO. 81, PART 3 30R14573; TOWN OF GRIMSBY, being the whole of PIN 46020-0217(LT)

SECONDLY: PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY being the whole of PIN 46020-0220(LT) and municipally known as 88 Main St. West, Grimsby, Ontario (the "Property")

Properties			
PIN	46020 - 0220	LT	Interest/Estate Fee Simple
Description	PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY		
Address	88 MAIN STREET WEST GRIMSBY		

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	2796996 ONTARIO INC.
Address for Service	1240 Sheffield Road Sheffield, ON L0R 1Z0
I, Amjid Hussain Chaudhry, have the authority to bind the corporation. This document is not authorized under Power of Attorney by this party.	

Chargee(s)		Capacity	Share
Name	MACEWEN PETROLEUM INC.		
Address for Service	P.O. Box 100 Maxville, ON K0C 1T0		

Provisions			
Principal	\$450,000.00	Currency	CDN
Calculation Period			
Balance Due Date	ON DEMAND		
Interest Rate			
Payments			
Interest Adjustment Date			
Payment Date	ON DEMAND		
First Payment Date			
Last Payment Date			
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	Amjid Hussain Chaudhry		

Signed By				
Eric Geoffrey Pietersma		77 Main Street Morrisburg K0C 1X0	acting for Chargor(s)	Signed 2021 10 08
Tel	613-543-2946			
Fax	613-543-3867			
I have the authority to sign and register the document on behalf of the Chargor(s).				

Submitted By		
HORNER & PIETERSMA	77 Main Street Morrisburg K0C 1X0	2021 10 08
Tel 613-543-2946		
Fax 613-543-3867		

Fees/Taxes/Payment	
Statutory Registration Fee	\$65.30
Total Paid	\$65.30

Properties

PIN46020 - 0220 LT

DescriptionPART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY

Address88 MAIN STREET WEST GRIMSBY

Consideration

Consideration\$1.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name2796996 ONTARIO INC.

Address for Service1240 Sheffield Road
Sheffield, ON
L0R 1Z0

I, Amjid Hussain Chaudhry, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Party To(s)CapacityShare

NameMACEWEN PETROLEUM INC.

Address for ServiceP.O. Box 100
Maxville, ON
K0C 1T0

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

Statements

This notice is pursuant to Section 71 of the Land Titles Act.
This notice is for an indeterminate period
Schedule: See Schedules

Signed By

Eric Geoffrey Pietersma77 Main Street
Morrisburg
K0C 1X0

acting for
Applicant(s)

Signed2021 10 08

Tel613-543-2946

Fax613-543-3867

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

Submitted By

HORNER & PIETERSMA77 Main Street
Morrisburg
K0C 1X0

2021 10 08

Tel613-543-2946

Fax613-543-3867

Fees/Taxes/Payment

Statutory Registration Fee\$65.30

Total Paid\$65.30

Site Number: 325546

ASSUMPTION AGREEMENT

THIS AGREEMENT, effective as of MAY 27, 2021.

BETWEEN:

2481294 Ontario Inc
88 Main street West
Grimsby, Ontario
L3M 1R6

And-

88 Grimsby Inc
88 Main Street West
Grimsby, Ontario
L3M 1R6

(hereinafter called the "Dealer")

- and -

Fauzia Chaudhary
18 Blossom Lane
Hamilton, Ontario
L9C 2W6

(hereinafter called the "Guarantor")

- and

2796996 Ontario Inc
1240 Sheffield Road
Sheffield, Ontario
L0R1Z0

(hereinafter called the "New Dealer")

- and

Amjid Hussain Chaudhry
(hereinafter called the "Guarantor")

- and

MacEwen Petroleum Inc.
(hereinafter called "The Distributor")

WHEREAS 2481294 Ontario Inc and 88 Grimsby Inc, (Dealer) entered into a Motor Fuels Supply Agreement ESSO Branded Motor Fuels with MacEwen Petroleum Inc. effective August 2nd 2018, and;

WHEREAS the Dealer and MacEwen Petroleum Inc. entered into a Motor Fuel Supply Agreement ESSO Branded Motor Fuels effective August 2nd 2018 (hereinafter called the "Agreement"), and for the full property identified by PIN #46020-0220 ("Marketing Premises")
WHEREAS Amjid Hussain Chaudhry (2796996 Ontario Inc) (Buyer) entered into a Purchase Agreement with Fauzia Chaudhary (2481294 Ontario Inc and 88 Grimsby Inc) (Vendor) dated December 2nd 2020 and;

WHEREAS Amjid Hussain Chaudhry (2796996 Ontario Inc) (Buyer) entered into a Purchase Agreement with Fauzia Chaudhary (2481294 Ontario Inc and 88 Grimsby Inc) (Vendor), dated December 2nd 2020.

AND WHEREAS the New Dealer desires to assume the Dealer's rights and obligations under the Agreement;

NOW THEREFORE in consideration of the sum of Two Dollars (\$2.00) the receipt and sufficiency of which are hereby acknowledged, the parties hereto acknowledge and agree that:

1. The Dealer hereby assigns to the New Dealer all its right, title and interest in the Agreement.
2. The New Dealer hereby accepts such assignment and the New Dealer hereby assumes all obligations under the Agreement and covenants to and with the Distributor to observe, perform, fulfill and keep those conditions and covenants contained in the Agreement to be performed by the Dealer named therein in the same manner and to the same extent as if the New Dealer had been originally mentioned as the Dealer in the Agreements.
3. The Distributor hereby consents to such assignment and agrees that it shall hold the New Dealer responsible for the observance and performance of the conditions and covenants contained in the Agreement on and after the effective date of this Agreement.
4. The New Dealer acknowledges that he will be required to provide an irrevocable Bank Letter of Guarantee in favor of the Distributor in the amount of Sixty Thousand Dollars (\$60,000.00) during the term of the agreements. This Letter of Credit shall contain a clause that it shall be automatically renewed each year irrevocable Bank Letter of Guarantee in favor of the Distributor during the term of the agreements.
5. Nothing in this Agreement shall operate as a release of the Dealer from any obligation or liability under the Agreements which occurred prior to the effective date of this Agreement.
6. The New Guarantor hereby consent to the assignment and to the covenants contained in this Assumption Agreement and in the Agreement. The New Guarantor hereby covenant and agree to observe, perform and fulfill all guarantees set out in section 27 of the Agreement in the same manner and to the same extent as if the New Guarantor had been originally mentioned as the Guarantors in the Agreement.
7. The parties agree that Notice of the Agreement and the Assumption Agreement shall be registered against the Marketing Premises, and this Assumption Agreement shall constitute sufficient direction and authority for the Distributor (and the solicitors of the Distributor, Homer & Pieterma), to proceed with such registration.
8. The parties agree that a collateral charge in the amount of Four Hundred and Fifty Thousand Dollars to the benefit of the Distributor (\$450,000.00) shall be registered against the Marketing Premises by the New Dealer obligations under the Agreement and without derogation from such further rights as the Distributor holds under the Agreement. This Assumption Agreement shall constitute sufficient direction and Authority for the Distributor (and the solicitors of the Distributor, Homer & Pieterma) to proceed with such registration;
9. The Initial Dealer, the Additional New Dealer and the New Guarantor(s) confirm that they have had an opportunity to obtain independent legal advice in relation to this Assumption Agreement;
10. Any notice shall be given to the respective parties at the following addresses:

MacEwen Petroleum Inc. Vice-President, Finance
18 Adelaide Street, Box 100
Markville, Ontario
K0C 1T0

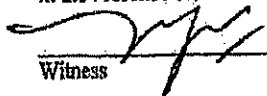
2796996 Ontario Inc.
1240 Sheffield Road,
Sheffield, Ontario
L0R 1Z0

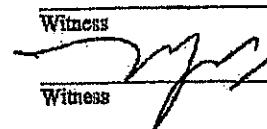
Guarantor

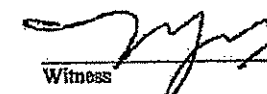
Amjid Hussain Chaudhry
1240 Sheffield Road
Sheffield, Ontario
L0R 1Z0

8. The aforesaid assignment shall be effective as of the date first written above.

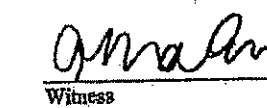
SIGNED, SEALED AND DELIVERED
In the Presence of:


Witness

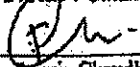

Witness


Witness



Witness


Witness

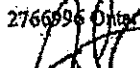
2481294 Ontario Inc and 88 Grimsby inc.

Per: 
Fauzia Chaudhary
I have the authority to bind the corporation

Per: _____


Per: 
Fauzia Chaudhary - Guarantor

2766996 Ontario Inc

Per: 
Amjid Hussain Chaudhry
I have the authority to bind the corporation

Per: 
Amjid Hussain Chaudhry - Guarantor

MacEwen Petroleum Inc.

Per: 
Peter A. MacEwen, President
I have the authority to bind the corporation.

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

yyyy mm dd Page 1 of 8

Properties

<i>PIN</i>	46020 - 0217	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD NO. 81, PART 3 30R14573; TOWN OF GRIMSBY			
<i>Address</i>	88 MAIN STREET WEST GRIMSBY			
<i>PIN</i>	46020 - 0220	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY			
<i>Address</i>	88 MAIN STREET WEST GRIMSBY			

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	2796996 ONTARIO INC.
Address for Service	1240 Sheffield Road, Sheffield, Ontario, Canada, L0R 1Z0

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Chargee(s)

Name	ELLE MORTGAGE CORPORATION
Address for Service	1240 Bay Street, Suite 202, Toronto, ON, M5R 2A7

Statements

Schedule: See Schedules

Provisions

Principal	\$1,050,000.00	Currency	CDN
Calculation Period	monthly, not in advance		
Balance Due Date	2022/07/24		
Interest Rate	8.99% per annum		
Payments	\$7,866.25		
Interest Adjustment Date	2022 01 24		
Payment Date	twenty-fourth (24th) day of each and every month		
First Payment Date	2022 02 24		
Last Payment Date	2022 07 24		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor			

Additional Provisions

This is a blanket mortgage against the following properties:

1. PART LOT 10, PLAN 943, BEING PART 2 ON 62R15534; S/T EASEMENT IN FAVOUR OF CITY OF HAMILTON AS IN WE244314; HAMILTON and municipally known as 18 Blossom Lane, Hamilton, ON. CHAUDHARY, FAUZIA MAQBOOL is the registered owner;
2. PART LOT 32, CON BROKEN FRONT SALT FLEET, AS IN VM116081; BEING PART 2 ON 62R-21646; HAMILTON and municipally known as 652 Parkdale Avenue North, Hamilton, ON. 11977636 CANADA INC. is the registered owner;
3. PT LT 388-389 CP PL 4 GRIMSBY PT 1 30R4067; T/W RO252639; GRIMSBY and municipally known as 4 Patton Street, Grimsby, ON. CHAUDHARY, FAUZIA MAQBOOL is the registered owner;
4. PT LT 5 CON 3 GLANFORD AS IN VM127409; CITY OF HAMILTON and municipally known as 2696 Highway 6, Glanbrook, ON (also known as 2696 Upper James Street, Mount Hope, ON). CHAUDHARY, FAUZIA MAQBOOL is the registered owner, and
5. PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD NO. 81, PART 3 30R14573; TOWN OF GRIMSBY and PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY and municipally-

Additional Provisions

known as 88 Main Street West, Grimsby. 2796996 ONTARIO INC. is the registered owner,

which secures the same principal amount of \$1,050,000.00. Default under one shall be deemed default under all.

Signed By

Nicanor Garcia Catre	1240 Bay St., Ste. 202 Toronto M5R 2A7	acting for Chargor(s)	Signed	2022 02 09
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Tel 416-9610002

Fax 4169615329

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

Submitted By

NICANOR G CATRE BARRISTER & SOLICITOR	1240 Bay St., Ste. 202 Toronto M5R 2A7	2022 02 09
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Tel 416-9610002

Fax 4169615329

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Chargor Client File Number : C17-1808

SCHEDULE "A" - ADDITIONAL PROVISIONS

ADMINISTRATION FEE

The Chargee/Mortgagee shall charge an administration fee of \$300.00 for each occurrence of any of the following events:

- 1. Late Payment or No Payment;
- 2. Cheque Dishonoured for any reason;
- 3. Failure to pay realty taxes when same fall due;
- 4. Failure to provide proof of payment of realty taxes;
- 5. Failure to obtain and/or maintain insurance coverage, with mortgagee endorsement in favour of the herein Chargee/Mortgagee or its assigns;
- 6. Failure to provide proof of insurance coverage on an annual basis;
- 7. Failure to provide post-dated cheques;
- 8. Default under condominium or co-ownership declaration and by-laws;
- 9. Failure to notify Chargee/Mortgagee of registration of a Lien by the Condominium Corporation or Co-Ownership Corporation, for common maintenance arrears or other default;
- 10. Default under prior mortgage, charge or encumbrance;
- 11. Request for Mortgage Statement;
- 12. Request for Discharge Statement;

Such administration fee shall be automatically and immediately added to the principal amount outstanding upon the happening of each such occurrence.

DISPOSITION OF THE MORTGAGED LAND

Provided that if the Chargor(s)/Mortgagor(s), sells, transfers, conveys or otherwise disposes of the lands and premises all amounts, whether principal, interest or otherwise that may be owing hereunder including administration fees and bonuses, shall, at the sole option of the Chargee/Mortgagee, be immediately due and payable and shall bear interest at the rate of interest in accordance with the terms of this Charge/Mortgage from the payment date next preceding the date of such sale, transfer, conveyance or disposition to the date of payment.

CONSTRUCTION LIEN ACT

No portion of the proceeds of this Mortgage is to be used to finance any construction, alterations, renovations or improvements to the subject property within the meaning of the Construction Lien Act (Ontario) or to repay a Mortgage which was taken out for this purpose, failing which all amounts, whether principal, interest or otherwise that may be owing hereunder, including Administration Fees and bonuses, shall be immediately due and payable at the sole option of the Mortgagee. If any amount of money is claimed in priority over this Mortgage pursuant to the Construction Lien Act (Ontario and if the Mortgagee is obligated to pay any amounts owing under the said Act, same shall be added to the principal amount outstanding under the Mortgage.

COSTS

In the event of default under the herein Charge/Mortgage, notwithstanding anything contained to the contrary hereinbefore or hereinafter, all costs, charges and expenses including all legal costs on a solicitor and client basis, which may be incurred in endeavoring to collect any monies overdue under this charge, and/or rectifying all other monetary or non-monetary default under the terms of this charge and including but not limited to obtaining legal counsel and advice and to the taking, recovering and keeping possession of the said lands and of negotiating this loan, investigating title, and registering the Charge/Mortgage and other necessary deeds, and generally in any other acts, actions and/or proceedings taken, in connection with or to realize this security, shall be, with interest at a rate as set out herein, a charge upon the said lands in favour of the Chargee/Mortgagee.

PAYMENT METHOD

The Chargor(s)/Mortgagor(s) shall provide the Chargee/Mortgagee with a series of post-dated cheques on or before the closing date of the Charge/Mortgage and a further series of post-dated cheques on or before each anniversary date of the within Charge/Mortgage. Failure to provide such cheques shall at the Chargee's/Mortgagee's option constitute default under the Charge/Mortgage. In the event that there is more than one Chargee, the Chargor shall provide separate payments to each Chargee. In the event that the Charge/Mortgage is assigned, then the Chargor shall forthwith provide a replacement series of post-dated cheques to the new Chargee/Mortgagee or as the new Chargee/Mortgagee may so direct.

_____	_____	_____	_____
to be initialed by	to be initialed by	to be initialed by	to be initialed by
mortgagor/guarantor	mortgagor/guarantor	mortgagor/guarantor	mortgagor/guarantor

In the event that the Chargee is or becomes a financial institution as Trustee for the RRSP or RRIF of an individual or individuals, the Chargor shall forthwith provide a replacement series of post dated cheques to the planholder or planholders or as the planholder or planholders directs.

ASSUMPTION OF CHARGE CLAUSE

NOTWITHSTANDING anything to the contrary hereinbefore or hereinafter contained, the Chargor/Mortgagor expressly covenants, undertakes and agrees that the prior written approval of the Chargee/Mortgagee (which approval may at its sole discretion be withheld by the Chargee/Mortgagee) shall be obtained to any proposed sale or transfer of title to the said lands and premises or any part thereof; in the event of failure by the Chargor/Mortgagor to obtain such prior approval, the within Charge/Mortgage shall at the sole option of the Chargee/Mortgagee become due and payable. Following approval by the Chargee/Mortgagee to any sale or transfer of title as aforesaid, the Chargor/Mortgagor shall obtain from the Purchaser an agreement in writing assuming the within Charge/Mortgage and all monies then owing thereunder and in default of the execution and delivery to the Chargee/Mortgagee of such assumption agreement, the monies then owing hereunder shall be accelerated and become legally due and payable; it being understood and agreed, however, that the Chargor/Mortgagor shall also remain liable to the Chargee/Mortgagee in respect to any deficiency upon a sale of the said lands and premises by the Chargee/Mortgagee under the Power of Sale provisions contained in the within Charge/Mortgage, or upon sale of the said lands and premises by a prior Charge/Mortgage or other prior encumbrancer.

ASSIGNMENT OF RENTALS

The Chargor(s)/Mortgagor(s) will assign to the Chargee/Mortgagee all rents payable from time to time under leases of the land or any part thereof whether presently existing or arising in the future, together with the benefit of all covenants contained in the said leases in favour of the Chargor(s)/Mortgagor(s) and for the purpose of enabling the Chargee/Mortgagee to enforce payment of the said rents, the Chargor(s)/Mortgagor(s) covenants and agrees that it will forthwith after making any lease of the land or any part thereof grant and assign to the Chargee/Mortgagee the reversion of such lease; provided that nothing herein contained shall be deemed to make the Chargee/Mortgagee responsible for the collection of such rents or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease, and that the Chargee/Mortgagee shall not by virtue of these presents be deemed a Chargee/Mortgagee in possession of the land; and provided further that the Chargee/Mortgagee shall be liable to account for only such monies as may actually come into its hands by virtue of these presents less proper collection charges and that such monies when so received by the Chargee/Mortgagee shall be applied on account of the debt secured by the Charge/Mortgage; and provided further that the Chargee/Mortgagee will not cause the tenants under the said leases or any of them to pay rent to the Chargee/Mortgagee unless and until default has occurred in performance of any covenant contained in this Charge/Mortgage; and the Chargor(s)/Mortgagor(s) will perform all of the Landlord's covenants and obligations contained in the said leases or any of them. The Chargor(s)/Mortgagor(s) will execute such further documents as the Chargee/Mortgagee may from time to time deem requisite for the purpose of giving full effect to the Assignment of Rents hereinbefore contained and of enabling the Chargee/Mortgagee to enforce payment of such rents.

OPERATING STATEMENTS

The Chargor/Mortgagor agrees to provide to the Chargee/Mortgagee annually, and not later than ninety days (90) from the balance due date as set out in Box (9)(i) on page 1 herein, and each extension thereof audited statements of income and operating expenses for the lands and premises mortgaged, which statements shall be certified by an officer of the Chargor/Mortgagor to be true and accurate together with a copy of the current rent roll. Failure to provide such statements of income and operating expenses in accordance with the provisions herein, shall at the Chargee's/Mortgagee's option constitute default under the Charge/Mortgage.

LISTING FOR SALE

The Chargor/Mortgagor agrees that in the event the Chargor/Mortgagor desires to list for sale the lands and premises mortgaged herein within two (2) years of the later of the interest adjustment date herein and the last renewal date, the Chargee/Mortgagee shall have the first right of refusal to purchase the said lands and premises on the same terms and conditions as any bona-fide offer submitted to the Mortgagor and which the Mortgagor wishes to accept, save and except that the actual purchase price to the Chargee/Mortgagee shall be equal to the amount as contained in the aforesaid acceptable bona-fide offer, less the total real estate commission payable in connection with the said acceptable bona-fide offer. The Chargor/Mortgagor shall deliver a legible and complete copy of the said bona fide offer to the Chargee/Mortgagee and the Chargee/Mortgagee shall have three (3) business days following receipt of the said bona-fide offer to exercise the first right of refusal by notifying the Chargor/Mortgagor, failing which the said first right lapses, only to be reinstated should the Chargor/Mortgagor fail to complete the subject bona fide offer.

_____	_____	_____	_____
to be initialed by mortgagor/guarantor	to be initialed by mortgagor/guarantor	to be initialed by mortgagor/guarantor	to be initialed by mortgagor/guarantor

SALE ON TERMS

In the event power of sale proceedings are taken, the Chargee as vendor may sell the property on terms and if the result is that a charge/mortgage or charges/mortgages by the Chargee are taken back as part consideration of the sale, then the Chargee shall be entitled to sell those mortgages at a discount, without recourse by the Chargor/Mortgagor and the discount shall form part of the loss incurred by the Chargee and be recoverable against the Chargor.

In the case of a sale on credit the Chargee/Mortgagee shall be bound to apply on account only such monies as have been actually received from the purchasers from time to time. After the satisfaction of all Chargee's/Mortgagee's claims, the Chargee will not be bound to pay any amount to the Chargor/Mortgagor or any other person claiming entitlement thereto until all such agreements and assurances as the Chargee/Mortgagee considers fit have been executed and delivered.

The Chargee/Mortgagee may buy in or rescind or vary and contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby.

Any person, including the Chargee/Mortgagee herein, may bid on, tender for or purchase the Property at the sale.

RECEIVERSHIP CLAUSE

The Chargor/Mortgagor agrees that if and whenever the Chargee/Mortgagee becomes entitled hereunder to enter into possession of the mortgaged premises, it may in its sole discretion, by writing, appoint a Receiver of the mortgaged premises or any part thereof and of the rents and profits hereof and from time to time remove any receiver and appoint another in his stead and that in making any such appointment or appointments the Chargee/Mortgagee shall be deemed to be acting as the attorney for the Chargor/Mortgagor.

And that the following provisions shall apply upon the appointment of any such receiver: that such appointment may be made either before or after the Chargee/Mortgagee shall have entered into or taken possession of the mortgaged premises or any part thereof; that every such receiver may, at the sole discretion of the Chargee/Mortgagee, be vested with all or any of the powers and discretions of the Chargee/Mortgagee; that the Chargee/Mortgagee may from time to time fix the remuneration of every such receiver and direct the payment thereof of the mortgaged premises or the proceeds thereof; that every such receiver shall so far as concerns the responsibility for his acts or omissions be deemed the agent of the Chargor/Mortgagor and in no event the agent of the Chargee/Mortgagee, and the Chargee/Mortgagee in making or consenting to such appointment shall not incur any liability to the receiver for his remuneration or otherwise howsoever; that all monies from time to time received by such receiver shall be paid by him firstly, in discharge of all rents, taxes, insurance premiums and outgoings affecting the mortgaged premises, secondly, in payment of his commission as receiver and the cost of executing the necessary or proper repairs; thirdly, in keeping in good standing all charges on the mortgaged premises prior to this Charge/Mortgage; fourthly, in payment of the interest accruing due under this mortgage; and the residue of any money so received by him shall be applied on the principal sum from time to time owing under this Charge/Mortgage.

NON-TENANCY

The Chargor(s)/Mortgagor(s) confirm that the premises charged/mortgaged hereunder is a single family home not subject to a tenancy agreement at the date of execution hereof. The Chargor(s)/Mortgagor(s) further covenant not to enter into a tenancy agreement prior to the repayment in full of the indebtedness hereunder, and that any tenancy created shall be deemed a default under the herein charge/mortgage loan.

RENOVATION

The Chargor(s)/Mortgagor(s) agree not to renovate or rent any part of the subject premises without written approval of the Chargee(s)/Mortgagee(s).

AUTOMATIC RENEWAL

Provided that should the mortgage loan not be repaid in full on the maturity date, then and at the sole option of the Chargee/Mortgagee, the Chargor(s)/Mortgagor(s) and Guarantor(s) if any, shall be deemed to have accepted and the mortgage shall be automatically extended for a further period of six (6) months, at a rate of interest, commencing on the first day of the extended term, equal to the rate of interest of the immediately previous term plus 3.0%, per annum, calculated and payable interest only monthly, together with a renewal fee equivalent to 5.0% of the then outstanding balance, said renewal fee to be due

_____	_____	_____	_____
to be initialed by mortgagor/guarantor	to be initialed by mortgagor/guarantor	to be initialed by mortgagor/guarantor	to be initialed by mortgagor/guarantor

and payable on the first day of the extended term failing which same shall, at the sole option of the Chargee/Mortgagee, automatically be added to the then outstanding balance of the mortgage loan, as principal.

DISCHARGE

PROVIDED that when a discharge of the Charge/Mortgage is required for the within Charge/Mortgage, then the Chargee's/Mortgagee's Solicitor will prepare the discharge documentation for execution by the Chargee/Mortgagee, which costs shall be at the Chargor's/ Mortgagor's expense.

DEFAULT

Each and every of the following events shall constitute default under this Charge/Mortgage:

- (1) default in the payment of the Principal Amount, interest or any other amount secured by this Charge/Mortgage, when payment of such amount becomes due under the terms of this Charge;
- (2) if the Chargor/Mortgagor sells, transfers or otherwise disposes of the Property or any interest in the Property, to a purchaser not approved by the Chargee/Mortgagee in writing;
- (3) if the Chargor/Mortgagor is a Corporation and there is a change of control to a person or persons not approved by the Chargee/Mortgagee in writing;
- (4) if a petition in bankruptcy is filed against the Chargor/Mortgagor, if the Chargor/Mortgagor makes a proposal to creditors under the Bankruptcy and Insolvency Act, or makes a general assignment for the benefit of its creditors, if a receiver, interim receiver, monitor or similar person is placed or is threatened to be placed in control of or for overview of the Chargor's/Mortgagor's affairs or Property, or in the opinion of the Chargee/Mortgagee, the Chargor/Mortgagor becomes insolvent;
- (5) default under any terms or covenants contained herein or under any terms or covenants contained in any encumbrance registered in priority or subsequent to this Charge/Mortgage, or in payment of the realty taxes or condominium common expenses for the said property, shall constitute default under this Charge/Mortgage.

ANY PAYMENT that is made after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest, to have been made and received on the next bank business day.

The Chargor/Mortgagor agrees that should the mortgage not be renewed or discharged on the maturity date, that the Chargee/Mortgagee, at its option, shall be entitled to charge an additional fee equivalent to three (3) months interest, which amount shall be added to the principal amount outstanding hereunder on the maturity date.

The Chargor/Mortgagor agrees that should the Chargee/Mortgagee commence action due to default under the Charge/Mortgage, that the Chargee/Mortgagee at its option shall be entitled to charge an additional fee equivalent to three (3) months interest.

PREPAYMENT PRIVILEGE

PROVIDED that the Chargor, when not in default hereunder, shall have the privilege of prepaying the whole or any part(s) of the principal sum herein secured on any monthly payment date(s) without notice or bonus.

ACKNOWLEDGMENT ON ASSIGNMENT

In the event that the Chargee assigns transfers or otherwise conveys its interest hereunder, and upon the delivery of notice of same to the Chargor, the Chargor, if so requested, shall without cost, at any time and from time to time, execute an acknowledgment with respect to the terms and conditions of the Charge and the amount outstanding thereunder. Failure to execute the acknowledgment and deliver the acknowledgment to the Chargee within 5 days of its receipt by the Chargor to the Chargee shall be deemed to be default by the Chargor under the Charge.

FURTHER ENCUMBRANCES

The Chargor shall not grant or permit any further mortgages, charges or encumbrances of any nature to be registered against the Property without the prior written consent of the Chargee, and in the event of breach of this covenant, the Chargee shall be entitled to commence default proceedings and at the option of the Chargee, all money secured by this Charge/Mortgage together with an amount equal to three (3) months interest on the principal amount at the rate applicable to the principal amount shall become due and payable immediately.

_____	_____	_____	_____
to be initialed by	to be initialed by	to be initialed by	to be initialed by
mortgagor/guarantor	mortgagor/guarantor	mortgagor/guarantor	mortgagor/guarantor

CAPITALIZATION OF ANY PAYMENTS ON PRIOR ENCUMBRANCES

If the Chargor makes any agreement with any prior encumbrancers to satisfy any arrears of mortgage, property taxes, insurance or any other payments respecting the Property by way of an increase in the principal balance of the mortgage account or any other increase in the mortgage account, without the prior written consent of the Chargee, such act shall be a default under this Charge/Mortgage.

ACCRUAL OF INTEREST

In the event the terms of this Mortgage specifically provide for the accrual of interest for a specified period of time, the Chargor/Mortgagor confirms, represents and warrants that the provision for the accrual of interest has been requested by the Chargor/Mortgagor and the Chargor/Mortgagor represents, warrants and undertakes to use the monies that would otherwise be paid to the herein Chargee/Mortgagee but for the accrual, towards payment of outstanding realty taxes or to subsequent Chargees/Mortgagees and other subsequent encumbrancers.

INDEMNIFICATION OF CHARGE

In the event the Chargee shall be made a party to any litigation commenced by or against the Chargor, the Chargor shall indemnify and hold the Chargee harmless therefrom and shall pay all costs, expenses and solicitor's fees on a full indemnity basis. Such costs shall be a charge on the property and may be added to the principal amount secured hereby.

SERVICING FEE

In the event that the Chargee is called upon to pay any payment in order to protect its security position including but not limited to the payment of realty taxes, insurance premiums, condominium common expenses, principal interest or costs under a prior mortgage, it is agreed that such payment shall bear interest at Eighteen (18%) percent per annum, calculated and compounded monthly and that there shall be a service charge of not less than \$400.00 for making each such payment or payments.

FARM DEBT MEDIATION ACT

Provided further that the Chargor represents and warrants that he is not a "Farmer" as defined in the Farm Debt Mediation Act and the Chargor further covenants and agrees that during the currency of the within Chargee will not engage in any activity which would have the effect of deeming him a Farmer within the meaning of the Farm Debt Mediation Act. In the event that the Chargor fails to comply with the within provision, the within charge shall, at the Chargee's option, immediately become due and payable in full, together with a service charge equivalent to three (3) months interest thereon.

BANKRUPTCY & INSOLVENCY ACT

The Chargor/Guarantor represents and warrants that she/he is not an "Undischarged bankrupt" as defined in the Bankruptcy and Insolvency Act. In the event that the Chargor/Guarantor is an "Undischarged bankrupt", then all amounts, whether principal, interest or otherwise that may be owing hereunder including administration fees and bonuses together with a three (3) month interest payment thereon shall be immediately due and payable at the sole option of the Chargee.

COVENANT TO PAY BROKER FEE/REFERRAL FEE/LENDER/LEGAL FEE/COSTS

The Chargor acknowledges that the loan hereby secured was arranged by one or more mortgage brokers or real estate brokers or by others and that broker/referral fees and legal costs were incurred by the Chargee, on behalf of the Chargor, in connection herein. Part of the consideration received by the Chargee in agreeing to advance the funds secured hereby is the payment of the mortgage brokers fees stipulated in Form 2 as required under the Mortgage Brokers Act, R.S.O., 1990 or the payment of the real estate brokers fees or referral fees, as the case may be, and legal costs incurred by the Chargee on behalf of the Chargor herein. Upon registration of this Charge, and where the Chargor is unable to or unwilling to receive the monies secured hereby, the Chargor shall not be entitled to a discharge of this charge until the mortgage brokers fees or real estate brokers fees or referral fees, as the case may be, the lenders fees, and the legal costs incurred by the Chargee, on behalf of the Chargor herein, are paid in full.

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to be initialed by mortgagor/guarantor	to be initialed by mortgagor/guarantor	to be initialed by mortgagor/guarantor	to be initialed by mortgagor/guarantor

PRIORITY PAYMENT OF ACCOMMODATION AND/OR AMENDMENT FEE/BROKER FEE/REFERRAL FEE/LENDER FEE/LEGAL COSTS

In the event the terms of this mortgage or any amendment and/or accommodation agreement made with respect thereto specifically provide for the capitalization or deferment of any accommodation and/or amendment fee, broker fee, referral fee, lender fee and/or legal costs, the Chargor/Mortgagor and Guarantor hereby acknowledge and agree and warrant and represent that all payments made are intended to and shall be first applied as payment against accommodation and/or amendment fees, referral fees, broker fees, lender fees and legal costs so capitalized or deferred, until such fees and costs are paid in full.

SEVERABILITY OF ANY INVALID PROVISIONS

If in the event that any covenant, term or provision contained in this Charge is held to be invalid, illegal or unenforceable in whole or in part, then the validity, legality and enforceability of the remaining covenants, provisions and terms shall not be affected or impaired thereby, and all such remaining covenants, provisions and terms shall continue in full force and effect. All covenants, provisions and terms hereof are declared to be separate and distinct covenants, provisions or terms as the case may be.

GUARANTOR CLAUSE

IN consideration of the premises and of the Mortgagee advancing the said money to the Mortgagor, the Guarantor doth hereby absolutely and unconditionally guarantee to the Mortgagee and its successors and assigns, the due and punctual payment by the Mortgagor of all principal moneys, interest and other moneys owing on the security of this mortgage, and the Guarantor for himself, his heirs, executors and administrators, covenants with the Mortgagee that if the Mortgagor shall at any time make default in the punctual payment of any moneys payable hereunder, he or they will pay all such moneys to the Mortgagee without any demand being required to be made.

AND it is hereby expressly declared that although as between the Guarantor and the Mortgagor, the Guarantor is only surety for the payment by the Mortgagor of the moneys hereby guaranteed, yet as between the Guarantor and the Mortgagee the Guarantor shall be considered as primarily liable therefore and that no release or releases of any portion or portions of the mortgaged premises, and no indulgence shown by the Mortgagee in respect of any default by the Mortgagor or any successor which may arise under this mortgage, and that no extension or extensions granted by the Mortgagee to the Mortgagor or any successor for payment of the mortgage moneys hereby secured or for the doing, observing or performing of any covenant, agreement, matter or thing herein contained, to be done, observed or performed by the Mortgagor or any successor nor any variation in or departure from the provisions of this mortgage nor any other dealings between the Mortgagor or any successor and Mortgagee nor any release of the Mortgagor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Mortgagee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before default and after as before maturity of this mortgage, until the said mortgage moneys are fully paid and satisfied. And it is hereby further expressly declared that the Mortgagee shall not be bound to exhaust its recourse against the Mortgagor or the mortgaged premises before being entitled to payment from the Guarantor of the amount hereby guaranteed by the Guarantor.

ANY payment by the Guarantor or any moneys under his said guarantee shall not in any event be taken to affect the liability of the Mortgagor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Mortgagor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies subrogated as against the Mortgagor to all the rights, privileges and powers to which the Mortgagee was entitled prior to payment by such Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the mortgaged premises in competition with the Mortgagee and shall not unless and until the whole of the principal, interest and other moneys owing on the security of this mortgage shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Mortgagee.

AND it is further hereby expressly declared that the release of any of the Guarantors from his or their liability hereunder shall not affect the liability of the remaining Guarantor or Guarantors which shall remain unimpaired and still in full force and effect as if the Guarantor or Guarantors so released had not been a party or parties to this Agreement.

ALL covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor or Guarantors shall be equally binding upon his, or their heirs, executors, administrators and assigns, or successors and assigns as the case may be, and all such covenants and liabilities and obligations shall be joint and several.

THE Mortgagee may vary any agreement or arrangement with the Guarantor and grant extensions of time to or otherwise deal with him, his executors or administrators, without any consent on the part of the Mortgagor.

_____	_____	_____	_____
to be initialed by mortgagor/guarantor	to be initialed by mortgagor/guarantor	to be initialed by mortgagor/guarantor	to be initialed by mortgagor/guarantor

LAND
REGISTRY
OFFICE #30

46020-0217 (LT)

PAGE 1 OF 4
PREPARED FOR gnanou01
ON 2022/05/16 AT 12:22:58

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

PROPERTY DESCRIPTION: PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD NO. 81, PART 3 30R14573; TOWN OF GRIMSBY

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

DIVISION FROM 46020-0094

PIN CREATION DATE:

2016/08/15

OWNERS' NAMES

2796996 ONTARIO INC.

CAPACITY SHARE

ROWN

88 Main St A. W. ②

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2016/08/15 **					
**SUBJECT,	ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:					
**	SUBSECTION 44 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ESCHEATS OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF CONVERSION TO	LAND TITLES: 2003/03/24 **					
30R14573	2015/07/22	PLAN REFERENCE				C
NR417367	2016/07/06	BYLAW		THE REGIONAL MUNICIPALITY OF NIAGARA		C
	REMARKS: BY-LAW NO. 39-2016A, BY-LAW TO STOP UP AND CLOSE, DECLARE SURPLUS AND DISPOSE OF A PORTION OF REGIONAL ROAD 81 (MAIN STREET WEST) IN THE TOWN OF GRIMSBY, BEING PART 3, 30R14573					
NR418957	2016/07/21	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** THE REGIONAL MUNICIPALITY OF NIAGARA	88 GRIMSBY INC.	
NR438841	2017/02/10	APL CH NAME OWNER		*** COMPLETELY DELETED *** 88 GRIMSBY INC.	88GRIMSBY INC.	
NR442624	2017/03/29	CHARGE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	HOME TRUST COMPANY CREEMORE FINANCIAL LTD.	
NR442625	2017/03/29	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 88GRIMSBY INC.	HOME TRUST COMPANY CREEMORE FINANCIAL LTD.	

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
REMARKS: NR442624.						
NR442718	2017/03/30	CHARGE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	2349506 ONTARIO INC.	
NR457182	2017/08/21	CHARGE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	CAPRICORN WIRELESS INC	
NR486730	2018/07/20	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** CREEMORE FINANCIAL LTD.	2358769 ONTARIO INC. SOUDAN MANAGEMENT SERVICES LIMITED MARK J. SHINER PROFESSIONAL CORPORATION SOLEST INVESTMENTS LIMITED MCRAE, JEFF MCRAE, SHAWN HERBERT, PAUL M. PERLMAN ENTERPRISES INC. R. PERLMAN ENTERPRISES INC.	
REMARKS: NR442624. 50% INTEREST						
NR494923	2018/10/23	CHARGE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	YX HOLDINGS INC.	
NR500529	2018/12/27	NOTICE	\$1	THE CORPORATION OF THE TOWN OF GRIMSBY		C
NR503779	2019/02/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** CAPRICORN WIRELESS INC		
REMARKS: NR457182.						
NR535446	2020/02/21	CHARGE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	O2G SECURED CAPITAL INC.	
NR545422	2020/06/30	CHARGE		*** COMPLETELY DELETED *** 88GRIMSBY INC.	CALICOM SOLUTIONS INC. HOLDER, SIDNEY 1407659 ONTARIO INC.	
NR545423	2020/06/30	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 88GRIMSBY INC.	CALICOM SOLUTIONS INC. HOLDER, SIDNEY 1407659 ONTARIO INC.	
REMARKS: NR545422						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
NR545424	2020/06/30	POSTPONEMENT		*** COMPLETELY DELETED *** 2349506 ONTARIO INC.	CALICOM SOLUTIONS INC. ET AL	
		REMARKS: NR442718 TO NR545422				
NR545425	2020/06/30	POSTPONEMENT		*** COMPLETELY DELETED *** YX HOLDINGS INC.	CALICOM SOLUTIONS INC. HOLDER, SIDNEY 1407659 ONTARIO INC.	
		REMARKS: NR494923 TO NR545422				
NR545426	2020/06/30	POSTPONEMENT		*** COMPLETELY DELETED *** O2G SECURED CAPITAL INC.	CALICOM SOLUTIONS INC. HOLDER, SIDNEY 1407659 ONTARIO INC.	
		REMARKS: NR535446 TO NR545422				
NR559540	2020/12/01	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** N. ARCHITECTURE INC.		
NR562320	2020/12/22	CERTIFICATE		N. ARCHITECTURE INC.		C
		REMARKS: NR559540				
NR569604	2021/03/11	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** BUILTRON CONTRACTING INC.		
NR591283	2021/09/30	APL DEL CONST LIEN		*** COMPLETELY DELETED *** N. ARCHITECTURE INC.		
		REMARKS: NR559540.				
NR591847	2021/10/06	APL DEL CONST LIEN		*** COMPLETELY DELETED *** BUILTRON CONTRACTING INC.		
		REMARKS: NR569604.				
NR591913	2021/10/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** YX HOLDINGS INC.		
		REMARKS: NR494923.				
NR591914	2021/10/06	TRANSFER	\$5,825,000	88GRIMSBY INC.	2796996 ONTARIO INC.	C
NR591915	2021/10/06	CHARGE	\$4,025,000	2796996 ONTARIO INC.	ROYNAT INC.	C
NR591916	2021/10/06	NO ASSGN RENT GEN		2796996 ONTARIO INC.	ROYNAT INC.	C
		REMARKS: NR591915				

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.

see PIN 0220

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
NR591938	2021/10/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2349506 ONTARIO INC.		
	REMARKS: NR442718.					
NR592010	2021/10/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2358769 ONTARIO INC. SOUDAN MANAGEMENT SERVICES LIMITED MARK J. SHINER PROFESSIONAL CORPORATION SOLEST INVESTMENTS LIMITED MCRAE, JEFF MCRAE, SHAWN HERBERT, PAUL M. PERLMAN ENTERPRISES INC. R. PERLMAN ENTERPRISES INC. HOME TRUST COMPANY		
	REMARKS: NR442624.					
NR592011	2021/10/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** CALICOM SOLUTIONS INC. HOLDER, SIDNEY 1407659 ONTARIO INC.		
	REMARKS: NR545422.					
NR592058	2021/10/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** O2G SECURED CAPITAL INC.		
	REMARKS: NR535446.					
NR604765	2022/02/09	CHARGE	\$1,050,000	2796996 ONTARIO INC.	ELLE MORTGAGE CORPORATION	C

This is **Exhibit “C”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of June 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19

Roynat Inc.
2 Robert Speck Parkway
4th Floor
Mississauga, ON L4Z 1H8

T 1.905.276.5535 F 1.905.276.6689

Roynat >



April 28, 2021

Confidential

2796996 Ontario Inc.
88 Main Street West
Grimsby, ON L3M 1R6

Attention: Amjid Hussain Chaudhry

RE: Offer of Finance

Dear Sir:

We are pleased to confirm that Roynat Inc. ("Roynat") offers to 2796996 Ontario Inc. (the "Borrower") the financing described herein, on and subject to the terms and conditions described in the Financing Terms and Conditions attached hereto.

If the arrangements set out in this letter and in the attached Financing Terms and Conditions (collectively, the "Offer of Finance") are acceptable to you, please confirm your acceptance by signing the enclosed copy of this letter in the space indicated below, and return the same to us together with your cheque in the amount of \$10,000 in payment of the balance of the commitment fees set out in the Financing Terms and Conditions, as well as the enclosed privacy consent form and pre-authorized payment form, no later than May 5, 2021, after which date this Offer of Finance will lapse unless Roynat, in its sole discretion accepts it nonetheless.

By signing this Offer of Finance, you confirm that the products and services offered to you will not be used by persons other than those indicated herein, for whom those products and services are intended, unless information pertaining to such persons has been disclosed to Roynat by way of its standard "Third Party Determination" form.

Thank you for giving us the opportunity to contribute to your company's long-term financing. We appreciate your interest and look forward to receiving your acceptance.

Yours truly,

Roynat Inc.

Per: Anita Knell
Name: Anita Knell
Title: Associate

Per: Robert Nurse
Name: Robert Nurse
Title: District Director

Address: 2 Robert Speck Parkway, 4th Floor
Mississauga, ON L4Z 1H8
Attention: Anita Knell
Fax: 905-276-6689 E-mail: anita.knell@roynat.com

ACCEPTED this 5th day of MAY 2021.

Borrower:

2796996 Ontario Inc.

Per: [Signature]
Name: AMJID H CHAUDHRY
Title: PRESIDENT / OWNER

Per: _____
Name: _____
Title: _____

Address: _____

Attention: _____
Fax: _____
E-mail: _____

and by Guarantor:

Signature: [Signature]
Name: Amjid Hussain Chaudhry

Address: 1240 Sheffield Road,
Sheffield, ON

Fax: _____
E-mail: amjadchaudhry@yahoo.com

FINANCING TERMS AND CONDITIONS

Offer of Finance dated April 28, 2021

LENDER:

Loan A: Roynat Inc. ("Roynat")

BORROWER:

2796996 Ontario Inc. (the "Borrower")

CURRENCY:

All sums indicated in this Offer of Finance (including all the Appendices hereto, this "Agreement") are in Canadian dollars, unless otherwise indicated.

PROGRAM

Application of Funds		Source of Funds	
Purchase Esso Gas Station Located at 88 Main Street West, Grimsby, ON	\$5,825,000	Roynat Inc.: Loan A: Term Loan	\$4,025,000
		Shareholder Equity	\$1,800,000
Total:	\$5,825,000	Total:	\$5,825,000

Changes may only be made to the program as described above (the "Program") with the prior written consent of Roynat.

LOAN:

Loan A: Term loan for an amount in principal of \$4,025,000 (the "Loan")

INTEREST:

Loan A: **Canadian Variable Rate** plus 3.20% per annum. For information purposes only, the Canadian Variable Rate as of today's date is 0.91% per annum.

Interest accrued during each Interest Period with respect to the principal balance from time to time outstanding under the Loan shall be calculated and compounded monthly and payable monthly on the 15th day of each month. Any amount of principal or interest which is not paid when due shall bear interest at the Default Rate, compounded monthly, both before and after maturity, default and judgment and shall be payable on demand.

After the first Advance, Roynat will provide the Borrower monthly with a written confirmation of the interest rate applicable to the Loan and the amount of interest payable during the current month at least five days prior

to each interest payment date but the non-receipt of any such notice shall in no way limit or negate the obligations of the Borrower to pay interest on such payment date.

**OPTION TO CONVERT
TO / EXTEND A FIXED
RATE:**

The Borrower may, at any time during any period in which Loan A, bears interest at the Canadian Variable Rate, or at least five (5) Business Days prior to the expiry of any period during which a Loan bears interest at a fixed rate, ask Roynat to convert this Loan to a loan bearing interest at a fixed rate or ask Roynat to set a new term during which this Loan will bear interest at a fixed rate, subject to the conditions set out in **Appendix A**.

DISBURSEMENT DATE:

The full amount of the Loan must be disbursed no later than July 31, 2022 (the "**Lapse Date**") unless Roynat decides to extend this date at its absolute discretion, failing which all of Roynat's obligations hereunder, including Roynat's obligations to make any Advance hereunder, will terminate and be cancelled and Roynat will keep all the fees indicated under the heading "Fees" below.

FEES:

The Borrower shall pay Roynat the following fees:

1. A non-refundable commitment fee in the amount of \$20,000. The application fee in the amount of \$10,000 already paid is now earned and will be applied against the commitment fee. The balance of \$10,000 is earned and is due and payable in full at the time the Borrower accepts this agreement.
2. Stand-by fees in an amount equal to one percent (1%) per annum on the undisbursed or unused portion of Loan A from August 15, 2021. The stand-by fees are calculated daily and payable monthly on the 15th of each month and Roynat may, at its option, deduct any standby fees payable from amounts disbursed hereunder.
3. For any delay over five (5) days in submitting to Roynat (i) any year end financial reporting, a late reporting fee of \$1,000 per month, and (ii) any of the other documents that are to be submitted to it as stipulated under the "Financial Reporting" heading below, a late reporting fee of \$500 per month.
4. Cancellation fees in an amount equal to three percent (3%) of the undisbursed portion of the Loan if the full amount of the Loan has not been disbursed by the Lapse Date at the latest for one of the following reasons:

- A. The Borrower has failed to raise the other sources of financing described in the Program or has chosen to use another lender to raise some or all of the financing described in the Program;
- B. The Borrower has chosen not to follow up on this financing; however, the cancellation fees will not be payable in the event the financing is intended to finance an acquisition deal and that the financing cannot take place because the seller failed to meet its obligations;
- C. The Borrower failed to disclose important information to Roynat prior to the Lapse Date; or,
- D. The Borrower failed to meet the conditions precedent to the disbursement of the Loan by the Lapse Date at the latest.

REPAYMENT:

The Loan principal is repayable as follows:

Number of payments	Amount of principal	Frequency	Due On	Ending On	Total
12	\$11,050	Monthly	May 15, 2021	April 15, 2022	\$132,600
12	\$11,500	Monthly	May 15, 2022	April 15, 2023	\$138,000
11	\$11,950	Monthly	May 15, 2023	March 15, 2024	\$131,450
1	\$3,622,950	Once	April 15, 2024	April 15, 2024	\$3,622,950
Total:					\$4,025,000

All principal and interest payments stipulated herein are payable in the currency in which the Advance was made on the 15th of each month, unless expressly specified otherwise. Notwithstanding the foregoing, Roynat may, at its absolute discretion, postpone the start date of the repayment schedule set out above in the event there is a delay in disbursing the Loan.

The balance of the principal, if any, together with any interest, costs or other amounts owing hereunder will be payable on the date of the last payment provided for above.

PREPAYMENT:

If the Loan bears interest at a floating rate, the Borrower may make prepayments, in whole or in part, at any time, on payment of compensation equal to the greater of, (i) three percent (3%) of the principal repaid, or (ii)

three (3) months' interest on the principal prepaid at the rate then applicable to this Loan, provided the funds used for prepayment have been internally generated from normal course business operations. If the funds are from any other source, then the payment of compensation to Roynat will be equal to the greater of, (i) six percent (6%) of the principal repaid, or (ii) six (6) months' interest on the principal prepaid at the rate then applicable to this Loan.

Notwithstanding the preceding, the Borrower may repay, once a year without penalty, on the anniversary date of the final disbursement of the Loan in question, an amount not exceeding 10% of the outstanding balance on the date of prepayment, non-cumulatively. This option does not apply if the Loan bears interest at a fixed rate.

Any principal prepaid shall be applied to the principal payable hereunder in inverse order of maturity.

**CONDITIONS
PRECEDENT:**

The disbursement of the first Advance is subject to the submission to Roynat of the following documents, in form and content acceptable to Roynat and its legal advisors, and to the fulfilment of the other conditions precedent stipulated herein:

1. Confirmation that the Program and any required funding has been carried out in accordance with its description under the heading "Program" above without amendment.
2. A pre-authorized payment form (attached as **Appendix D**) together with a cheque from the Borrower marked "Void" in respect of the account from which payments will be withdrawn.
3. Confirmation of insurance including adequate Environmental Pollution Liability insurance policy that would protect the Borrower and the Bank from civil and/or regulatory claims/liabilities that could arise from future spills/releases to the environment or further degradation of the existing site conditions all satisfactory to Roynat.
4. Assumption of Motor Fuel Supply Agreement between 2796996 Ontario Inc. and MacEwan prepared and signed by MacEwan, satisfactory to Roynat.
5. Undertaking to have new TSSA in place on or before the closing date of May 12, 2021, satisfactory to Roynat.
6. Assumption for all Lease agreements for the property located at 88 Main St W, Grimsby, ON to be assumed by 2796996 Ontario Inc, satisfactory to Roynat.

7. An occupancy report from the Town of Grimsby verifying that the property complies with relevant bylaws and is ready for occupancy, satisfactory to Roynat.
8. Final inspection report from STRY Appraisals International Ltd., satisfactory to Roynat
9. Acknowledgement/Consent/Confirmation/authorization/Assumption Agreement from Esso Branded Motor Fuels regarding the sale of the business.
10. Confirmation to the effect that the Borrower has a line of credit with a financial institution in the amount of \$100,000 and on such terms deemed satisfactory to Roynat.
11. Occupancy certificate from the Municipality, Fire Authorities, and all the necessary clearances from the TSSA, Esso, and/or required from any other municipal, provincial or federal authorities to the buyer. The Vendor shall keep the minimum level of gas and diesel to conduct testing and commissioning of the operation of the gas station.
12. Favourable legal opinion issued by the legal advisors of the Borrower and, if applicable, of the corporate Guarantor(s) on all the financing set out herein.
13. The other conditions precedent under the heading "Conditions Precedent" in Appendix A.
14. Any other documents that Roynat may reasonably require.

SECURITY:

The obligations of the Borrower and, if applicable, each Guarantor under this Offer of Finance will be secured at all times by the following security in form and content acceptable to Roynat (collectively, the "**Security Documents**"):

A. Borrower

1. Debenture in the principal amount of \$4,025,000 creating a first fixed and specific charge on, and security interest in, the real property described in **Appendix B** as well as a security interest in, all of the other present and future tangible and intangible personal and real property of the Borrower, including without limitation, the property described in Appendix B, subject only to Permitted Liens.
2. General Assignment of Leases and Rents (owner occupied lease and third-party leases) in respect of the real property described in **Appendix B**.

3. Agreement to Assign Life Insurance in the amount of \$800,000 on the life of Amjid Hussain Chaudhry.
4. Assignment of insurance appropriate to the risks involved, with loss payable to either/or (as their interests may appear) Roynat Inc. and Roynat Capital Inc. as mortgagee.

B. Guarantor

5. Personal guarantee limited to the amount of \$800,000 by Amjid Hussain Chaudhry (the "Guarantor").

Amjid Hussain Chaudhry is a "Guarantor".

C. General

6. Priority/Intercreditor agreement between Roynat and Operating Lender on such terms and conditions as Roynat may require from time to time.
7. Postponement and Subordination agreement between Roynat and 2796996 Ontario Inc. concerning the loan in the amount of \$1,800,000 granted by 2796996 Ontario Inc. to the Borrower on terms and conditions acceptable to Roynat. The agreement will permit the Borrower to make the interest payments currently stipulated to any instrument evidencing such loan at an interest rate that is not to exceed 5% per annum as long as an Event of Default has not occurred or would result from any such payment being made.
8. A Debt Service Agreement signed by Amjid Hussain Chaudhry providing that Amjid Hussain Chaudhry will advance sufficient funds to the Borrower within 45 days of the applicable period so that the Borrower maintains a minimum Fixed Charge Coverage Ratio of 1.20:1 at all times. Any cash injection is to be fully subordinated to Roynat to become permanent capital (in the form of shareholder loans with no current pay, fully subordinated and postponed). Any withdrawal of this capital is to be upon the approval of Roynat which will not be unreasonably withheld and based on the return to full covenant compliance for a minimum of one fiscal year as evidenced by the Borrower accountant prepared annual financial statements.
9. Any other security that Roynat and its legal advisors may reasonably require.

**FINANCIAL
COVENANTS:**

The following financial covenants must be complied with by the Borrower and will be verified by Roynat quarterly on the basis of the most recent financial statements of the Borrower submitted to Roynat pursuant hereto:

1. Maintain an unconsolidated Fixed Charge Coverage Ratio equal to or greater than 1.20:1 at all times, tested quarterly on a rolling four quarters basis.

PROPERTY TAXES:

The Borrower undertakes to give to Roynat on an annual basis, upon receipt of and at least thirty (30) days before their due date, a copy of the property tax bills for the Property as well as proof of their payment without subrogation before their due date. In the event the Borrower fails to do so, the Borrower undertakes to give to Roynat, at the same time as the interest payments provided for herein, additional, equal and consecutive payments that are sufficient in Roynat's opinion to ensure that Roynat has the necessary funds to pay all the property taxes on the Real Property when due. As long as an Event of Default has not occurred, the amounts so remitted to Roynat shall be applied to the payment of the property taxes on their due date; if these amounts are not sufficient to pay the said taxes in full, the Borrower shall remit the difference to Roynat at least five (5) days before the due date of the bills. Roynat is not responsible for any penalty, interest or other damages if the property taxes are not paid on time. After an Event of Default has occurred, Roynat may apply these funds collected for the taxes to the payment of any amounts owing to it at its discretion. Roynat shall credit annual interest equal to the Canadian Variable Rate less two percent (2%) per annum on the funds deposited, for the period during which they are not used.

OTHER COVENANTS:

- A. Without Roynat's prior written consent, the Borrower shall not:
 1. Generate, contract, accept responsibility for or allow the existence of any debt other than (i) debt provided for in this Offer of Finance; (ii) deferred taxes; (iii) other obligations that Roynat may approve in writing from time to time.
 2. Directly or indirectly, grant loans to, provide financial assistance in favour of, or make investments in any Person.
 3. Make Distributions during any fiscal period if there is any event of default, as a result of such Distribution, would result in a default of any condition.
 4. Management salaries and distributions to be capped at \$100,000 annually.
 5. Cause or permit a change in Control which is currently held by Amjid Hussain Chaudhry.
 6. Any breach of any provision of Motor Fuel Supply Agreement - Esso Branded Motor Fuels, will constitute an event of default.

B. The Borrower shall:

7. On request provide Roynat with evidence confirming all super-priority remittances are current. Super-priorities include all statutory remittances including but not limited to source deductions for income tax, CPP, and employment insurance premiums.

**FINANCIAL
REPORTING:**

As long as any Loan remains in effect or a sum due hereunder remains unpaid, the Borrower will submit to Roynat the following documents in form and content acceptable to Roynat:

1. Unaudited quarterly financial statements of the Borrower with comparable information for the prior year, no later than 45 days following the end of such period.
2. Annual review engagement financial statements of the Borrower no later than 120 days following the end of each fiscal period.
3. Any other documents, reports and financial information that Roynat may reasonably require from time to time.

Notwithstanding the preceding, Roynat reserves the right to require in the future that the financial statements of the Borrower submitted to Roynat be audited, and the Borrower undertake to submit such financial statements to Roynat following a written request to that effect.

EXPENSES:

The Borrower undertakes to pay to Roynat on demand all the legal and other costs and expenses incurred by Roynat from time to time, including, without limitation, for, (i) the preparation, negotiation, signing and registration of the Financing Documents as well as any amendment or waiver of the terms thereof, (ii) perfecting and keeping perfected any security interests created by any of the Security Documents, (iii) maintaining the intended priority of any security interests created by any of the Security Documents, and (iv) if applicable, for any survey, appraisal and inspection charges concerning the Collateral and the fees and charges for any search regarding the grantor's title, the whole whether or not the Financing Documents are signed by the Borrower or whether an Advance has been made to the Borrower or not. The said legal and other costs payable at the time of the first Advance made hereunder shall be deducted from the first Advance.

COPIES:

This Offer of Finance and the Financing Documents and any other documents relating to the financing described herein may be executed in counterparts and by different parties in different counterparts, all of which when taken together will constitute a single agreement. Subject to applicable conditions precedent, a document will become effective when it has been executed by Roynat (if execution by Roynat is contemplated by

the document) and Roynat has received counterparts of the document that, when taken together, bear the signatures of each of the other relevant parties. Delivery of an executed counterpart of a document or a signature page to the document by telecopy or by sending a scanned or other copy by electronic mail or similar means shall be as effective as delivery of an originally executed counterpart, but Roynat may from time to time require delivery of originally executed documents. Roynat may create and store copies of documents in any form as part of its business records, including by microfilm, photocopy and electronic image. Copies may be held in place of original documents and substituted for original documents for any purpose.

**ELECTRONIC
COMMUNICATION:**

In administering the financing described in this Offer of Finance and in otherwise dealing with any Obligor or officer of an Obligor, Roynat may rely and act on e-mail, telecopier and other electronic communications that it reasonably believes have been sent by or on behalf of the Obligor or officer of the Obligor, but Roynat may from time to time require that communications from any Obligor or officer of an Obligor be in a non-electronic form specified by Roynat.

DEFINITIONS:

In this Offer of Finance, unless otherwise required by context:

1. **"Fixed Charge Coverage Ratio"** shall mean, with respect to the Person concerned, the ratio obtained by dividing [A] the sum of the net income, deferred income taxes, amortization and depreciation, interest on the term debt, non-recurring or extraordinary items as approved by Roynat by [B] the sum of the regular payments of principal and interest made or required to be made on the term debt plus unfunded capital expenditures plus Distributions, all over the last twelve (12) months.

Additional defined terms may be found under the heading "Definitions" in the Standard Term and Conditions attached as Appendix A.

APPLICABLE LAWS:

This Offer of Finance shall be governed by and interpreted in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein (the **"Applicable Jurisdiction"**). Each of the parties hereby attorns to the exclusive jurisdiction of the courts of the Applicable Jurisdiction.

**STANDARD TERMS
AND CONDITIONS:**

The Standard Terms and Conditions set out in Appendix A form an integral part of this agreement and contain additional standard terms and conditions including, Representations and Warranties, Covenants and Events of Default and other general conditions.

APPENDIX A

STANDARD TERMS AND CONDITIONS

I. INTERPRETATION

A. Definitions

In this Agreement, unless otherwise defined in the Financing Terms and Conditions or otherwise required by context:

1. **"\$"** shall mean the legal currency in Canada.
2. **"Advance"** shall mean any advance of funds made by Roynat under this Agreement.
3. **"AML Law"** is defined in Section III of this Appendix A Standard Terms and Conditions.
4. **"Business Day"** shall mean a day (other than a Saturday or Sunday) during which banks and stock markets are open in Toronto (Canada) and, in the case of drawings in US\$, in New York (USA).
5. **"Canadian Variable Rate"** shall mean the interest rate set for each Reference Period by adding 50 one hundredths of a percent (0.50%) to the arithmetic mean (rounded off to three decimal points) of the bankers' acceptance rate in Canadian dollars for this period established by referring to the rate posted on each Business Day around ten o'clock a.m. (10:00), Toronto time, on the Refinitiv screen on the CDOR page under **"BA 1 month"** (as defined by the International Swaps and Derivatives Association, Inc.). If such rate does not appear on the CDOR page for a Business Day during the period concerned, then the applicable rate for that day shall be The Bank of Nova Scotia's prime rate in effect at approximately the same time.
6. **"Canadian Fixed Rate"** shall mean the annual interest rate established by Roynat from time to time as being its reference rate for a fixed rate term loan having a term approximately equal to the term chosen by the Borrower which is granted by Roynat to its clients in Canadian dollars and which Roynat refers to as being its base Canadian fixed rate for the applicable term.
7. **"Client Information"** is defined in Section III of this Appendix A Standard Terms and Conditions.
8. **"Collateral"** shall mean the property of the Obligors which is encumbered in favour of Roynat under the Security Documents.
9. **"Contaminant"** shall mean any solid, liquid, gas, odour, heat, sound, smoke, waste, vibration, radiation or combination of any of them resulting directly or indirectly from human activities that may cause: (i) impairment of the quality of the natural environment for any use that can be made of it, (ii) injury or damage to property or to plant or animal life, (iii) harm or material discomfort to any person, (iv) an adverse effect on the health of any person, (v) impairment of the safety of any person, (vi) rendering any property or plant or animal life unfit for use by man, (vii) loss of enjoyment of normal use of property, or (viii) interference with the normal conduct of business, and includes any pollutant or contaminant as defined in any applicable Environmental Laws and any biological, chemical or physical agent which is regulated, prohibited, restricted or controlled.
10. **"Control"** shall mean the holding by a Person, directly or indirectly, other than as security, of the shares of a legal Person giving it the right to elect the majority of its directors.
11. **"Default Rate"** shall mean the interest rate otherwise applicable to the Loan plus three percent (3%) per annum.
12. **"Distribution"** shall mean, in respect of a Person, any form of direct or indirect payment or non-cash distribution of any of its assets made by such Person to a shareholder, unit holder, director or officer of such Person (including, without limitation, a distribution or share redemption that reduces the net worth of such Person, a dividend (other than share dividend payments) and the payment of advances (in principal or interest) owing to a third party who is a manager or employee of such Person or someone having ties thereto), but excluding the salaries paid during the normal course of business.
13. **"Environmental Laws"** shall mean the common law and all applicable federal, provincial, local, municipal, governmental or quasi-governmental laws, rules, regulations, policies, guidelines, licences, orders, permits, decisions or requirements concerning Contaminants, occupational or public health and safety or the environment and any other order, injunction, judgment, declaration, notice or demand issued thereunder.
14. **"Equipment"** shall mean, with respect to an Obligor, its present and future materials and

equipment, particularly, without limitation, all the tools, instruments, furniture and vehicles.

15. **"Equivalent Amount"** shall mean, on a given date, the amount in \$ or in US\$, whichever the case, resulting from the conversion of an amount into US\$ or in another currency into \$ or of an amount into \$ or in another currency into US\$, respectively, at the noon spot exchange rate of the Bank of Canada for buying US\$ or another currency through \$ or for buying \$ or another currency through US\$, respectively, listed, published or otherwise announced by the Bank of Canada on that date.
16. **"Event of Default"** shall mean any event of default described in under the heading "Events of Default" in this Appendix "A" Standard Terms and Conditions.
17. **"Financing Documents"** shall mean, collectively, this Agreement, the Security Documents and all the other documents, instruments, certificates and contracts that an Obligor or an officer of an Obligor has signed and delivered in accordance herewith, directly or indirectly, or which are mentioned or contemplated in these presents or in such documents, instruments, certificates or contracts.
18. **"GAAP"** shall mean the generally accepted accounting principles in effect from time to time in Canada, as established, set out or adopted by the Canadian Institute of Chartered Accountants or any successor body, applied consistently from one fiscal period to another, including the International Financial Reporting Standards and Accounting Standards for Private Enterprise.
19. **"Interest Period"** shall mean each monthly period commencing on the 15th day of a month and ending on the 14th day of the following month.
20. **"LIBOR Rate"** shall mean, for each Interest Period, an interest rate per annum equal to the one month U.S. Dollar LIBOR rate (rounded upwards to three decimal points) displayed by Refinitiv (or another commercially available source providing quotations of BBA LIBOR as designated by Roynat from time to time), as published by the British Bankers Association (referred to as **"BBA LIBOR"**) as of 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period for delivery on the first day of such Interest Period. If such rate is not available at such time for any reason, then the LIBO Rate for such Interest Period will be determined on the basis of the rates at which deposits in U.S. Dollars are offered by the reference banks selected by Roynat at

approximately 11:00 a.m., London time, two (2) Business Days prior to the first day of the Interest Period to prime banks in the London interbank market for a period of one month for delivery on the first day of such Interest Period with a term equivalent to one month. Roynat will request the principal London office of each of the reference banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for that day will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that day will be the arithmetic mean of the rates quoted by two or more major banks in New York City, selected by Roynat in its sole discretion at approximately 11:00 a.m., New York City time, two (2) Business Days prior to the commencement of the Interest Period for loans in U.S. Dollars to leading European banks for a term equivalent to one month. Roynat shall provide an invoice or other billing information to the Borrower each month indicating the interest rate then in effect and the interest rate payable that month.

21. **"Lien"** shall mean, any mortgage, debenture, deed of trust, lien, pledge, conventional hypothec, legal hypothec, encumbrance, prior claim, right of retention, fixed or floating charge, assignment for security purposes, consignment, security interest, royalty interest, adverse claim or defect of title, encumbering or affecting any property whatsoever, whether movable or immovable, real or personal, tangible or intangible, presumed or deemed trust, or other right benefitting its bearer, any conditional sales contract, capital lease (or financial lease) or any other rental agreement required to appear on the balance sheet as a lease contract and any other arrangement having the effect of providing security.
22. **"Material Adverse Change"** shall mean a material adverse change, individually or collectively, in the activities, assets, liabilities, financial situation or operating results of an Obligor or a change having or which may have, in Roynat's opinion, an adverse effect on an Obligor's ability to fulfill its obligations under this Agreement or under any other Financing Documents or on the validity or enforceability of any of the Security Documents.
23. **"Obligors"** shall mean the Borrower, each Guarantor, if any, and any other Person that from time to time guarantees the obligations of the Borrower to Roynat, and **"Obligor"** shall mean any one of them.

24. "OFAC" means The Office of Foreign Assets Control of the United States Department of the Treasury.
25. "Person" shall mean, depending on the context, any legal person, natural person, corporation or other body corporate, joint venture, company, limited liability company, partnership, agency, trust, instrumentality, unincorporated body of persons, association, government or government body or other entity.
26. "Permitted Liens" shall mean, at a given time, one or several of the following:
- (a) a reserve set out in an original grant from the Crown of land or of rights in and over land, a reserve imposed by law on a title or with respect to mining rights set out in a grant from the Crown or from a predecessor in title;
 - (b) a servitude or a right of passage for a public service, an encroachment, a right of view or other right, including, without limiting the generality of the foregoing, for sewers, drains, gas and water lines, conveyance of steam, conduits, streetlight, hydro, telephone or telegraph wires and poles, pipelines or a zoning restriction regarding the use of an immovable of an Obligor, which will have no major adverse impact on the use for which said immovable is intended and which will not materially affect any Lien on such immovable;
 - (c) a Lien on taxes, rates or other charges imposed by government authorities which are not yet due or, if they are due, the validity of which is contested diligently and in good faith by an Obligor or on its behalf by means of legal proceedings duly instituted, provided that the action pertaining to their application was not the subject of an unappealable final decision and that sufficient provision has been made for paying them, in accordance with the GAAP and in a manner that Roynat deems acceptable;
 - (d) a Lien resulting from a judgment rendered or from a claim brought against an Obligor, which such Obligor contests diligently and in good faith by means of legal proceedings duly instituted, provided that the action pertaining to its application has not been the subject of an unappealable final decision and that sufficient provision has been made for

paying it, in accordance with the GAAP and in a manner that Roynat deems acceptable;

- (e) a Lien of a stakeholder in the construction or renovation of any immovable whatsoever, provided that the said Lien is securing an obligation of an Obligor which is not overdue or which has not been neglected by such Obligor or, if the obligation is overdue or such Obligor has failed to fulfill it, provided that such Obligor brings an action within fifteen (15) days of its publication in view of its cancellation or elimination, unless such Obligor or a third party acting on its behalf does not diligently and in good faith contest the validity of the Lien by means of legal proceedings duly instituted, provided that the action pertaining to its application has not been the subject of an unappealable final decision and that sufficient provision has been made for paying it, in accordance with the GAAP and in a manner that Roynat deems acceptable;
- (f) purchase money security interests consisting of any validly perfected charge, lien, security interest or other encumbrance, created, assumed or arising by operation of law after the date hereof, to provide or secure the whole or any part of the consideration for the acquisition of tangible personal property other than Inventory, where
 - (i) the principal amount secured thereby does not exceed the cost to the applicable Obligor of such property,
 - (ii) the applicable Obligor's obligation to repay is secured only by the property so acquired by such Obligor,
 - (iii) the property is not being acquired as a replacement or substitution for property and assets which are specifically charged hereby, and
 - (iv) such security includes the renewal or refinancing of any such purchase money security interest on the same property provided that the indebtedness secured and the security therefor is not increased and remains validly perfected;

- (g) a minor title defect;
 - (h) a Lien granted in favour of Roynat;
 - (i) any other Lien consented to in writing by Roynat from time to time.
27. **"Real Property"** shall mean the real and immovable property of the Obligors, if any, including as described in **Appendix B.**
28. **"Reference Period"** shall mean, with respect to any Interest Period, the period commencing on the 8th day of the month in which such Interest Period commences and ending on the 7th day of the following month, except that if the rate of interest hereunder is being determined:
- (a) for the purpose of prepayment by the Borrower, the Reference Period shall end on the 7th day preceding the prepayment date;
 - (b) for any other purpose, other than the payment of interest on the day following an Interest Period, the Reference Period shall end on the day preceding the day on which the rate is being determined and the following Reference Period shall commence on such day and end on the next following 7th day of a month.
29. **"Sanctions"** shall mean any trade, economic or financial sanctions, laws, regulations, embargoes or restrictive measures imposed, administered or enforced by a Sanctions Authority.
30. **"Sanctions Authority"** shall mean any one or a combination of:
- (a) the United Nations;
 - (b) the United States of America;
 - (c) Canada;
 - (d) the United Kingdom and each other respective member of the European Union; and
 - (e) the governments and official institutions or agencies of any of paragraphs (a) to (d) above, including the Security Council of the United Nations, OFAC, the United States Department of State, Global Affairs Canada and Her Majesty's Treasury of the United Kingdom.
31. **"Sanctioned Person"** shall mean a Person that is, or is directly or indirectly owned or controlled by,

a Person or Persons listed, designated or sanctioned under any Sanctions.

32. **"US\$" shall mean the legal currency in the United States of America.**
33. **"US Fixed Rate"** shall mean the annual interest rate established by Roynat from time to time as being its reference rate for a fixed rate term loan having a term approximately equal to the term chosen by the Borrower which is granted by Roynat to its clients in US dollars and which Roynat refers to as being its base US fixed rate for the applicable term.
34. **"US Variable Rate"** shall mean, for a given monthly period, the annual variable interest rate that Roynat establishes from time to time as a reference rate it uses in Canada to determine the interest rates applicable to US\$ commercial loans granted in Canada and which corresponds to the arithmetic mean of the LIBOR Rate for a period of thirty (30) days plus 0.50% per annum.

B. Application of GAAP

In the event any corporate Obligor adopts any change in its policies, practices or accounting methods compared to those applied during the previous fiscal year, such Obligor shall send to Roynat any information required to ensure that the financial information provided after such change is comparable to the financial information presented in the past. In addition, all the calculations done for the purposes of the present Offer of Finance shall continue to be done according to the policies, practices and accounting methods in effect on the date of the most recent fiscal year end. In the event of such change to the policies, practices or accounting methods, Roynat reserves the right to (a) take immediate measures arising from the violations of the financing conditions or of any other term or condition set out in the present Offer of Finance which the application of the policies, practices or accounting methods revealed, and (b) at its discretion and in a reasonable manner, modify the financing conditions affected by the change.

C. Other Interpretation

In this Agreement, unless otherwise specified or the context otherwise requires, (i) "including" or "includes" means "including (or includes) but is not limited to" and shall not be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it, (ii) a reference to any legislation, statutory instrument or regulation or a section of it is a reference to the legislation, statutory instrument, regulation or section as amended, restated and re-enacted from time to time, and (iii)

words in the singular include the plural and vice-versa and words in one gender include all genders.

II. REPRESENTATIONS AND WARRANTIES

Each Obligor (as applicable) makes the representations and provides the following warranties to Roynat, which are a valid on the date of each Advance under the Loan and on any subsequent date referred to in any of the said representations or warranties made to Roynat on the date hereof:

1. It is a corporation, partnership or trust, as applicable, duly constituted, validly existing, in good standing and having the necessary capacity, power and authority to carry out its activities and sign each of the Financing Documents;
2. Each of the Financing Documents has been or will be duly authorized and constitutes or will constitute its legally valid and binding obligation;
3. The authorization, creation, execution and delivery of each of the Financing Documents and compliance with their terms:
 - (a) does not and will not contravene any applicable law, regulation, rule, order, judgment or injunction or the articles, by-laws or any unanimous shareholders' agreement binding on it;
 - (b) does not and shall not result in a breach or a default under any indenture, instrument, lease, agreement or undertaking to which it is a party or by which it or its Collateral may become bound;
4. It, as well as its business and its activities, are in compliance, in all material respects, with all of the applicable laws;
5. It has filed on time all its tax returns and all the reports and statements it is to file and has paid, on time, all the taxes due and payable by their due date at the latest;
6. It owns or will own the Collateral, free and clear of any Lien, with the exception only of the Permitted Liens;
7. All the information and documentation (financial or otherwise) provided by it to Roynat are true and accurate in all material respects and this information and documentation does not contain any material misstatement of fact or any omission of an important fact that is necessary to ensure that the information and documentation is not misleading, and there are no facts that it has not disclosed in writing to Roynat which could constitute a Material Adverse Change;
8. There has been no Material Adverse Change since the date of the last financial statements submitted by it to Roynat in accordance herewith and no situation has occurred that has constituted or could constitute a Material Adverse Change;
9. There is no Event of Default and, after due diligence, no Event of Default is imminent;
10. Its chief executive office is located at the address indicated below its signature on the page of its acceptance of this Agreement;
11. Except as disclosed in writing to Roynat, no action, lawsuit, arbitration proceeding or any other legal proceeding is in process against the Obligor nor, to its knowledge, after due diligence, is imminent;
12. Except as disclosed in writing to Roynat, it does not carry on business under any trade or business name, and does not own any Collateral or carry on any material business in any jurisdiction other than the Applicable Jurisdiction;
13. Except as disclosed in writing to Roynat:
 - (a) It currently conducts and maintains its business, operations and the Collateral so as to comply in all respects with all applicable Environmental Laws, including having all necessary licenses, permits, consents and approvals required to own or operate the Collateral and the businesses carried on at or from the Real Property;
 - (b) there are no Contaminants or dangerous or potentially dangerous conditions on or affecting the Collateral whether on or below the surface of the Real Property or located in any improvements thereon, including without limitation, any materials containing gasoline, polychlorinated biphenyls or radioactive substances nor are there any noxious, dangerous, potentially dangerous or toxic substances or conditions present on properties in the vicinity of the Real Property which would affect the uses to which the Collateral may be put or the market value thereof; and
 - (c) it has not given, nor does it have an obligation to give, nor has it received, any

notice or claim or communication regarding any past, present, planned or threatened treatment, storage, disposal, presence, release or spill of any Contaminant at, on, under or from the Real Property or any property adjacent or proximate thereto, including any notice pursuant to any Environmental Laws.

14. It shall use the Loan solely for the purposes described in the Program and in the normal course of business.
15. Neither it nor any of its directors, officers or employees:
 - (a) is a Sanctioned Person or is engaging in or has engaged in any transaction or conduct that could result in it becoming a Sanctioned Person;
 - (b) is or has ever been subject to any claim, proceeding, formal notice or investigation with respect to Sanctions; or
 - (c) is engaging or has engaged in any transaction that evades or avoids, or has the purpose of evading or avoiding, or breaches or attempts to breach, directly or indirectly, any Sanctions applicable to it.
16. To its knowledge (after prudent investigation), no Person who will benefit in any capacity in connection with or from a Loan and/or any instruments and/or payments thereunder is a Sanctioned Person.

III. COVENANTS

A. Positive Covenants

Each Obligor (as applicable), declares, covenants and agrees to:

1. maintain and preserve its existence as a company, partnership or trust, as applicable, not change the nature of its business and obtain and keep all the permits, leases, licenses, rights, privileges, consents and approvals necessary for operating its business;
2. duly pay, on time, all the amounts it is to pay pursuant to the terms of these presents and of any other Financing Document at the time and place and in the currency and manner prescribed therein;
3. continue to run its business diligently, efficiently and prudently and use, conserve and administer the Collateral in the same manner;

4. keep the required books, records and accounts in good and proper form;
5. preserve, repair and maintain the Collateral in good condition and upgrade or replace that which has been destroyed or rendered unusable;
6. comply with the requirements of all the laws and regulations applicable to it, including, in particular, the laws and regulations concerning zoning and urban planning;
7. pay without delay, on time, all the taxes, rates, assessments and other claims that may encumber the Collateral and provide Roynat, on demand, with proof of their payment without subrogation (on a semi-annual basis or more frequently, as required by Roynat) and of payment of all the amounts owing by it to the government authorities as deductions at source. The remittances include the deductions at source related to employees' income tax, employment insurance premiums and Canada Pension Plan contributions. The proof of payment may be in the form of cancelled cheques or payment receipts issued by the government authorities.
8. insure the Collateral and keep it constantly insured against any loss or damage caused by fire or any other disaster which, according to Roynat, should be covered by insurance, up to their replacement value, as well as civil liability insurance (including environmental liability) with one or several insurance companies approved by Roynat and having adequate coverage for a company operating in the field in which it does business. The insurance policy shall also cover the value of the rental income or the loss of income due to an interruption of business, whichever the case, for a period of at least twelve (12) months. Any indemnity under such policy shall be payable to Roynat, based on its interest, pursuant to a mortgage clause formulated as suggested by the Insurance Bureau of Canada and providing for a notice of at least thirty (30) days to Roynat if the insurance policy is amended or cancelled. No insurance policy shall contain a co-insurance clause without the prior written consent of Roynat.
9. shall, forthwith on the happening of any loss or damage, provide at its sole expense, all necessary proofs and do all necessary work to repair or necessary acts to enable Roynat to obtain payment of the insurance moneys subject to the rights of the holders of Permitted Liens.
10. submit every insurance policy immediately to Roynat and subsequently provide it with proof of

- its renewal or its replacement at least thirty (30) days before its expiry, failing which, Roynat may, if it so desires, without requesting or giving notice, renew or replace such policy at its expense, without prejudice to its other rights;
11. advise Roynat in writing of the occurrence of any Event of Default, of any action, lawsuit or proceeding instituted which concerns such Obligor, or of the registration of a Lien on its property, whether it is a Permitted Lien or not;
 12. allow Roynat's representatives, upon reasonable notice and during normal business hours, to examine and copy its books and records or to take extracts therefrom, to inspect the Collateral and to discuss its activities and business with its directors and external accountants;
 13. keep all its bank accounts at a financial institution acceptable to Roynat and deposit into these accounts all the amounts received in relation to its debts;
 14. promptly provide Roynat:
 - (a) upon request with such documentation and information (hereinafter, "**Client Information**") as may be required from time to time to enable Roynat to establish the identity and existence of each Obligor, its directors, officers and shareholders and to otherwise allow Roynat to meet its record-keeping, reporting and ongoing monitoring obligations under applicable law and regulations, including under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) ("**AML Law**"); and
 - (b) with updated Client Information if it becomes aware of any circumstances that would cause the Client Information previously provided to Roynat to be incomplete or materially inaccurate in any way;
 15. comply with the requirements of all Environmental Laws including, without limitation, as follows:
 - (a) shall conduct and maintain the Real Property, the Collateral and its business, operations, and shall cause any tenant of the Real Property to maintain the Real Property and its business operations, so as to comply in all respects with all applicable Environmental Laws, including obtaining all necessary licenses, permits, consents and approvals required to own or operate the Collateral and the business carried out on, at or from the Real Property;
 - (b) except as specifically permitted by Roynat in writing, it shall not permit or suffer to exist, Contaminants or dangerous or potentially dangerous conditions in, on or below the Real Property including, without limitation, any polychlorinated biphenyls, radioactive substances, underground storage tanks, asbestos or urea formaldehyde foam insulation;
 - (c) has no knowledge of the existence of Contaminants or dangerous or potentially dangerous conditions at, on or under the Real Property or any properties in the vicinity of the Real Property which could affect the Real Property or the market value thereof or in levels that exceed the standards in Environmental Laws;
 - (d) has no knowledge of the Real Property, or any portion thereof, having been used for the disposal of waste;
 - (e) has not given or received, nor does it have an obligation to give, any notice, claim, communication or information regarding any past, present, planned or threatened treatment, storage, disposal, presence, release or spill of any Contaminant at, on, under or from the Real Property or any property in the vicinity of the Real Property, including any notice pursuant to any Environmental Laws or any environmental report or audit. It shall notify Roynat promptly and in reasonable detail upon receipt of any such claim, notice, communication or information or if it becomes aware of any violation or potential violation by it or any tenant of the Real Property of any Environmental Laws and shall describe therein the action which it intends to take with respect to such matter;
 - (f) shall at its expense establish and maintain a system to assure and monitor continued compliance with, and to prevent the contravention of, Environmental Laws, which system shall include periodic reviews of such compliance system;
 - (g) shall provide confirmation to Roynat upon request but not less often than annually that it is in compliance with all applicable Environmental Laws and that there is no default under this Section

- 15(g). Upon request, it shall provide Roynat with a duly completed environmental questionnaire, in Roynat's form;
- (h) shall promptly advise Roynat in writing of any material adverse change in the environmental or other legal requirements affecting it or the Collateral or the Real Property upon it becoming aware of any such change, and it shall provide Roynat with a copy of any of the orders, by-laws, agreements or other documents pursuant to which any such change is effected or documented;
 - (i) shall at its expense promptly take or cause to be taken any and all necessary remedial or clean-up action in response to the presence, storage, use, disposal, transportation, release or discharge of any Contaminant in, on, under or about any of the Real Property, or used by it or any tenant of the Real Property, in compliance with all material laws including, without limitation, Environmental Laws, and in accordance with the orders and directions of all applicable federal, state, provincial, municipal and local governmental authorities;
 - (j) shall deliver to Roynat a true and complete copy of all environmental audits, evaluations, assessments, studies or tests relating to it, the Real Property or the Collateral now in its possession or control or forthwith after the completion thereof, or upon such materials coming into its possession or control;
 - (k) shall at its expense, if reasonably requested by Roynat in writing, retain an environmental consultant acceptable to Roynat, acting reasonably, to undertake environmental tests and to prepare a report or audit with respect to the Real Property and deliver same to Roynat for its review; and,
 - (l) shall indemnify and save harmless Roynat, its officers, directors, employees, agents and shareholders from and against all losses, liabilities, damages or costs (including complete reimbursement for 100% of all legal fees and disbursements) suffered including, without limitation, the cost or expense of any environmental investigation, the preparation of any environmental or similar report, and the costs of any remediation arising from or

relating to any breach of the foregoing covenants of this Section 15(l), any breach by it, any tenant or any other Person now or hereafter having an interest in the Collateral or the Real Property which is asserted or claimed against Roynat; the presence, in any form, of any Contaminant on or under the Real Property, or the discharge, release, spill or disposal of any contaminant by it, which is asserted or claimed against any of these indemnified persons. This indemnity shall survive the payment in full of all amounts due under or in connection with the Financing Documents and the discharge of the Security Agreements. Roynat shall hold the benefit of this indemnity in trust for those indemnified persons who are not parties to the Financing Documents.

- 16. notify Roynat promptly in writing on becoming aware of same, and in reasonable detail, if such Obligor:
 - (a) engages in any trade, commerce or other commercial dealings with any Sanctioned Person, or any country that is the subject of any Sanctions;
 - (b) becomes a Sanctioned Person; or
 - (c) receives notice of or becomes aware of any claim, action, suit, proceeding or investigation against it with respect to Sanctions by any Sanctions Authority.
- 17. comply with all covenants contained herein with respect to Sanctions only to the extent that they do not result in any violation of the *Foreign Extraterritorial Measures Act* (Canada).

B. Negative Covenants

- 1. Without the prior written consent of Roynat, each Obligor (as applicable) declares, covenants and agrees not to:
 - (a) generate, contract, accept responsibility for or allow the existence of a Lien encumbering the Collateral or any part thereof, with the exception of the Permitted Liens except that it may give security to its banker (as acceptable to Roynat acting reasonably, but not to more than one banker or to a banking syndicate) on its inventory or under assignments of its trade receivables (by way of confirmation, trade receivables do not include the proceeds of the sale

or disposition of Collateral or the proceeds of life insurance policies assigned to Roynat) and such security, if validly perfected, shall rank prior to the interest granted hereby on such inventory and accounts receivable without further action by Roynat;

- (b) sell, assign, rent or otherwise alienate the Collateral or any part thereof, except (i) the sale of its inventory in the ordinary course of its business, and (ii) the sale or other disposal of furniture, machinery, equipment, vehicles and accessories having an aggregate value of more than \$100,000 which is no longer necessary or useful to the operation of its business or which has become outdated, damaged or otherwise unusable, provided that it substitutes them immediately with other property of the same nature and value so as to form part of the Collateral;
 - (c) change the nature of its business;
 - (d) conclude a merger or any other form of amalgamation of companies or proceed with its liquidation or dissolution;
 - (e) create nor permit to exist any new subsidiary, affiliate or non-arm's length company or firm; or
 - (f) change the date of its fiscal year end.
2. Each Obligor (as applicable), declares, covenants and agrees not to:
- (a) fund all or part of any payment or repayment in connection with any obligation under this Agreement out of proceeds derived from business or transactions with a Sanctioned Person, or from any action which is in breach of any Sanctions.
 - (b) take, directly or indirectly, any action with respect to the use of proceeds from a Loan that will result in a violation by any Person (including, without limitation, an Obligor or Roynat) of the laws of any applicable jurisdiction, including without limitation, Sanctions.

IV. EVENTS OF DEFAULT

A. Events of Default

The occurrence of any of the following events shall constitute an Event of Default under the terms hereof:

- 1. if any Obligor fails to make the payment of any amount of principal, interest, charges or other amounts owing under this Agreement or under any other Financing Document;
- 2. if any representation or warranty made or given in this Agreement or in any other Financing Document proves at any point to be false or misleading in any material respect;
- 3. if any Obligor fails to honour one or several of its Covenants or obligations set out in this Agreement or in any other Financing Document;
- 4. if a third party obtains a final and binding judgment against any Obligor amounting to \$25,000 or more, and such judgment is not satisfied within thirty (30) days from the date it is rendered;
- 5. if a creditor of an Obligor institutes an action or gives notice for the purpose of exercising its rights and recourse against any Collateral, particularly by seizure, notice of intention, notice of closure, taking of possession, registration of a legal hypothec or the like;
- 6. if any Obligor fails to meet any monetary or non-monetary obligation in an amount exceeding \$25,000 to any of its other creditors or to Roynat under any other financing other than that provided for herein;
- 7. if any other important provision of this Agreement or of any other Financing Document is declared invalid or unenforceable;
- 8. if there is a change in Control of any Obligor without the prior written consent of Roynat;
- 9. if any Obligor commits an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or assigns its property in favour of its creditors or files or consents to the filing of a petition in bankruptcy or a proposal under the *Bankruptcy and Insolvency Act* (Canada) or if any Obligor is deemed insolvent or bankrupt, or consents or approves or makes a petition or applies to the court for the appointment of a trustee, fiduciary, liquidator or receiver with respect to itself or its property, or if any Obligor institutes

- proceedings with respect to itself or its property pursuant to any law that concerns a reorganization, an arrangement, a recovery, a compromise or a liquidation, in any jurisdiction whatsoever (hereinafter called "**Bankruptcy Proceedings**") or if Bankruptcy Proceedings are instituted against any Obligor or if a trustee, fiduciary, liquidator or receiver for any Obligor or for its property is appointed or if any Obligor consents to, approves or accepts any Bankruptcy Proceedings or the appointment of any trustee, fiduciary, liquidator or receiver with respect to itself or its property; unless, if Bankruptcy Proceedings are instituted against any Obligor, the latter had the right to contest it in good faith and unless Roynat is satisfied, at its entire discretion, that the repayment of the amounts owing under the Loan will not be compromised;
10. if any Obligor takes any proceedings for its dissolution, liquidation or amalgamation with another company or if the legal or corporate existence of any Obligor shall be terminated by expiration, forfeiture or otherwise;
11. if any Person which is a party to any Financing Document (other than an Obligor) defaults in the performance of any condition or covenant in favour of Roynat, and such default continues for ten (10) days after written notice thereof to the Borrower by Roynat;
12. if Roynat considers in good faith that a Material Adverse Change has occurred or is about to occur; or,
13. if Roynat determines in its reasonable discretion upon receipt of the notification described in Section III, paragraph A.16 that the effect of the subject matter of such notice could reasonably be expected to have a material adverse effect.
- (b) Roynat may terminate the Borrower's right to use the Loan and to obtain Advances thereunder;
- (c) Roynat may carry out any obligation of any Obligor which such Obligor has failed to honour in the stead, place and at the expense of such Obligor; and,
- (d) Roynat may exercise all the rights and recourses available to it under the Financing Documents and the law.
2. Notwithstanding paragraph IV. B.1 above, Roynat may, without prejudice to the option of subsequently exercising any right or recourse available to it, waive an Event of Default or grant time to remedy it or take other measures that would seem to be in its interest to take.

The mere lapsing of the time allotted to an Obligor for fulfilling an obligation provided for in this Agreement or in any other Financing Document constitutes a default on the part of such Obligor, without any notification or formal notice being necessary.

B. Remedies

1. On the occurrence of an Event of Default:
- (a) all the amounts owing by the Borrower under the Financing Documents shall, (i) at the option of Roynat, become immediately due and payable, and (ii) bear interest at the Default Rate;

V. CONDITIONS PRECEDENT

The disbursement of the first Advance is subject to the delivery to Roynat of the following documents, in form and content acceptable to Roynat and to its legal advisors:

1. certified true copy of the governing documents of each Obligor;
2. certified true copy of a resolution of the board of directors of each Obligor;
3. certificate of attestation, certificate of compliance and any other similar certificate concerning each Obligor, issued by the competent authorities in all jurisdictions where Roynat holds security under the Security Documents;
4. delivery of all the Security Documents and confirmation that each Security Document has been registered in all applicable jurisdictions in order to grant them the priority provided for herein and to render each Security Document enforceable against third parties;
5. a certificate signed by each Obligor confirming certain facts related to the present financing;
6. copy of the certificate(s) (or, if required by Roynat, the policies) of insurance issued in favour of each Obligor, demonstrating that such Obligor took out the requisite insurance under this Agreement. Roynat reserves the right to hire an insurance consultant at the Borrower's expense for the purpose of reporting to it regarding the sufficiency of the insurance coverage of the Obligors, and Roynat must be satisfied that all the deficiencies identified in the said report have been corrected in accordance with the consultant's recommendations;
7. in the event that any of the Security Documents include a fixed charge on Real Property:
 - (a) (i) an up-to-date survey of the Real Property sent to Roynat, and (ii) an opinion on title issued by legal counsel acceptable to Roynat and forwarded to Roynat confirming that such Security Document creates a valid charge (ranking as required by the Offer of Finance) over the Real Property in favour of Roynat,
or
 - (b) (i) a title insurance policy that is satisfactory to Roynat, including all the riders that Roynat deems useful or necessary and which is issued by a title

insurance company acceptable to Roynat, or (ii) a commitment to insure that is satisfactory to Roynat, including all the riders that Roynat deems useful or necessary and which is issued by a title insurance company acceptable to Roynat, as well as confirmation from the title insurance company that the issuance of the policy is only conditional on payment of the premium and on confirmation of registration of the applicable Security Document in the appropriate land registry office;

8. search reports concerning the Liens encumbering the Collateral prepared by Roynat's legal advisors covering each applicable jurisdiction;
9. Roynat is fully satisfied with the quality, value, and eligibility of all assets to be financed;
10. proof that all the charges and fees payable by the Borrower under this Agreement have been paid; and
11. all other documents and information that Roynat may reasonably require.

VI. GENERAL CONDITIONS

A. Fixed Rate Conversion/ Extension Option

The following terms and conditions apply to any conversion or extension of a fixed rate Loan:

1. The Borrower must send Roynat a written request to this effect at least five (5) Business Days before the conversion date or the expiry date of the fixed rate interest period then current.
2. No Event of Default exists at the time of the conversion or extension request.
3. Any conversion or extension as provided for herein shall be carried out at the entire discretion of Roynat. If Roynat agrees to follow up on the Borrower's request, Roynat shall send to the Borrower, within five (5) Business Days following receipt of the Borrower's request, written confirmation indicating:
 - (a) the interest rate applicable to the Loan in question;
 - (b) the length of the term during which the Loan will bear interest at a fixed rate;
 - (c) the effective date from which the Loan in question will bear interest at a fixed rate;

- (d) any additional change to these presents required by Roynat following such conversion or extension; and
- (e) the new repayment terms of the Loan in question following the conversion or extension, including the terms and conditions applicable to prepayment.

4. The conversion or extension of the Loan in question shall only take effect upon acceptance by the Borrower of the confirmation letter submitted by Roynat. A fee of \$1,000 shall apply.

B. Calculation of Interest

Interest is calculated on the basis of a 365-day year, except in the case where interest is calculated based on the US Variable Rate or the US Fixed Rate, in which case it is calculated on the basis of a 360-day year.

For the purposes of the *Interest Act* (Canada), the annual interest rate equivalent to the US Variable Rate or the US Fixed Rate is obtained, expressed in decimals, by multiplying such rate by a fraction where the numerator equals the number of days included in that year and where the denominator equals 360.

Notwithstanding any other provision of this Agreement or any Security Document, in no event shall any such document require the payment or permit the collection of interest or other amounts in an amount or at a rate in excess of the amount or rate that is permitted by applicable law or in an amount or at a rate that would result in the receipt by Roynat of interest at a criminal rate, as the terms "interest" and "criminal rate" are defined under the *Criminal Code* (Canada). If from any circumstance whatever, fulfilment of any provision of this Agreement or any Security Document would result in exceeding the highest rate or amount permitted by applicable law for the collection or charging of interest, the obligation to be fulfilled shall be reduced to reflect the highest permitted rate or amount.

C. Records

The records of any Advance or any repayment related hereto as well as the records of any interest, charges or other amounts owing under this Agreement or any other Financing Document, as held by Roynat, constitute *prima facie* proof of the Borrower's indebtedness to Roynat, as it may fluctuate from time to time.

D. Increased Costs and Taxes

If, because of a change to the applicable laws, regulations, rules or orders or because of measures taken in accordance with a guideline or requirement of an authority with which Roynat is bound to comply, Roynat incurs or shall incur

increased costs or withstands or shall withstand a reduction in the return on capital related to a Loan, the Borrower must indemnify Roynat for such increased costs or reduced return. All payments pertaining to a Loan must be made free of any withholding tax or of any other current or future tax, rate or deduction.

E. Indemnification

Each Obligor undertakes to indemnify Roynat for any damages, claims, losses, liabilities or expenses borne or incurred by Roynat which can be attributed to the Loan or result directly or indirectly therefrom. Each Obligor undertakes to indemnify Roynat as well as its administrators, officers, employees, agents, successors and assigns and to side with it as regards any applications, lawsuits, judgments, damages, costs, losses or allegations of losses or claims suffered, imposed or incurred by Roynat and arising or resulting from damages caused to the environment by actions or omissions in the operation of its business or in the exercising of its activities or by the contamination of its properties or even by the contamination coming therefrom or any violation of the Environmental Laws, with the exception of claims resulting from the gross or intentional negligence of Roynat.

Each Obligor hereby further agrees to indemnify and hold harmless Roynat, to the fullest extent permitted by applicable law, for all losses and liabilities (including without limitation due to claims by a third party), incurred by Roynat as a result of any breach by the Obligor of its undertakings and representations contained in this Agreement with respect to Sanctions and/or due to any action taken by Roynat to enforce its rights under this indemnity. No action taken by Roynat pursuant to this Agreement, including the grant of a Loan, issuance of any financial instruments thereunder or processing of any payments or transactions, nor any action taken by such Obligor in relation thereto, shall be deemed to be a waiver of any of Roynat's rights under any provisions of this Agreement related to Sanctions nor shall they act to relieve such Obligor of its obligations or liabilities in relation thereto.

F. Applicable Laws

This Agreement shall be governed and interpreted according to the laws of the Applicable Jurisdiction.

G. Successors and Assigns

This Agreement shall be binding on the parties hereto and their respective successors and assigns. Roynat is entitled to assign the Loan and the Financing Documents in whole or in part to any other Person without the Borrower's consent. The Borrower shall continue to do business with Roynat until Roynat advises the Borrower otherwise. Notwithstanding the foregoing, the Borrower is not entitled

to assign its rights or obligations hereunder without the prior written consent of Roynat.

H. Sharing of Information

Roynat may communicate confidential information regarding the Obligors to any potential assignee of the Loan or part thereof in accordance with the terms hereof without incurring any liability.

I. Modification and Renunciation

Any change to or waiver of a provision of this Agreement shall not take effect unless it is in writing and signed by Roynat and each of the Obligors. The fact that Roynat does not exercise a right or recourse available to it under these presents, or delays in doing so, shall not constitute Roynat's waiver of such right or recourse.

J. Notices

Any notice under the Financing Documents must be given in writing and hand delivered to the party concerned or be sent to it by prepaid registered mail or sent by fax or email, and the date of receipt of the said notice, if hand delivered, shall be considered its delivery date; if sent by mail as indicated above, the third (3rd) Business Day following the date it was sent and, if it is sent by fax or email, the transmission date if the transmission is done before 1:00 p.m. on a Business Day, and the Business Day following the transmission date in all other cases. The addresses of the parties hereto for the purposes of any notice are those written below their names on the signature pages of these presents or any other address that a party may indicate by means of a notice sent in the manner set out above.

K. Entire Agreement

This Agreement and the other Financing Documents constitute the entire contract between the parties to the Loan. There is no verbal declaration, promise or arrangement in respect of the Loan.

L. Exchange Rate

The conversion into Canadian Dollars of any amount owing by the Borrower in US\$ required for the purpose of obtaining a judgment is done on the Business Day preceding the judgment date.

In the event of a fluctuation in the exchange rate between the Business Day preceding the judgment date and the payment date, the Borrower shall pay to Roynat on demand (or, if need be, deducted from the payment) the necessary amount to ensure that the amount paid in Canadian dollars is equivalent to the amount owing in US\$, after the conversion, on the payment date. The Borrower's obligations under this paragraph constitute an additional obligation on top of its other obligations resulting from the judgment rendered against it.

M. Application of Payments

Should an Event of Default occur, Roynat shall apply all the amounts it receives regarding the secured obligations, unless it indicates otherwise in writing, firstly to the payment of the fees, charges and other expenses incurred by Roynat under these presents or under other Financing Documents; secondly to the payment of interest owing on the Loan; thirdly to the payment of principal on the Loan and fourthly to the payment of other secured obligations. After an Event of Default has occurred, Roynat shall have discretionary authority regarding the application of all the amounts it receives (including the proceeds from realizing on any security held by Roynat).

N. Paramountcy

In the event of an inconsistency between the provisions of this Offer of Finance and of any other agreement entered into or given by an Obligor in favour of Roynat, the terms of this Offer of Finance shall prevail to the extent of any such conflict.

O. Novation

It is expressly understood and agreed between the parties that this Agreement does not create novation of the Loan and Roynat expressly reserves all its rights and recourses under the Loan and the Financing Documents. Except as expressly provided for herein, the Borrower's obligations with respect to the Loan will not be deemed to be amended, except in the manner provided for herein. This Agreement will not have the effect of releasing any Obligor from their obligations with respect to Roynat under the Loan or the Financing Documents.

Appendices to the Offer of Finance to 2796996 Ontario Inc.] dated April 28, 2021

APPENDIX B

DESCRIPTION OF PROPERTY

REAL PROPERTY

A. Immovable/Real Freehold

Land and Building located at 88 Main Street West, Grimsby, Ontario

B. Leasehold

NIL

PERSONAL PROPERTY

"All present and after-acquired personal property of the Obligors including but not limited to furniture, fixtures and equipment owned by the Borrower and Guarantors."

Appendices to the Offer of Finance to 2796996 Ontario Inc.] dated April 28, 2021

**APPENDIX C
PRIVACY CONSENT**

Information

You and the undersigned, your individual principals, key employees and agents, shareholders and/or guarantors and persons otherwise connected with this Agreement (each, a "Principal") agree that in the process of providing services under this Agreement, we may collect, use and disclose certain personal and business information ("Information") from and about you and your Principals. Information may be collected from and disclosed to our agents, affiliates, third party service providers, credit bureaus, credit reporting agencies, other credit grantors, any person you and your Principals have or propose to have financial relations with as well as third parties who wish to become involved in the syndication of a loan, lease or other investment in which your Information is relevant, or who are involved in risk assessment, risk management or due diligence in the context of a financial transaction or proposed financial transaction.

Authorization

You and your Principals do therefore authorize any person whom we contact in this regard to provide such Information to us. You and your Principals acknowledge that we may transfer your information to other offices within Roynat where we do business. As a result, Information may be accessible to regulatory authorities in accordance with the laws of those jurisdictions. We may collect, use and disclose your and your Principals' Social Insurance Number or other personal identifiers to verify and report credit information to credit bureaus or credit reporting agencies as well as to confirm your and your Principals' identities.

We may give Information to other members of the Scotiabank Group so that these companies may tell you and your Principals directly about their products and services. Consent to this is not a condition of doing business with us and such consent may be withdrawn by you at any time.

Consent

By choosing to provide us with Information, you and your Principals are consenting to its use in accordance with the principles set out in the Roynat Group of Companies Privacy Agreement, a copy of which may be viewed and obtained at any time at roynat.com.

Individual

Signature: _____

Name: Amjid Hussain Chaudhry

Date: _____

5/5/2021

Individual

Signature: _____

Name: _____

Date: _____

Appendices to the Offer of Finance to 2796996 Ontario Inc.] dated April 28, 2021

APPENDIX D

PRE-AUTHORIZED DEBIT

By your acceptance of this Offer of Finance, you authorize Roynat and the financial institution designated below (or any other financial institution you may designate at any future time) to begin deductions of amounts sufficient to cover all regularly scheduled payments owing in connection with the financing provided for herein. Regular monthly payments of principal and fixed or variable interest, or blended payments of principal and interest, all as provided for in this Offer of Finance, will be debited from your specified account on the 15th day of each month. In the case of a variable interest rate, Roynat is authorized to calculate the amount and debit the account below for any amount required to adjust the required monthly interest payment to take into account increases or decreases in the applicable variable interest rate. Notwithstanding this Pre-Authorized Debit arrangement, if Roynat requests payment by cheque of amounts due to it, you agree to pay those amounts by cheque.

This authority is to remain in effect until Roynat has received written notification from you of its change or termination. This notification must be received at least fifteen (15) days before the next debit is scheduled.

You may obtain a sample cancellation form or further information on your right to cancel this authorization either from your financial institution or by visiting www.cdnpay.ca.

You have certain recourse rights if any debit does not comply with this Agreement. For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with this Agreement. To obtain more information on your recourse rights, you may contact your financial institution or visit www.cdnpay.ca.

You expressly waive the right to receive any form of pre-notification of the amount(s) to be debited, any adjustments to the amount of interest to be debited in the case of a variable interest rate and any change in the date(s) of such debiting.

We confirm this is a Business Pre-Authorized Debit arrangement. Please attach your cheque marked "VOID" to this Offer of Finance. You also agree to provide Roynat with written notice of any change to the bank, branch or account specified below.

For this authorization, your bank is:

Bank: _____
Address: _____
Branch: _____ Institution: _____ Account Number: _____
5 digits 3 digits

Roynat's contact information for the purposes of inquiries, information or recourse in respect of this Pre-Authorized Debit arrangement is:

Address: **2 Robert Speck Parkway, 4th Floor**
Mississauga, ON L4Z 1H8

Attention:

Facsimile: 905-276-6689

Email:

ATTACH A SAMPLE CHEQUE MARKED "VOID"

Appendices to the Offer of Finance to 2796996 Ontario Inc.] dated April 28, 2021

APPENDIX E

INSURANCE BROKER CONTACT INFORMATION AND RELEASE

Please provide the following information for our records:

Insurance Broker: Brokerage Name: _____
 Contact Name: _____
 Address: _____

 Phone No.: _____ Fax No.: _____
 E-mail Address: _____

Please provide the following information if you would like to be copied on all correspondence addressed to your Broker from InTech Risk Management Inc.:

Contact Name: _____
 Please Copy via: ☐ Confidential Fax No.: _____
 ☐ Confidential E-mail: _____

You and/or your guarantors and persons otherwise connected with this Agreement, hereby authorize the above noted Broker to release insurance information required by Roynat Inc./Roynat Capital Inc. and their insurance risk management consultant, InTech Risk Management Inc., for this transaction.

You and/or your guarantors and persons otherwise connected with this Agreement, hereby authorize Roynat Inc./Roynat Capital Inc. to release information necessary to determine insurance requirements, as needed, to InTech Risk Management Inc. for the purposes of conducting an insurance review.

Borrower[s]:

[Name(s) of Borrower(s)]

Per: _____
 Name: AMJID H. CHAUDHRY
 Title: President/owner
 Per: _____
 Name: _____
 Title: _____

Guarantor[s]:

Name(s) of Guarantor(s)]

Per: _____
 Name: AMJID H. CHAUDHRY
 Title: President/owner
 Per: _____
 Name: _____
 Title: _____

Guarantor[s]:

[Name(s) of Guarantor(s)]

Per: _____
 Name: _____
 Title: _____

[Name(s) of Guarantor(s)]

Per: _____
 Name: _____
 Title: _____

This is **Exhibit “D”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of June 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19

ROYNAT INC.

GUARANTEE AND INDEMNITY

TO: ROYNAT INC. ("Roynat")

DATE: ~~May~~ 10th 2021
September

RECITALS:

- A. Pursuant to an offer of finance dated as of April 28, 2021 (as amended, restated, modified or replaced from time to time, the "Offer of Finance") issued by Roynat in favour of 2796996 ONTARIO INC. (the "Borrower"), Roynat has agreed to make certain financing available to the Borrower.
- B. The undersigned (the "Guarantor") is required to deliver this Guarantee and Indemnity (this "Agreement") under the terms of the Offer of Finance and will derive substantial direct and indirect benefits and advantages from the financing provided to the Borrower under the Offer of Finance.

FOR VALUE RECEIVED and intending to be legally bound by this Agreement, the Guarantor agrees as follows:

SECTION 1.
GUARANTEE

- 1.1 The Guarantor unconditionally guarantees and covenants with Roynat that the Borrower will duly and punctually pay to Roynat all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not at any time owing by the Borrower to Roynat wherever incurred and whether incurred by the Borrower alone or with another or others, including, without limitation, all the principal of, interest on and all other moneys owing under or in connection with the Offer of Finance as and when the same become due and payable according to the terms of the Offer of Finance (the "Guaranteed Liabilities").
- 1.2 The Guarantor hereby acknowledges communication of the terms of the Offer of Finance and consents to and approves of the same. The guarantee herein contained shall take effect and be binding upon the Guarantor notwithstanding any defect in or omission from any documentation or security delivered by the Borrower to Roynat or any default in or omission from the Offer of Finance or any non-registration or non-filing or defective registration or filing or by reason of any failure of the security delivered pursuant to the Offer of Finance or any other security.
- 1.3 The liability of the Guarantor under Section 1.1 hereof shall be joint and several with that of the Borrower and shall be absolute and unconditional. The Guarantor shall for all purposes of the guarantee be regarded as in the same position as a principal debtor, and hereby expressly waives demand, presentment, protest and notice thereof and of default. The obligation of the Guarantor hereunder shall be deemed to arise in respect of each default.

SECTION 2.
INDEMNITY

- 2.1 The Guarantor also unconditionally agrees that, if the Borrower does not unconditionally and irrevocably pay any of the Guaranteed Liabilities when due and those Guaranteed Liabilities are not recoverable from the Guarantor for any reason under Section 1, the Guarantor shall indemnify Roynat immediately on demand against any cost, loss, damage, expense or liability suffered by Roynat as a result of the Borrower's failure to do so.

SECTION 3.
DEFAULT AND ENFORCEMENT

- 3.1 If the Borrower shall make default in payment of the principal of, interest on or any other moneys owing to Roynat on any of the Guaranteed Liabilities including, without limitation, any principal of, interest on or other monies owing under the Offer of Finance as and when the same become due and payable, then the Guarantor shall forthwith on demand by Roynat pay to Roynat the principal, interest and other moneys in default.
- 3.2 If the Guarantor shall fail forthwith on demand to make good any such default, Roynat may in its discretion proceed with the enforcement of its rights hereunder and may proceed to enforce such rights or from time to time any thereof prior to, contemporaneously with or after any action taken under any security or other documents delivered by the Borrower or others to Roynat, including the Offer of Finance. The Guarantor shall pay on demand all costs and expenses (including all legal fees and disbursements on a solicitor and own client and full indemnity basis) incurred by Roynat in enforcing or attempting to

enforce its rights hereunder and all proceedings taken in relation hereto; all such costs and expenses and other moneys payable hereunder shall bear interest at the greater of the loan rate or the interest rate provided for in any of the Offer of Finance, other security or loan documents.

- 3.3 All sums paid to or recovered by Roynat pursuant to the provisions hereof shall be applied by it in payment of its costs and expenses payable hereunder and the principal, interest and other moneys owing to Roynat including, without limitation, all amounts owing under or in connection with the Offer of Finance in such order as Roynat in its sole discretion may determine.
- 3.4 Roynat may waive any default of the Guarantor hereunder upon such terms and conditions as it may determine provided that no such waiver shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.
- 3.5 Any moneys paid by or recovered from the Guarantor hereunder shall be held to have been paid pro tanto in discharge of the liability of the Guarantor hereunder, but not in discharge of the liability of the Borrower, and in the event of any such payment by or recovery from the Guarantor, the Guarantor hereby assigns any rights with respect to or arising from such payment or recovery (including without limitation any right of subrogation) to Roynat unless or until Roynat has received in the aggregate payment in full of all moneys owing to Roynat including, without limitation, amounts owing under or in connection with the Offer of Finance. If the Guarantor receives money in payment of any such debts and liabilities, the Guarantor will hold them in trust for, and will immediately pay funds to, Roynat without reducing the Guarantor's liability under this Agreement.

SECTION 4. ABSOLUTE LIABILITY

- 4.1 The liability of the Guarantor under this Agreement is absolute and unconditional. It will not be limited or reduced, nor will Roynat be responsible or owe any duty (as a fiduciary or otherwise) to the Guarantor, nor will Roynat's rights under this Agreement be prejudiced, by the existence or occurrence (with or without the Guarantor's knowledge or consent) of any one or more of the following events:
 - (a) any termination, invalidity, unenforceability or release by Roynat or any of its rights against the Borrower or against any other person or of any security;
 - (b) any increase, reduction, renewal, substitution or other change in, or discontinuance of, the terms relating to the Guaranteed Liabilities or to any credit extended by Roynat to the Borrower; any agreement to any proposal or scheme of arrangement concerning, or granting any extensions of time or any other indulgences or concessions to, the Borrower or any other person; any taking or giving up of any security; abstaining from taking, perfecting, filing or registering any security; allowing any security to lapse (whether by failing to make or maintain any registration, filing or otherwise); or any neglect or omission by Roynat in respect of, or in the course of, doing any of these things;
 - (c) accepting compositions from compromises, arrangements or plans of reorganizations or granting releases or discharges to the Borrower or any other person, or any other dealing with the Borrower or any other person or with any security that Roynat considers appropriate;
 - (d) any unenforceability or loss of or in respect of the Offer of Finance or any security held from time to time by Roynat from the undersigned, the Borrower or any other person, whether the loss is due to the means or timing of any registration, disposition or realization of any collateral that is the subject of that security or otherwise due to Roynat's fault or any other reason;
 - (e) any change in the Borrower's name; or any reorganization (whether by way of amalgamation, merger, transfer, sale lease or otherwise) of the Borrower or the Borrower's business;
 - (f) any change in the Borrower's financial condition or that of the Guarantor or any other guarantor (including insolvency and bankruptcy);
 - (g) any change of effective control of the Borrower;
 - (h) any event, whether or not attributable to Roynat, that may be considered to have caused or accelerated the bankruptcy or insolvency of the Borrower, the Guarantor or any other guarantor, or to have resulted in the initiation of any such proceedings;
 - (i) Roynat's filing of any claim for payment with any administrator, provisional liquidator, conservator, trustee, receiver, custodian or other similar officer appointed for the Borrower or for all or substantially all of the Borrower's assets;

- (j) any failure by Roynat to abide by any of the terms and conditions of Roynat's agreements with, or to meet any of its obligations or duties owed to, the undersigned, the Borrower or any person, or any breach of any duty (whether as a fiduciary or otherwise) that exists or is alleged to exist between Roynat and the Guarantor, the Borrower or any person;
- (k) any incapacity, disability, or lack or limitation of status or of the power of the Borrower or of the Borrower's directors, managers, officers, partners or agents; the discovery that the Borrower is not or may not be a legal entity; or any irregularity, defect or informality in the incurring of any of the Guaranteed Liabilities;
- (l) any event whatsoever that might be a defence available to, or result in a reduction or discharge of, the Guarantor, the Borrower or any other person in respect of either the Borrower's Debts or the Guarantor's liability under this Agreement; or
- (m) any amendment to any, some or all of the Offer of Finance or any other security or agreements entered into under or in connection therewith.

For greater certainty, the undersigned agrees that Roynat may deal with the Guarantor, the Borrower and any other person in any manner without affecting the Guarantor's liability under this Agreement.

Any claims by the Guarantor against Roynat and its agents in respect of any of the foregoing matters or otherwise are hereby waived.

- 4.2 After all moneys payable by the Borrower to Roynat including, without limitation, amounts owing under the Offer of Finance, have been paid in full, this Agreement shall cease and become null and void and Roynat shall, at the request and at the expense of the Guarantor execute and deliver a release to the Guarantor.

SECTION 5. MISCELLANEOUS

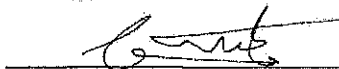
- 5.1 Any notices given hereunder shall be conclusively deemed effectively given if delivered personally to either of the parties hereto at the address for such party given in the Offer of Finance or if forwarded by registered mail to such party at such address. Any notice so mailed shall be conclusively deemed given on the third business day after the day of mailing, provided that in the event of a known disruption of postal service notice shall be given by personal delivery only. Either party hereto may effect a change of address by written notice given to the other party hereto in accordance with this section.
- 5.2 This Agreement shall be construed in accordance with and governed by the laws of the Province of Ontario.
- 5.3 This Agreement shall endure to the benefit of Roynat and its successors and assigns and be binding upon the successors and any permitted assigns/heirs, executors, administrators and personal representatives of the Guarantor.

SECTION 6. LIMITATION ON LIABILITY

- 6.1 Notwithstanding anything herein contained, it is agreed by and between Roynat and the Guarantor that the liability of the Guarantor hereunder shall be limited to the sum of (i) \$800,000.00 and (ii) all costs and expenses payable by the Guarantor hereunder, together with interest thereon at the rate set out in Section 3.2 above from the date of demand by Roynat on the Guarantor hereunder until payment in full by the Guarantor of all moneys owing hereunder.

IN WITNESS WHEREOF the Guarantor has executed this Agreement as of the date first written above.

WITNESS:



Imran Akram, BA, LLB, LLM (Queen's)
Barrister & Solicitor, Notary Public Ontario

1300 Hurontario St., Mississauga, ON L5H 3H3
Phone: +1-288-814-2944, Fax: +1-288-814-2942
Toll Free: +1-888-416-2945, Email: imran@akram.pro



AMJID HUSSAIN CHAUDHRY

This is **Exhibit “E”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of June 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19

DEBENTURE

2796996 ONTARIO INC.

TO: ROYNAT INC. ("Roynat")
2 Robert Speck Parkway, 4th Floor, Mississauga, ON L4Z 1H8

DATE: ~~May~~ 10th 2021
September

FOR VALUE RECEIVED and intending to be legally bound by this debenture (this "Debenture"), the undersigned (the "Debtor") agrees as follows:

1. **Promise to Pay.** The Debtor promises to pay on demand to or to the order of Roynat, at its address specified above, all amounts now or in the future owing by the Debtor to Roynat under or in connection with the Obligations (as defined below) up to the principal amount of Four Million Twenty-Five Thousand Dollars (\$4,025,000.00) and interest at the rate of up to 25% per annum, accruing daily and payable monthly, both before and after maturity, default and judgment, and interest on overdue interest at the same rate.
2. **Security.** As security for the payment and performance of all present and future indebtedness, liabilities and obligations of the Debtor to Roynat, whether direct or indirect, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency or otherwise, under or in respect of agreements or dealings between the Debtor and Roynat or agreements or dealings between the Debtor and others by which Roynat may be or become in any manner whatsoever a creditor of the Debtor (all such indebtedness, liabilities, obligations, expenditures, costs and expenses are hereinafter collectively referred to as the "Obligations") including, without limitation, obligations under (i) any and all letter agreements and offers to finance/or offers to lease, (as amended from time to time, "Offers of Finance") entered into by the Debtor and Roynat from time to time, (ii) any promissory notes, guarantees or indemnities executed by the Debtor in favour of Roynat, and (iii) this Debenture and any other security delivered to Roynat by the Debtor from time to time (collectively, the "Financing Documents"), the Debtor:
 - (a) mortgages and charges, as and by way of a fixed and specific mortgage and charge and grants a security interest to and in favour of Roynat in, all freehold real and immovable property described in Schedule "A" hereto, together with all buildings, erections, fixed machinery and fixed equipment presently situated thereon or which may at any time hereafter be constructed or placed thereon or used in connection therewith;
 - (b) mortgages and charges, as and by way of a fixed and specific mortgage and charge and grants a security interest to and in favour of Roynat in, all leasehold real and immovable property described in Schedule "B" hereto, together with all buildings, erections, fixed machinery and fixed equipment presently situated thereon or which may at any time hereafter be constructed or placed thereon or used in connection therewith;
 - (c) mortgages and charges, as and by way of a floating charge and grants a security interest to and in favour of Roynat in, all of its present and future interests in real property not referred to in items (a) and (b) immediately above,
 - (d) mortgages, charges, assigns, transfers and pledges, as and by way of a fixed and specific mortgage and charge and grants a security interest to and in favour of Roynat in all of the assets, undertaking and property of the Debtor not subject to the charges and security interests in items (a), (b) and (c) immediately above, including, without limitation:
 - (i) **Intangibles** - all intangible property including without limitation book debts and accounts, all contractual rights and insurance claims, licences, computer software, warranties, ownership certificates, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Debtor;
 - (ii) **Books & Records** - all of the Debtor's, manuals, publications, letters, deeds, documents, writings, papers, invoices, 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;

- (iii) **Equipment** - all of the Debtor's tools, machinery, equipment, apparatus, furniture, plants, fixtures, vehicles and other tangible personal property, other than Inventory (as defined below), (collectively, the "Equipment") including, without limitation, the Equipment described in Schedule "C" hereto, if any;
- (iv) **Inventory** - all of the Debtor's tangible personal property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in a business or profession or that are finished goods (collectively, the "Inventory");
- (v) **Other Property** - the Debtor's undertaking and all of the Debtor's other property and assets including, without limitation, uncalled capital, judgments, rights, franchises, chattel paper, documents of title, goods, instruments, and money (as those terms are defined in the Personal Property Security Act governing this Debenture); and
- (vi) **Investment Property** - all of the Debtor's investment property, including shares stock, warrants, bonds, debenture stock and other securities (in each case whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts; and
- (vii) **Proceeds** - all of the Debtor's property in any form derived directly or indirectly from any use or dealing with the Collateral or that indemnifies or compensates for loss of or damage to the Collateral (collectively, the "Proceeds");

but excluding, (A) any consumer goods, and (B) the last day of the term of any lease, verbal or written, or any agreement therefor now held or hereafter held by the Debtor, but should such charge become enforceable, the Debtor shall thereafter stand possessed of the last day of such leasehold interest in trust for Roynat and shall assign and dispose thereof as Roynat may direct.

Without limiting the preceding part of this Section, a security interest is taken in all of the Debtor's present and after acquired personal property. The security interest created by item (c) above is intended as a floating charge that will attach as provided in Section 3 below. The floating charge shall become a fixed charge as soon as Roynat notifies the Debtor to that effect. And for the same consideration and purposes and subject to the same exceptions, the Debtor hereby charges as and by way of a first floating charge to and in favour of Roynat, and grants to Roynat a security interest in, the undertaking of the Debtor and all its property and assets for the time being, both present and future, and of whatsoever nature and wherever situate (other than property and assets from time to time effectively subjected to the fixed and specific mortgages and charges created hereby or by any instrument supplemental hereto).

All of the assets, property and undertaking and property of the Debtor subject to the charges and security interests above are collectively referred to herein as the "Collateral".

- 3. **Attachment**. All security interests created by this Debenture attach immediately upon execution of the Debenture. The attachment of the floating charge has not been postponed and the floating charge shall attach to any particular property intended to be subject to it as soon as the Debtor has rights in such property.
- 4. **Covenants**. The Debtor hereby declares, covenants and agrees that:
 - (a) **To Pay Rents and Taxes** - shall pay all rents, taxes and assessments lawfully imposed upon all real property forming part of the Collateral or on which the Collateral is located or any part thereof when the same become due and payable, and shall provide to Roynat on request receipts for such payment;
 - (b) **Conduct of Business** - shall carry on and conduct its business in a proper and efficient manner, shall not materially alter the kind of business carried on by it, shall observe and perform all of its obligations under leases, licences and other agreements to which it is a party so as to preserve and protect the Collateral and its value, and shall comply with all laws, regulations and judgments applicable to the Debtor and all of its property, assets and undertaking;
 - (c) **Not to Sell** - shall not, except for Inventory sold in the ordinary course of business and except as otherwise expressly permitted in any Financing Document, remove, destroy, lease, sell or otherwise dispose or part with possession of any of the Collateral;

- (d) No Other Liens - shall not create, assume or suffer to exist any charge, lien, federal or provincial government priority claim arising pursuant to statute including any deemed trust, security interest or encumbrance upon any Collateral except as permitted in any applicable Financing Document. No provision hereof shall be construed as a subordination or postponement of the security interest created hereunder to or in favour of any other charge, lien, security interest or encumbrance, whether or not it is permitted;
- (e) To Hold Proceeds of Unauthorized Sale in Trust - in the event the Collateral or any part thereof is sold or disposed of prior to the full discharge of this Debenture by Roynat, in any manner not authorized by this Debenture, shall hold all proceeds of such sale or disposition received by the Debtor as trustee for Roynat until the Debtor has been fully released from this Debenture by Roynat;
- (f) To Insure - shall keep insured the Collateral to its full insurable value or in such amounts as Roynat may reasonably require against all risks, with insurers approved by Roynat and will pay all premiums necessary for such purposes as the same shall become due;
- (g) Inspection by Roynat - shall allow any employees or third parties retained by Roynat at any reasonable time to enter the premises of the Debtor or others to inspect the Collateral and to inspect the books and records of the Debtor relating to the Collateral and make extracts therefrom, and shall permit Roynat prompt access to such other persons, as Roynat may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Collateral or the books and records of the Debtor relating to the Collateral, provided that any information so obtained shall be kept confidential, save as required by Roynat in exercising its rights hereunder or pursuant to any applicable law or court order. The Debtor shall pay all costs and expenses (including all legal fees and disbursements on a solicitor and own client and full indemnity basis) of third parties retained by Roynat for purposes of inspection under this Section 4(g);
- (h) Use and Maintenance - shall cause the Collateral to be operated in accordance with any applicable manufacturer's manuals or instructions, by competent and duly qualified personnel. Any and all additions and accessions to and parts and replacements for the Collateral shall immediately become subject to the security interest created hereby. The Debtor shall not change the intended use of the Collateral without obtaining the prior written consent of Roynat which will not be unreasonably withheld or delayed;
- (i) Possession and Control - shall, on request by Roynat, deliver to Roynat possession of all chattel paper, instruments and negotiable documents of title. The Obligor shall also take whatever steps Roynat requires to enable Roynat to obtain control of any investment property forming part of the Collateral, including (a) arranging for any securities intermediary, futures intermediary or issuer of uncertificated securities to enter into an agreement satisfactory to Roynat to enable Roynat to obtain control, (b) delivering any certificated security to Roynat with any necessary endorsement and (c) having any security registered in the name of Roynat or its nominee;
- (j) Location of Collateral - shall keep the Collateral in the locations set forth in Schedule "C" hereto, except for goods in transit to such locations, or Inventory on lease or consignment, or with the prior written consent of Roynat and provided that the Debtor shall effect such further registrations and obtain such other consents and grant such other security, at the sole cost and expense of the Debtor, as may be required or desirable to protect or preserve the security hereby created and to maintain the priority intended to be granted to Roynat hereunder as against all others including landlords;
- (k) No Affixation - shall not permit the Collateral to be attached to or affixed to real or other personal property without the prior written consent of Roynat which will not be unreasonably withheld or delayed. The Debtor shall obtain and deliver to Roynat such waivers as Roynat may reasonably request from any owner, landlord or mortgagee of premises on which the Collateral is located or to which the Collateral may become affixed or attached. The Debtor shall promptly do, execute and deliver all such further acts, documents, agreements or assurances as Roynat may reasonably require for giving effect to the intent of this Debenture and shall register such notice or documents against the title to such premises as Roynat may reasonably request to protect its interests hereunder and shall maintain plates or marks showing the name of Roynat upon the Collateral as requested; and
- (l) Registered Office/Jurisdiction of Incorporation - shall not change its jurisdiction of incorporation or registered office address from that listed in Schedule "C" without the prior written consent of Roynat.

5. **Waiver of Covenants.** Roynat may waive in writing any breach by the Debtor of any of the provisions contained in this Debenture or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, provided that no such waiver or any other act, failure to act or omission by

Roynat shall extend to or be taken in any manner to affect any subsequent breach or default or the rights of Roynat resulting therefrom.

6. **Performance of Covenants by Roynat.** If the Debtor shall fail to perform any covenant on its part herein contained, Roynat may in its absolute discretion perform any such covenant capable of being performed by it, but Roynat shall be under no obligation to do so. If any such covenant requires the payment of money or if the Collateral or any part thereof shall become subject to any charge, lien, security interest or encumbrance ranking in priority to the security interest created hereby, Roynat may in its absolute discretion make such payment and/or pay or discharge such charge, lien, security interest or encumbrance, but Roynat shall be under no obligation to do so. All sums so paid by Roynat, together with interest at the highest rate chargeable by Roynat from time to time on the Obligations, shall be payable by the Debtor on demand and shall constitute a charge upon the Collateral. No such performance or payment shall relieve the Debtor from any default hereunder or any consequences of such default.
7. **Events of Default.** Each of the following events shall constitute an "Event of Default":
 - (a) a "default", an "event of default" or similar circumstance identified in any Financing Document; or
 - (b) the failure of the Debtor to pay any of the Obligations when due; or
 - (c) any demand for payment validly made by Roynat pursuant to any Financing Document that is not met in accordance with the terms of the demand.
8. **Enforcement.** Upon the happening of any Event of Default, the security granted herein shall become immediately enforceable and Roynat may at its option declare this Debenture to be in default and may exercise any rights, powers or remedies available to Roynat at law or in equity or under the Personal Property Security Act or other applicable legislation and, in addition, may exercise one or more of the following rights, powers or remedies, which rights, powers and remedies are cumulative:
 - (a) to, without exercising any of its other rights or remedies hereunder, give notice of the security interest in, and the assignment to, Roynat of any debt or liability forming part of the Collateral and may direct such person to make all payments on account of any such debt or liability to Roynat;
 - (b) to declare the full amount of the Obligations to be immediately due and payable;
 - (c) to terminate the Debtor's right to possession of the Collateral, cause the Debtor to immediately assemble and deliver the Collateral at such place or places as may be specified by Roynat, and enter upon the premises where the Collateral is located and take immediate possession thereof, whether it is affixed to the realty or not, and remove the Collateral without liability to Roynat for or by reason of such entry or taking of possession, whether for damage to property caused by taking such or otherwise;
 - (d) to enter upon and hold, possess, use, repair, preserve and maintain all or any part of the Collateral and make such replacements thereof and additions thereto as Roynat shall deem advisable;
 - (e) to sell, for cash or credit or part cash and part credit, lease or dispose of or otherwise realize upon the whole or any part of the Collateral whether by public or private sale as Roynat in its absolute discretion may determine without notice to the Debtor or advertisement and after deducting from the proceeds of sale (including complete reimbursement for 100% of all legal fees and disbursements) incurred in the repossession, sale, lease or other disposition of the Collateral apply the proceeds thereof to the Obligations in the manner and order to be determined by Roynat, provided however that Roynat shall only be liable to account to the Debtor, any subsequent encumbrancers and others for money actually received by Roynat and provided that the Debtor shall pay any deficiency forthwith;
 - (f) to appoint by instrument in writing any person or persons to be a receiver or receiver and manager of all or any portion of the Collateral, to fix the receiver's remuneration and to remove any receiver so appointed and appoint another or others in its stead;
 - (g) to apply to any court of competent jurisdiction for the appointment of a receiver or receiver and manager for all or any portion of the Collateral;

- (h) to have any instruments or investment property registered in its name or in the name of its nominee and shall be entitled but not required to exercise voting and other rights that the holder of that Collateral may at any time have; but Roynat shall not be responsible for any loss occasioned by the exercise of those rights or by failure to exercise them. Roynat may also enforce its rights under any agreement with any securities intermediary, futures intermediary or issuer of uncertificated securities; and
- (i) to retain the Collateral in satisfaction of the Obligations.

9. **Powers of Receiver.**

- (a) Any receiver (which term includes a receiver and manager) shall have all of the powers of Roynat set forth in this Debenture and, in addition, shall have the following powers:
 - (i) to lease all or any portion of the Collateral and for this purpose execute contracts in the name of the Debtor, which contracts shall be binding upon the Debtor and the Debtor hereby irrevocably constitutes such receiver as its attorney for such purposes;
 - (ii) to take possession of the Collateral, collect all rents, issues, incomes and profits derived therefrom and realize upon any additional or collateral security granted by the Debtor to Roynat and for that purpose may take any proceedings in the name of the Debtor or otherwise; andto carry on or concur in carrying on the business which the Debtor is conducting and for that purpose the receiver may borrow money on the security of the Collateral in priority to this Debenture;
- (b) Any receiver appointed pursuant to the provisions hereof shall be deemed to be the agent of the Debtor for the purposes of:
 - (i) carrying on and managing the business and affairs of the Debtor, and
 - (ii) establishing liability for all of the acts or omissions of the receiver while acting in any capacity hereunder and Roynat shall not be liable for such acts or omissions,

provided that, without restricting the generality of the foregoing, the Debtor irrevocably authorizes Roynat to give instructions to the receiver relating to the performance of its duties as set out herein.

10. **Application of Moneys.** All moneys actually received by Roynat or by the receiver pursuant to Sections 8 and 9 of this Debenture shall be applied:

- (a) first, in payment of those claims, if any, of secured creditors of the Debtor (including any claims of the receiver pursuant to Section 9(a)), ranking in priority to the charges created by this Debenture as directed by Roynat or the receiver;
- (b) second, in payment of all costs, charges and expenses (including all legal fees and disbursements on a solicitor and own client and full indemnity basis) of and incidental to the appointment of the receiver and the exercise by the receiver or Roynat of all or any of the powers granted to them under this Debenture, including the reasonable remuneration of the receiver or any agent or employee of the receiver or any agent of Roynat and all outgoings properly paid by the receiver or Roynat in exercising their powers as aforesaid;
- (c) third, in or towards the payment to Roynat of all other obligations due to it by the Debtor in such order as Roynat in its sole discretion may determine;
- (d) fourth, in or towards the payment of the obligation of the Debtor to persons if any, with security interests against Collateral ranking subsequent to those in favour of Roynat; and
- (e) fifth, subject to applicable law any surplus shall be paid to the Debtor.

11. **Realization Costs.** The Debtor shall pay all costs and expenses (including all legal fees and disbursements on a solicitor and own client and full indemnity basis) of Roynat incidental to or which in any way relates to this Debenture or its enforcement, including, (i) taking, recovering or possessing the Collateral; (ii) taking any actions or other proceedings to enforce the

remedies provided herein or otherwise in relation to this Debenture or the Collateral, or by reason of a default under any Financing Document or the non-payment of the moneys thereby secured; (iii) taking or responding to proceedings, giving notices and giving responses required under any applicable law concerning or relating to any Financing Document, including compliance with the provisions of applicable bankruptcy, insolvency, personal property security and mortgage enforcement legislation; and (iv) obtaining the advice of counsel and other advisors in relation to the foregoing, all such costs and expenses and other monies payable hereunder, together with interest at the highest rate chargeable by Roynat from time to time on the Obligations, shall form part of the Obligations, shall be payable by the Debtor on demand and shall be secured hereby.

12. **Possession of Collateral.** The Debtor acknowledges that Roynat or any receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from Roynat or any such receiver to assemble and deliver possession of the Collateral at such place or places as directed.
13. **Deficiency.** The Debtor shall remain liable to Roynat for any deficiency after the proceeds of any sale, lease or disposition of Collateral are received by Roynat and applied in accordance with the provisions of Section 10(c) hereof.
14. **Appointment of Monitor.** If in the opinion of Roynat, acting reasonably, a material adverse change has occurred in the financial condition of the Debtor, or if Roynat in good faith believes that the ability of the Debtor to pay any of its obligations to Roynat or to perform any other covenant contained herein has become impaired or if an Event of Default has occurred, Roynat may by written notice to the Debtor, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the Collateral, the Debtor or its business and affairs for the purpose of reporting to Roynat. The Debtor shall give the Monitor its full co-operation, including full access to facilities, assets and records of the Debtor and to its creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Debtor nor shall it participate in the management of the Debtor's affairs and shall incur no liability in respect thereof or otherwise in connection with the Debtor, its business and affairs or the Collateral. The Monitor shall act solely on behalf of Roynat and shall have no contractual relationship with the Debtor as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Debenture. All reasonable fees and expenses of the Monitor (including complete reimbursement for 100% of all legal fees and disbursements) shall be paid by the Debtor upon submission to it of a written invoice therefor. Roynat may at its option upon the occurrence of an event of default appoint or seek to have appointed the Monitor as receiver, receiver and manager, liquidator, or trustee in bankruptcy of the Debtor or the Collateral or any part thereof.
15. **Application of Insurance Proceeds.** Any insurance moneys received by Roynat may at the option of Roynat be applied to rebuilding or repairing the Collateral, or be paid to the Debtor, or any such moneys may be applied in the sole discretion of Roynat, in whole or in part, to the repayment of the Obligations or any part thereof whether then due or not, with any partial payments to be credited against principal instalments payable thereunder in inverse order of their maturity dates.
16. **No Merger or Novation.** The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Debtor to perform its obligations hereunder or to pay the Obligations hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of Roynat to interest in effect from time to time hereunder and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Debenture or of any instruments or documents supplemental hereto shall not operate as a merger of any representation, warranty, term, condition or other provision contained in any other obligation or indebtedness of the Debtor to Roynat or under any Offer of Finance.
17. **Security in Addition.** The security hereby constituted is in addition to any other security now or hereafter held by Roynat. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the moneys secured hereby, shall not release or affect the security created hereby.
18. **Partial Discharges.** Roynat may in its sole discretion grant partial discharges or releases of security in respect of any of the Collateral on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the remainder of the security created hereby nor shall it alter the obligations of the Debtor under the Obligations or hereunder.
19. **Assignment.** This Debenture may be assigned by Roynat to any other person and, if so assigned, the assignee shall have and be entitled to exercise any and all discretions, rights and powers of Roynat hereunder, and all references herein to Roynat shall include such assignee. The Debtor may not assign this Debenture or any of its rights or obligations hereunder. This Debenture shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Debenture and the security interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against Roynat.

20. **Limited Power of Attorney.** The Debtor hereby appoints Roynat as the Debtor's attorney, with full power of substitution, in the name and on behalf of the Debtor, to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Debtor has agreed to execute, deliver and do hereunder, under any Offer of Finance or otherwise, or as may be required by Roynat or any receiver to give effect to this Debenture or in the exercise of any rights, powers or remedies hereby conferred on Roynat or any receiver, and generally to use the name of the Debtor in the exercise of all or any of the rights, powers or remedies hereby conferred on Roynat or any receiver. This appointment, being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Debtor or for any other reason.
21. **Amalgamation.** The Debtor acknowledges that if it amalgamates with any other corporation or corporations (a) the Collateral and the lien created hereby shall extend to and include all the property and assets of each of the amalgamating corporations and the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (b) the term "Debtor", where used herein shall extend to and include each of the amalgamating corporations and the amalgamated corporation, and (c) the term, "Obligations", where used herein shall extend to and include the Obligations of each of the amalgamating corporations and the amalgamated corporation. Nothing in this Section 21 shall be interpreted as permitting the Debtor to amalgamate in violation of any covenant of the Debtor contained herein or in any other agreement binding the Debtor.
22. **Severability.** Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Debenture.
23. **Notices.** Any notice required or desired to be given hereunder or under any Offer of Finance or under any instrument supplemental hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by sending the same by registered mail, postage prepaid, to Roynat or to the Debtor at their respective addresses set out above and, in the case of electronic communication, to the facsimile numbers set out above. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice sent by facsimile or other means of electronic transmission shall be deemed to have been delivered on the business day following the sending of the notice, and any notice so mailed shall be conclusively deemed given on the third business day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments herein referred to may be changed by notice in writing given pursuant hereto.

Notwithstanding the foregoing, if the Personal Property Security Act requires that notice be given in a special manner, then such notice or communication shall be given in such manner.

24. **General.**

- (a) The Debtor authorizes Roynat to file such financing statements, notices of security interest, caveats and other documents and do such acts and things as Roynat may consider appropriate to perfect its security in the Collateral, to protect and preserve its interest in the Collateral and to realize upon the Collateral.
- (b) Nothing in this Debenture will in any way obligate Roynat to advance any funds, or otherwise make or cause to make credit available to the Debtor, nor will Roynat have any liability for any failure or delay in its part to exercise any rights hereunder.
- (c) If more than one Debtor executes this Debenture, the obligations of such Debtors hereunder shall be joint and several.
- (d) The division of this Debenture into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.
- (e) When the context so requires, the singular shall include the plural and vice versa and words importing gender include all genders; all rights, advantages, privileges, immunities, powers and things hereby secured to the Debtor shall be equally secured to and exercised by its successors and assigns.
- (f) Time is of the essence in this Debenture.
- (g) The Debtor, if a corporation, waives the rights, benefits and protection given by and agrees that The Limitation of Civil Rights Act and The Land Contracts (Actions) Act, both of Saskatchewan, shall not apply to this Debenture or

to any agreement renewing or extending this Debenture or to the rights, powers or remedies of Roynat under this Debenture or under any agreement renewing or extending this Debenture.

- (h) The security interests created by this Debenture are continuing, to secure a current or running account, and will extend to the ultimate balance of the Obligations, regardless of any intermediate payment or discharge of the Obligations in whole or in part. Without limiting the foregoing, the Obligations may include advances and re-advances under revolving credit facilities, which permit borrowing, repayment of all or part of the amount borrowed and re-borrowing of amounts previously paid.
25. **Receipt.** The Debtor hereby acknowledges receipt of a true copy of this Debenture and, to the extent permitted by law, waives all rights to receive from Roynat a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Debenture or any supplemental or collateral security granted to Roynat.
26. **Governing Law and Headings.** This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The division of this Debenture into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.
27. **Invalidity, etc.** Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Debenture.
28. **Interest Calculations.** Interest payable on the Debenture shall be payable both before and after demand, default and judgement at the Loan Rate with interest on overdue interest at the same rate. For the purposes of the *Interest Act* (Canada), the yearly rate of interest applicable to amounts owing on this Debenture shall be calculated on the basis of a 365 day year.

{FOR ALBERTA AND SASKATCHEWAN}

29. **Waiver of Certain Legislation.** The Debtor hereby declares and covenants that:
- (a) *The Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action as defined in *The Land Contracts (Actions) Act* with respect to this Debenture, any of the Mortgaged Premises or any supplemental or collateral security granted to Roynat;
- (b) *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to: (i) this Debenture; (ii) any indenture, instrument or agreement entered into by the Debtor, at any time hereafter, supplemental, collateral or ancillary hereto or in implementation of this Debenture or the Offer of Finance and involving the payment by the Debtor of money or the liability of the Debtor to pay money; (iii) any mortgage, charge or other security for the payment of the money made, given or created by this Debenture; (iv) any instrument or agreement entered into by the Debtor at any time hereafter, renewing or extending or collateral to this Debenture or any other security given to Roynat by the Debtor; or (v) the rights, powers or remedies of Roynat or a receiver or any other person under this Debenture or under any other security granted by the Debtor to Roynat or instrument or agreement collateral, supplemental or ancillary hereto or referred to in this Debenture; and
- (c) to the extent permitted by law, the Debtor expressly waives its rights under the *Alberta Insurance Act* and *The Fire Prevention (Metropolis) Act*, 1774 (GEO III, Ch. 78).

{FOR BRITISH COLUMBIA}

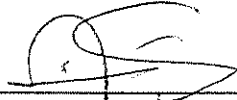
30. **Right of Consolidation.**
- (a) The right of consolidation shall apply to this Debenture notwithstanding Section 31 of the *Property Law Act* of British Columbia or any similar statutory provision in force from time to time.
- (b) For the purposes of Section 203 of the *Land Title Act* (British Columbia), the floating charge hereby created over the Borrower's real and immovable property, both freehold and leasehold, shall become a fixed charge thereon upon the earlier of:
- (i) the occurrence of an Event of Default; or

- (ii) Roynat taking any action pursuant to Section 9 hereof to enforce and realize on the security hereby constituted.

IN WITNESS WHEREOF the Debtor has executed this Debenture as of the date first written above.

2796996 ONTARIO INC.

Per:



Name: Amjid Hussain Chaudhry
Title: President

I have authority to bind the Corporation

Schedule "A"— this belongs with Demand Debenture

SCHEDULE "A"

List of Freehold Property

FIRSTLY: PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD. NO. 81, PART 3 30R14573; TOWN OF GRIMSBY, being the whole of PIN 46020-0217(LT)
SECONDLY: PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY being the whole of PIN 46020-0220(LT) and municipally known as 88 Main St. West, Grimsby, Ontario (the "Property")

Schedule "B"— this belongs with Demand Debenture

SCHEDULE "B"

List of Leasehold Property

506160.v3.20170908

SCHEDULE "C"

LOCATION OF COLLATERAL

Location of Collateral:

FIRSTLY: PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD. NO. 81, PART 3 30R14573; TOWN OF GRIMSBY, being the whole of PIN 46020-0217(LT)

SECONDLY: PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY being the whole of PIN 46020-0220(LT) and municipally known as 88 Main St. West, Grimsby, Ontario (the "Property")

This is **Exhibit “F”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of June 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19

Properties				
PIN	46020 - 0217	LT	Interest/Estate	Fee Simple
Description	PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD NO. 81, PART 3 30R14573; TOWN OF GRIMSBY			
Address	88 MAIN STREET WEST GRIMSBY			
PIN	46020 - 0220	LT	Interest/Estate	Fee Simple
Description	PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY			
Address	GRIMSBY			

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	2796996 ONTARIO INC.
Address for Service	88 Main Street West Grimsby, ON L3M 1R6
I, Amjid Hussain Chaudhry, President, have the authority to bind the corporation.	
This document is not authorized under Power of Attorney by this party.	

Chargee(s)	Capacity	Share
Name	ROYNAT INC.	
Address for Service	2 Robert Speck Parkway, 4th Floor Mississauga, ON L4Z 1H8	

Statements
Schedule: See Schedules

Provisions			
Principal	\$4,025,000.00	Currency	CDN
Calculation Period	See Schedule		
Balance Due Date	See Schedule		
Interest Rate	See Schedule		
Payments			
Interest Adjustment Date			
Payment Date	See Schedule		
First Payment Date			
Last Payment Date			
Standard Charge Terms			
Insurance Amount	Full insurable value		
Guarantor			

Signed By				
Terrilee Ruth Elaine Walek		900-3 Robert Speck Pkwy Mississauga L4Z 2G5	acting for Chargor(s)	Signed 2021 10 06
Tel	905-276-9111			
Fax	905-276-2298			
I have the authority to sign and register the document on behalf of the Chargor(s).				

Submitted By		
KEYSER MASON BALL LLP	900-3 Robert Speck Pkwy Mississauga L4Z 2G5	2021 10 06
Tel	905-276-9111	
Fax	905-276-2298	

Fees/Taxes/Payment

Statutory Registration Fee	\$65.30
Total Paid	\$65.30

File Number

Chargor Client File Number :	M213146
Chargee Client File Number :	DDG/TW 20466-85

This is **Exhibit “G”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of June 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19

Properties

PIN

46020 - 0217 LT

Description

PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD NO. 81, PART 3 30R14573; TOWN OF GRIMSBY

Address

88 MAIN STREET WEST
GRIMSBY

PIN

46020 - 0220 LT

Description

PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY

Address

GRIMSBY

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name

2796996 ONTARIO INC.

Address for Service

88 Main St. West
Grimsby, ON L3M 1R6

I, Amjid Hussain Chaudhry, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Party To(s)

Capacity

Share

Name

ROYNAT INC.

Address for Service

2 Robert Speck Parkway, 4th Floor
Mississauga, ON L4Z 1H8

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, NR591915 registered on 2021/10/06 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Terrilee Ruth Elaine Walek

900-3 Robert Speck Pkwy
Mississauga
L4Z 2G5

acting for
Applicant(s)

Signed

2021 10 06

Tel

905-276-9111

Fax

905-276-2298

I have the authority to sign and register the document on behalf of all parties to the document.

Terrilee Ruth Elaine Walek

900-3 Robert Speck Pkwy
Mississauga
L4Z 2G5

acting for
Party To(s)

Signed

2021 10 06

Tel

905-276-9111

Fax

905-276-2298

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

KEYSER MASON BALL LLP

900-3 Robert Speck Pkwy
Mississauga
L4Z 2G5

2021 10 06

Tel

905-276-9111

Fax

905-276-2298

Fees/Taxes/Payment

Statutory Registration Fee

\$65.30

Total Paid

\$65.30

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

File Number

Party To Client File Number : DDG/TW 20466-85

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS INDENTURE dated this 10th day of ~~May~~, 2021.
September, 2021.

BETWEEN

2796996 Ontario Inc., a corporation incorporated under the laws of Ontario and having its registered head office at 88 Main Street West, Grimsby, Ontario

(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

ROYNAT INC., a corporation incorporated under the laws of Canada and having an office at 2 Robert Speck Parkway, 4th Floor, Mississauga, ON L4Z 1H8

(hereinafter called "Roynat")

OF THE SECOND PART

WHEREAS by a charge (the "Mortgage") dated the 10th day of ~~May~~, 2021 in the face amount of \$4,025,000.00 which Mortgage was registered in the Land Registry Office for the Land Titles Division of Niagara North (No. 30), the Assignor granted, mortgaged and charged to Roynat the lands and premises described in Schedule "A" hereto (the said lands and premises together with the buildings, improvements and fixtures situate thereon being hereinafter referred to as the "Premises") to secure the payment to Roynat of the principal of, interest on and all other moneys which may become owing on or pursuant to the Mortgage (whenever in this Indenture reference is made to the Mortgage it shall be deemed to include any renewals or extensions thereof and any Charges taken in substitution therefor either in whole or in part); and

WHEREAS as security for the due performance by the Assignor of all the covenants contained in the Mortgage, the Assignor has agreed to assign, transfer and set over unto Roynat all of its right, title and interest in all rents, charges and other monies (the "Rents") now due and payable or hereafter to become due and payable under any leases now or hereafter existing of any and all portions of the Premises; and

NOW THIS INDENTURE WITNESSETH that in consideration of the premises and other good and valuable consideration the Assignor represents, covenants and agrees with Roynat as follows:

1. Assignment The Assignor hereby irrevocably assigns, transfers and sets over unto Roynat the Rents and all benefits and advantages to be derived therefrom, including any guarantees given to the Assignor in respect of the Rents, to hold and receive the same unto Roynat its successors and assigns, with full power and authority to demand, collect, sue for, recover, receive receipts for the Rents and to enforce payment of the same in the name of the Assignor.
 2. Where Assignor Not In Default Until the Assignor defaults under the covenants, terms and conditions contained in this Indenture or an event of default occurs under the Mortgage, the Assignor may demand, receive, collect and enjoy the Rents only as the same fall due and payable and not in advance, but nothing shall permit or authorize the Assignor to collect or receive Rents contrary to the covenants contained herein.
 3. Remedies The Assignor, in the event of a default hereunder or under the Mortgage, hereby authorizes the Bank, at its option and in addition to any other rights it may have hereunder or under any other agreement or at common law or in equity, to deliver to any or all of the tenants, licencees or occupiers of the Premises notices to pay all Rents to Roynat and to collect such Rents and, in addition, enter upon the Premises by its officers, agents or employees for the purpose of collecting the Rents and/or operating and maintaining the Premises. The Assignor hereby authorizes Roynat generally to perform all such acts, including any acts by way of enforcement of the covenants and exercise of the rights contained in the Leases or otherwise, as may in the opinion of Roynat be necessary or desirable for the proper operation and maintenance of the Premises, which acts may be performed in the name of the Assignor or in the name of Roynat as in the absolute discretion of Roynat may seem proper or advisable. Roynat shall, after deduction of all collection charges and all expenses, which Roynat in its absolute discretion shall deem advisable to pay for the proper operation and maintenance of the Premises, credit the remainder of the moneys which it may receive in connection with the Premises on account of any amount or amounts due to Roynat from the Assignor in such manner as Roynat shall in its sole discretion determine. Notwithstanding anything herein, Roynat shall be liable to account only for such monies as shall actually come into its hands.
 4. Receipts by the Roynat The Assignor hereby agrees that all receipts given by Roynat to the lessee under any leases on account of any Rents paid to Roynat in accordance with the terms of this Indenture shall constitute a good and valid discharge therefor to the lessee.
 5. Not Mortgagee in Possession Nothing herein contained shall be deemed to have the effect of making Roynat responsible for the collection of the Rents or any part thereof for the performance of any covenants, terms or conditions either by the Lessors or the lessees contained in any leases and Roynat shall not by virtue of this Indenture be deemed a mortgagee in possession of the Premises.
 6. Perform Covenants of Landlord The Assignor shall at all times perform all of the Lessor's covenants and obligations contained in any leases and any failure on the part of the Assignor thereunder shall constitute a default hereunder and shall be deemed to be in default under
-

the Mortgage.

7. Valid Leases The Assignor hereby covenants with Roynat notwithstanding any act of the Assignor that all leases are good, valid and subsisting leases and that the Assignor now has good right, full power and absolute authority to assign each such lease according to the true intent and meaning of this Indenture.

8. No prepayment of Rents The Assignor will not accept payment from the lessee in advance and will not cause payment to be made in advance on its direction for a period longer than provided in the respective lease and breach of this covenant shall be deemed to be default under the Mortgage.

9. Covenants The Assignor shall not without the written approval of the Roynat first had and obtained:

(a) do or omit to do any act having the effect of terminating, cancelling or accepting the surrender of any leases to be terminated;

(b) amend, alter or vary the term or rents of any leases;

(c) waive, reduce or abate any of its rights or remedies under any leases or the obligations of any other parties thereunder or in respect thereof; and

(d) permit any material default or breach of covenant by the lessee under any leases.

10. Waiver of Covenants Roynat may waive any default or breach of covenant and shall not be bound to serve any notice upon any lessee under any leases upon the happening of any default or breach of covenant, but any such waiver shall not extend to any subsequent default or breach of covenant.

11. Further Assurances The Assignor covenants and agrees from time to time and at all times hereafter at the request of Roynat to execute and deliver at the expense of the Assignor such further assurances for better and more perfectly assigning to Roynat any Leases whether presently existing or hereafter created and the rents payable thereunder in the manner aforesaid as Roynat may require.

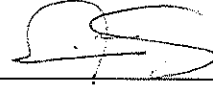
12. Re-assignment The assignment, transfer and setting over herein provided shall not be revoked or rescinded by any variation of the terms of the Mortgage or any extension of time for payment or otherwise but shall remain in full force and effect until the Assignor shall have performed all of its obligations under the Mortgage. A discharge of the Mortgage executed by Roynat shall operate as a re-assignment of the Rents without the need for any further conveyance, but Roynat shall, at the request and at the expense of the Assignor, execute and deliver a full re-assignment to the Assignor of the Rents and all its right, title and interest therein.

13. Binding Effect This Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators successors and assigns. This Indenture shall be governed by and construed in accordance with the laws of the Province of Ontario.

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the day and year first above written.

2796996 ONTARIO INC.

Per: _____



Name: Amjid Hussain Chaudhry

Title: President

I have authority to bind the Corporation

Schedule "A"

FIRSTLY: PT MAIN ST CP PL 4 GRIMSBY CLOSED BY BY-LAW NR417367 BEING REGIONAL RD. NO. 81, PART 3 30R14573; TOWN OF GRIMSBY, being the whole of PIN 46020-0217(LT)

SECONDLY: PART LOT 389 CP PL 4 GRIMSBY DESIGNATED AS PART 1 PLAN 30R14530; TOWN OF GRIMSBY being the whole of PIN 46020-0220(LT) and municipally known as 88 Main St. West, Grimsby, Ontario (the "Property")

This is **Exhibit “H”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of June 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19



PERSONAL PROPERTY SECURITY REGISTRATION
SYSTEM (ONTARIO) ENQUIRY RESULTS

Prepared for :	Keyser Mason Ball, Mississauga Lawyers -
Reference :	Terri Walek
Docket :	20466-85
Search ID :	833757
Date Processed :	10/6/2021 1:43:33 PM
Report Type :	PPSA Electronic Response
Search Conducted on :	2796996 ONTARIO INC.
Search Type :	Business Debtor

DISCLAIMER :

This report has been generated using data provided by the Personal Property Registration Branch, Ministry of Government Services, Government of Ontario. No liability is undertaken regarding its correctness, completeness, or the interpretation and use that are made of it.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2796996 ONTARIO INC.

FILE CURRENCY: October 5, 2021

RESPONSE CONTAINS: APPROXIMATELY 2 FAMILIES and 2 PAGES.

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.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2796996 ONTARIO INC.

FILE CURRENCY: October 5, 2021

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 2

SEARCH : BD : 2796996 ONTARIO INC.

00 FILE NUMBER : 772801218 EXPIRY DATE : 26MAY 2026 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20210526 0941 1590 2867 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 2796996 ONTARIO INC.
OCN : 2796996
04 ADDRESS : 1240 SHEFFIELD ROAD
CITY : SHEFFIELD PROV: ON POSTAL CODE: L0R 1Z0
05 IND DOB : IND NAME:
06 BUS NAME: 2796996 ONTARIO INC.
OCN : 2796996
07 ADDRESS : 88 MAIN STREET WEST
CITY : GRIMSBY PROV: ON POSTAL CODE: L3M 1R6

08 SECURED PARTY/LIEN CLAIMANT :
ROYNAT INC.

09 ADDRESS : 2 ROBERT SPECK PARKWAY, 4TH FLOOR
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1H8
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: KEYSER MASON BALL, MISSISSAUGA LAWYERS

17 ADDRESS : 900-3 ROBERT SPECK PARKWAY

CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 2G5

END OF FAMILY

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2796996 ONTARIO INC.

FILE CURRENCY: October 5, 2021

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 2 ENQUIRY PAGE : 2 OF 2

SEARCH : BD : 2796996 ONTARIO INC.

00 FILE NUMBER : 772801299 EXPIRY DATE : 26MAY 2026 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20210526 0941 1590 2868 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 2796996 ONTARIO INC.
OCN : 2796996
04 ADDRESS : 88 MAIN STREET WEST
CITY : GRIMSBY PROV: ON POSTAL CODE: L3M 1R6
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

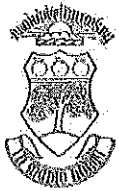
08 SECURED PARTY/LIEN CLAIMANT :
ROYNAT INC.
09 ADDRESS : 2 ROBERT SPECK PARKWAY, 4TH FLOOR
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1H8
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13 RELATING TO GENERAL ASSIGNMENT OF RENTS AND LEASES FOR PROPERTY
14 LOCATED AT 88 MAIN ST. WEST, GRIMSBY, ONTARIO
15
16 AGENT: KEYSER MASON BALL, MISSISSAUGA LAWYERS
17 ADDRESS : 900-3 ROBERT SPECK PARKWAY
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 2G5
LAST SCREEN

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

This is **Exhibit “I”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of June 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19



THE CORPORATION OF THE TOWN OF GRIMSBY

160 LIVINGSTON AVE., GRIMSBY, ONTARIO L3M 0J5
905-945-9634 FAX 905-945-5010

STATEMENT OF PROPERTY TAX OWING THE MUNICIPAL ACT, 2001, S.O. 2001, C.25, S.S. 352(1) AS AMENDED

Certificate No.: 11285

Date : May 19, 2022

File Reference No : 69051

Lawyer: LIPMAN ZENER & WAXMAN PC
850, 100 SHEPPARD AVE E

TORONTO ON
M2N6N5

Roll: 2615 010 00714500.0000
Property: PLAN 4 PT LOT 389 PT MAIN ST
RP 30R14573 PARTS 1 AND 3

Location: 88 MAIN ST W L3M1R6
Owner: 2796996 ONTARIO INC.

Requested by: GLORIA NANOU

TAX ARREARS

YEAR	TAXES LEVIED	TAXES OUTSTANDING	INTEREST OUTSTANDING	TOTAL
2019 & Prior.:		0.00	0.00	0.00
2020:	32614.51	0.00	0.00	0.00
2021:	31820.55	0.00	0.00	0.00
Total		0.00	0.00	(A) 0.00

CURRENT YEAR BREAKDOWN

INSTALLMENT	TAXES LEVIED	TAXES OUTSTANDING	TAXES PAST DUE
Mar 04, 2022	7955.28	7955.28	7955.28
May 06, 2022	7955.00	7955.00	7955.00
Penalty		397.76	397.76
Credit			0.00
Misc. Charges		1302.18	1302.18
Total	15910.28	17610.22	(B) 17610.22

TOTAL PAST DUE (A+B) 17610.22

NO AREA CHARGES AND OTHER ADJUSTMENT CHARGES

NO LOCAL IMPROVEMENTS

I hereby certify that the above statements respectively show all arrears of taxes returned to this office and due and owing against the above lands, and that no part of the said lands has been sold for taxes under the Municipal Tax Sales Act.

Pending adjustments required by legislation, and/or subsequent additional levies under the Assessment Act and/or Municipal Act are not included.

WATER LIEN TO BE DETERMINED BY FINAL READING.

FOR
TOWN OF GRIMSBY

Notes : PLEASE FORWARD A COPY OF THE REGISTERED TRANSFER FOR A TIMELY CHANGE OF OWNERSHIP. PENALTIES OF 1.25% ARE ADDED ON THE FIRST DAY OF DEFAULT AND ON THE FIRST DAY OF EACH MONTH FOLLOWING. WATER ARREARS ADDED IN THE AMOUNT OF \$1,302.18 ARE INCLUDED IN THE ABOVE AMOUNT.

This is **Exhibit “J”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of June 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19



Our File No. 69051

June 1, 2022

**REGISTERED MAIL
AND REGULAR MAIL
AND BY EMAIL TO**

amjidchaudhry@yahoo.com;
insaaf.khawar@gmail.com

PERSONAL & CONFIDENTIAL

2796996 Ontario Inc.
1240 Sheffield Road
Sheffield, Ontario
L0R 1Z0

Attention: Amjid Hussain Chaudhry, President

**REGISTERED MAIL
AND REGULAR MAIL**

PERSONAL & CONFIDENTIAL

2796996 Ontario Inc.
88 Main Street West
Grimsby, Ontario
L3M 1R6

Attention: Amjid Hussain Chaudhry, President

Dear Sir:

Re: 2796996 Ontario Inc. (the "Company")
and Roynat Capital Inc. ("Roynat")

Please be advised that we are solicitors for Roynat. The Company is indebted to Roynat pursuant to a demand non-revolving term loan provided by Roynat to the Company as hereinafter indicated:

Non-Revolving Term Loan

Principal amount outstanding
as of the close of business May 30, 2022 \$3,969,750.00

Interest in arrears	44,981.76	
Late Payment charge in arrears	379.81	
Returned cheque fee in arrears	200.00	
Accrued interest up to May 30, 2022	9,069.93	
Accrued late payment charge up May 30, 2022	118.11	
	Total:	\$4,024,499.61
Interest continuing to accrue calculated at the Canadian variable rate of interest plus 3.20% per annum, at \$578.20 per diem based on the current principal amount outstanding until the date of receipt of payment or judgment.		
TOTAL:		\$4,024,499.61

As you are in default of your payment obligations to and/or your covenants with Roynat, as authorized agents of Roynat, we hereby demand repayment in full of the foregoing indebtedness totalling \$4,024,499.61 with respect to the said Loan, plus all legal fees and disbursements incurred by Roynat due to the said default, up to and including the date of payment. Please be advised if we are not in receipt of payment in full of the foregoing amount, including interest accrued up to and including the date of receipt of payment on or before the close of business June 17, 2022 (the "Demand Date") we have instructions from Roynat to commence whatever legal proceedings we deem necessary in order to recover the full amount of the indebtedness due and owing by the Company to Roynat and to enforce all security held by Roynat for the obligations of the Company to Roynat as contemplated in the enclosed Notice of Intention to Enforce Security.

Please be advised that we are simultaneously making demand upon the guarantor of the obligations of the Company to Roynat.

Please be advised the time frame indicated in this demand is without prejudice to Roynat terminating its relationship with the Company if at any time between the date hereof and the Demand Date the Company commits an event of default pursuant to any agreement entered into by the Company with Roynat or the Company conducts itself in such a manner as to cause Roynat to feel insecure with respect to the security position held by Roynat for the indebtedness due and owing by the Company to Roynat.

If the foregoing amounts fluctuate for any reason whatsoever between the date hereof and the date of payment of the indebtedness of the Company to Roynat, please consider this demand effective with respect to whatever the balance of principal plus accrued and unpaid interest may be at any

time between the date hereof and the Demand Date and if not paid on or before the Demand Date, be considered a demand for the balance due and owing as of the Demand Date.

Please find enclosed a Notice of Intention to Enforce Security being served upon you pursuant to the provisions of the *Bankruptcy and Insolvency Act*.

Kindly govern yourself accordingly.

Yours very truly,

LIPMAN, ZENER & WAXMAN PC



Allan L. Lipman

ALL:pw

Encl.

cc: Roynat Inc.
Attention: Cian McDonnell

cc: Amjid Hussain Chaudhry

FORM 86
Notice of Intention to Enforce Security
(Subsection 244(1))

TO: 2796996 Ontario Inc., an insolvent person

TAKE NOTICE THAT:

1. ROYNAT CAPITAL INC., a secured creditor, intends to enforce its security on the property of the insolvent person described below:

- (i) All assets including personal property, accounts receivable, inventory, equipment, goodwill and intangibles of the insolvent person wherever located including those assets located at: 88 Main Street West, Grimsby, Ontario L3M 1R6; and
- (ii) All the right, title and interest of the insolvent person real property comprised of Part Main Street, CP PL 4 Grimsby, and Part Lot 389, CP PL 4 Grimsby being designated as Part 3 on 30R-14572 and Part 1 on 30R-14530, Town of Grimsby being property municipally known as 88 Main Street West, Grimsby, Ontario L3M 1R6

2. The security that is to be enforced is comprised of the following:

- (i) a debenture executed and delivered by the insolvent person in favour of Roynat Inc. dated September 10, 2021;
- (ii) a mortgage/charge executed and delivered by the insolvent person in favour of Roynat Inc. and registered on October 6, 2021 as Instrument No. NR591915 with the Land Registrar; and
- (iii) a general assignment of rents and leases executed and delivered by the insolvent person in favour of Roynat Inc. dated September 10, 2021.

3. The total amount of the indebtedness secured by the security is \$4,024,499.61, including principal and interest as of May 30, 2022, together with interest and costs continuing to accrue.

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 1st day of June, 2022.

ROYNAT CAPITAL INC.
by its authorized agent herein
LIPMAN, ZENER & WAXMAN



Per: _____
Allan L. Lipman

This Notice is a required document under the *Bankruptcy & Insolvency Act* ("Act"). The use of the word "insolvent" is prescribed by the Act but nothing in it shall be deemed to imply that any person to whom this Notice is delivered is, in fact, insolvent.

This is **Exhibit “K”** referred to
in the Affidavit of Cian McDonnell
Sworn before me this 20th
Day of June 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19

To: Cian McDonell

From:

D.O.:

Date: 2022/05/30

RoyNat Capital
Portfolio Administration
PAYOUT FIGURES
As at May 31, 2022

Client Name : 2796996 Ontario Inc.

Account No: 012142-001

Interest Rate: 5.256%

Principal Outstanding	(Includes arrears of \$ 33,150.00)	\$3,969,750.00
Interest in arrears		\$44,981.76
Late Payment Charge in arrears		\$379.81
Returned Cheque Fee in arrears		\$200.00
Accrued Interest	(2022/05/15 To 2022/05/30)	\$9,069.93
Accrued Late Payment Charge	(2022/05/15 To 2022/05/30)	\$118.11
Total		\$4,024,499.61

Daily accrual valid until:	June 6, 2022	\$578.20
----------------------------	--------------	----------

Prepared by: Marilou Ysip

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C.1985, c.B-3 AS AMENDED;
IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c.C-43, AS AMENDED

ROYNAT INC.
Applicant

-and-

2796996 ONTARIO INC.
Respondent

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at
TORONTO

AFFIDAVIT OF CIAN MCDONNELL

LIPMAN, ZENER & WAXMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

IAN KLAIMAN [LSO 58955G]
Direct: 416-789-0658
Fax: 416-789-9015
Email: iklaiman@lzwlaw.com

Lawyers for the Applicant, Roynat Inc.

TAB 5

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYNAT INC.

Applicant

-and-

2796996 ONTARIO INC.

Respondent

***APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT,
R.S.O. 1990, c. C.43, AS AMENDED***

AFFIDAVIT OF TIEGAN KILBRIDE

**I, TIEGAN KILBRIDE, of the City of Vaughan, in the Province of Ontario, MAKE
OATH AND SAY AS FOLLOWS:**

1. I am a legal assistant employed by the firm Lipman, Zener & Waxman PC and as such have knowledge of the matters to which I hereinafter depose.
2. Attached hereto as Exhibit "A" to this my Affidavit is a copy of the Consent to Act as Receiver of msi Spergel Inc. dated June 26, 2022.
3. This Affidavit is sworn in support of Roynat's application to appoint a receiver and for no other or improper purpose.

SWORN before me by video conference)
from the City of Vaughan in the Regional)
Municipality of York, to the City of)
Toronto in the Municipality of)
Metropolitan Toronto on this 27th day of)
June, 2022 in accordance with O. Reg.)
431/20, Administering Oath or)
Declaration Remotely)



A Commissioner for Taking Affidavits

*Virtually commissioned by Ian J. Klaiman, LSO
#58955G, as per LSO corporate statement re COVID-19


TIEGAN KILBRIDE

This is **Exhibit “A”** referred to
in the Affidavit of Tiegan Kilbride
Sworn before me this 27th
Day of June, 2022



A commissioner for taking Affidavits Virtually
Commissioned by Ian Klaiman
LSO#58955G, as per LSO corporate statement re COVID-19

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYNAT INC.

Applicant

-and-

2796996 ONTARIO INC.

Respondent

***APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED***

CONSENT TO ACT AS RECEIVER

MSI SPERGEL INC. hereby consents to act as Receiver of the assets, undertakings and properties of 2796996 Ontario Inc. as described in the form of the draft Order included with the Applicant, Roynat Inc's Application Record with such amendments as may be ordered by the Court.

Dated: June 26, 2022

MSI SPERGEL INC.

Per: 

Name: Mukul Manchanda, CPA, CIRP, LIT

I have authority to bind the corporation

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C.1985, c.B-3 AS AMENDED;
IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c.C-43, AS AMENDED

ROYNAT INC.
Applicant

-and-

2796996 ONTARIO INC.
Respondent

Court File No.:CV-22-00683167-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at
TORONTO

**AFFIDAVIT OF
TIEGAN KILBRIDE**

LIPMAN, ZENER & WAXMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

IAN KLAIMAN [LSO 58955G]

Direct: 416-789-0658 / 416-789-0655
Fax: 416-789-9015
Email: iklaiman@lzwlaw.com
Lawyers for the Applicant

TAB 6

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYNAT INC.

Applicant

-and-

2796996 ONTARIO INC.

Respondent

***APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED***

CONSENT TO ACT AS INTERIM RECEIVER

MSI SPERGEL INC. hereby consents to act as Interim Receiver of the assets, undertakings and properties of 2796996 Ontario Inc. as described in the form of the draft Order included with the Applicant, Roynat Inc's Motion Record with such amendments as may be ordered by the Court.

Dated: July 21, 2022

MSI SPERGEL INC.

Per:  _____

Name: Mukul Manchanda, CPA, CIRP, LIT

I have authority to bind the corporation

TAB 7

Revised: January 21, 2014
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No. CV-22-00683167-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEEKDAY MONDAY, THE # 25th
JUSTICE PENNY) DAY OF MONTH JULY, 20 YR 2022

ROYNAT INC. **PLAINTIFF¹**

Plaintiff Applicant

- and -

2796996 ONTARIO INC. **DEFENDANT**

Defendant Respondent

ORDER
(appointing Interim Receiver)

THIS MOTION made by the Plaintiff² Applicant Roynat Inc. for an Order pursuant to subsection 24347(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 [RECEIVER'S NAME]msi Spergel Inc. as interim receiver [and manager] (in such capacities, the "Interim Receiver") without security, of all of the assets, undertakings and properties of [DEBTOR'S NAME]the Respondent 2796996 Ontario Inc. (the "Debtor") acquired

¹ The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

Style Definition: ORMainHeading,MH

Style Definition: ORGen L1,G1

Style Definition: ORGen L2,G2

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for, or used in relation to a business carried on by the Debtor, was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ via videoconference.

ON READING the affidavits of ~~[NAME]~~ Cian McDonnell sworn ~~[DATE]~~ June 20, 2022 and July 20, 2022, and the affidavit of Tiegan Kilbride sworn June 27, 2022 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~ the Applicant, no one appearing for ~~[NAME]~~ the Debtor although duly served as appears from the affidavit of service of ~~[NAME]~~ sworn ~~[DATE]~~ and on reading the consent of ~~[RECEIVER'S NAME]~~ msi Spergel Inc. to act as the Interim Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to ~~sub~~section ~~243~~47(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~ msi Spergel Inc. is hereby appointed Interim 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, and including, without limitation, the property municipally known as 88 Main Street West, Grimsby, Ontario (the "Property"); until the earlier of:

- (a) the taking of possession by a receiver, within the meaning of subsection 243(2) of the BIA, of the Property;
- (b) the taking of possession by a trustee in bankruptcy of the Property;
- (c) disposition of the Applicant's within Receivership Application; and

³ If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.

~~2-(d)~~ further order of this Court.

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RECEIVER'S POWERS

3. THIS COURT ORDERS that the Interim 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 Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim 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 Interim 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 Interim 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 Interim Receiver, and to settle or compromise any such proceedings.⁴ 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 \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; and~~

⁴ ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

~~(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,]⁵ shall not be required, and in each case the Ontario Bulk Sales Act shall not apply.~~

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

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

~~(o)~~(l) 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 Interim Receiver, in the name of the Debtor; and

~~(p) — to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the~~

⁵ If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.

~~foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;~~

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

~~(e)(n)~~ 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 Interim 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 Interim 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 Interim Receiver, and shall deliver all such Property to the Interim Receiver upon the Interim Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Interim 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 Interim 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 Interim 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 Interim Receiver for the purpose of allowing the Interim 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 Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

~~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

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim 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 Interim Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Interim Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the

Interim Receiver, and that the Interim 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 Interim 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 Interim Receiver, or as may be ordered by this Court.

INTERIM RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Interim 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 Interim Receiver (the "Post Interim Receivership Accounts") and the monies standing to the credit of such Post Interim Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Interim Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Interim Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Interim 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 Interim 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

~~14. THIS COURT ORDERS that, pursuant to clause 7(3)(e) 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

~~45.14.~~ THIS COURT ORDERS that nothing herein contained shall require the Interim 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 Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Interim 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 INTERIM RECEIVER'S LIABILITY

~~46.15.~~ THIS COURT ORDERS that the Interim Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19,

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 Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

INTERIM RECEIVER'S ACCOUNTS

~~47.16.~~ THIS COURT ORDERS that the Interim Receiver and counsel to the Interim 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 Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the "Interim 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 Interim 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.⁶

~~48.17.~~ THIS COURT ORDERS that the Interim Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Interim Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

~~49.18.~~ THIS COURT ORDERS that prior to the passing of its accounts, the Interim 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 Interim 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 INTERIM RECEIVERSHIP

~~⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

~~20.19.~~ THIS COURT ORDERS that the Interim 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 \$~~_____~~ \$200,000.00 (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 Interim 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 "Interim 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 Interim Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

~~21.20.~~ THIS COURT ORDERS that neither the Interim Receiver's Borrowings Charge nor any other security granted by the Interim Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

~~22.21.~~ THIS COURT ORDERS that the Interim Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Interim Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

~~23.22.~~ THIS COURT ORDERS that the monies from time to time borrowed by the Interim Receiver pursuant to this Order or any further order of this Court and any and all Interim 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 Interim Receiver's Certificates.

SERVICE AND NOTICE

~~24.23.~~ THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute

an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~“@”~~ www.spergelcorporate.ca.

~~25.24.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Interim Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

~~26.25.~~ THIS COURT ORDERS that the Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

~~27.26.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Debtor.

~~28.27.~~ 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 Interim 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 Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.

~~29.28.~~ THIS COURT ORDERS that the Interim 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 Interim Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

31.30. 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 [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 20__ (the "Order") made in an action having Court file number ____-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ 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__.

[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C.1985, c.B-3 AS AMENDED;
IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c.C-43, AS AMENDED

ROYNAT INC.
Applicant

-and-

2796996 ONTARIO INC.
Respondent

Court File No.: CV-22-00683167-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at
TORONTO

MOTION RECORD

LIPMAN, ZENER & WAXMAN PC
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**Lawyers for the Applicant,
Roynat Inc.**