

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

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

**MOTION RECORD
Volume 2 of 2
(returnable May 29, 2017)**

Date: May 18, 2017

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSUC # 37934U)
Tel: (416) 865-3085
Fax: (416) 863-1515
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Jeremy Nemers (LSUC # 66410Q)
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Lawyers for the Receiver

TO: ATTACHED SERVICE LIST

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

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

MOTION RECORD

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

**FOURTH REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
2292319 ONTARIO INC.**

DECEMBER 20, 2016

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2. First Report of the Receiver dated July 18, 2016
3. Second Report of the Receiver dated August 30, 2016
4. Third Report of the Receiver dated September 30, 2016
5. Order and endorsement of the Honourable Justice Wilton-Siegel dated July 28, 2016
6. Endorsement of the Honourable Justice Newbould dated August 11, 2016
7. Endorsement of the Honourable Justice Penny dated September 19, 2016
8. Endorsement of the Honourable Justice Wilton-Siegel dated October 13, 2016 (re SK)
9. Order and endorsements of the Honourable Justice Wilton-Siegel dated October 13, 2016 and November 22, 2016 (re Green Island)
10. Property Condition and Assessment Report dated August 30, 2016
11. Property Condition and Assessment Report dated September 28, 2016
12. Statement of Receipts and Disbursements dated December 20, 2016

APPOINTMENT AND BACKGROUND

- 1.0.1 On application made by Royal Bank of Canada ("RBC") pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (the "BIA") and section 101 of the *Courts of Justice Act* (the "CJA"), msi Spergel Inc. ("Spergel") was appointed as receiver (in such capacities, the "Receiver"), without security, of all the assets, undertakings and properties of 2292319 Ontario Inc. ("229") by Order of the Honourable Justice Wilton-Siegel dated March 31, 2016 (the "Appointment Order"). Attached hereto as Appendix "1" is a copy of the Appointment Order.
- 1.0.2 The primary asset of 229 is an 87,000 square foot, commercial building located at 38 Metropolitan Road, Toronto, Ontario (the "Property"). The Property is comprised of ground floor office and warehousing space consisting of approximately 64,000 square feet as well as a second floor mezzanine consisting of approximately 23,000 square feet. It appears that that while the building was initially a single user building, the interior has been subdivided and purportedly leased out to multiple parties.
- 1.0.3 The directors of 229 are Wen Qing Su ("Su"), Yue Wei Jiang ("Jiang"), Sheron Jie Qing Hu ("Hu") and Dan Rui Weng ("Weng") (collectively referred to as the "Directors") who oversaw the administration and day-to-day management of the Property. Despite efforts by the Receiver, they have not communicated with the Receiver since its appointment.
- 1.0.4 RBC sought the appointment of the Receiver to take possession and manage the operations of the Property due to 229's failure to repay its indebtedness to RBC, its significant tax arrears owing to the City of Toronto, its failure to account for its rental income and ongoing disputes among the Directors. At the time of the Receiver's appointment, different portions of the Property were occupied and/or sub-let by S.K. Food Equipment ("SK"), Green Island Trading Co. ("Green Island") and Universal Trading Company ("Universal").
- 1.0.5 Copies of the Receiver's previous reports to Court, being: (i) the First Report of the Receiver dated July 18, 2016; (ii) the Second Report of the Receiver dated August 30,

2016; and (iii) the Third Report of the Receiver dated September 30, 2016, are attached hereto (without appendices), as Appendices "2", "3" and "4", respectively.

- 1.0.6 The Orders and endorsements made subsequent to the Receivership Order, being: (i) the Order and accompanying endorsement of the Honourable Justice Wilton-Siegel dated July 28, 2016; (ii) the endorsement of the Honourable Justice Newbould dated August 11, 2016; (iii) the endorsement of the Honourable Justice Penny dated September 19, 2016; (iv) the endorsement of the Honourable Justice Wilton-Siegel dated October 13, 2016 regarding SK; and (v) the Order and accompanying endorsements of the Honourable Justice Wilton-Siegel dated October 13, 2016 and November 22, 2016 regarding Green Island, are attached hereto as Appendices "5", "6", "7", "8", and "9", respectively.

2.0 PURPOSE OF THE FOURTH REPORT

- 2.0.1 The purpose of this report (the "Fourth Report") is to bring to the attention of the Court the current condition of the Property and the financial status of the receivership and to request an increase in the Receiver's authorized borrowing limit.

3.0 CONDITION OF THE PROPERTY AND FINANCIAL STATUS OF THE RECEIVERSHIP

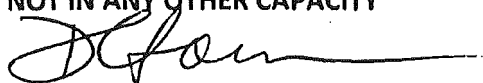
- 3.0.1 As previously reported to the Court, the Receiver engaged CCI Group Inc. ("CCI"), an engineering consulting firm, for the purpose of carrying out a condition assessment of the tenanted portions of the Property. CCI's Property Condition Assessment Reports in respect of the spaces still being occupied addressed multiple concerns which were detailed in the Receiver's previous reports to Court. Copies of CCI's Property Condition Assessment Reports are reattached hereto as Appendices "10" and "11", respectively.
- 3.0.2 The Receiver has issued demands to the appropriate tenants to rectify the building deficiencies that are their responsibility.

- 3.0.3 The Receiver has recently learned that the sprinkler system throughout the Property is not in working order as a result of pipes that had burst prior to the receivership and general deterioration of the system due to years of not being properly maintained. The majority of the space within the Property is unheated due to vacant space and/or tenants/occupants that did not require heat due to the nature of their businesses. Furthermore, the heating system also requires substantial repairs in order for the gas to be turned on by the service provider.
- 3.0.4 The Receiver has obtained quotes for the required repairs to the sprinkler and heating systems and has determined that it would be most cost effective to install a dry sprinkler system. This system will only require one area of the building to be heated in order to heat the compressor system for the water which would be located in an area that is already heated. The estimated costs for this repair are \$38,442.60. The Receiver has authorized the commencement of this repair due to the critical risk to the Property, and the repairs are expected to be completed during the first week of January 2017.
- 3.0.5 The Receiver is unable to pay for the full cost of the repairs to the sprinkler system or to pay the outstanding and continuing professional fees as it has fully utilized its authorized borrowing limit of \$100,000. Attached as Appendix "12" is a Statement of Receipts and Disbursements as at December 20, 2016 along with a projection to March 31, 2017 indicating a projected borrowing requirement of \$240,000.
- 3.0.6 The Receiver requests that the Court increase the Receiver's borrowing limit from \$100,000 to \$240,000 to enable it to continue operations and complete critical repairs. The Receiver has obtained the consent of RBC for this increased amount.

All of which is respectfully submitted.

**MSI SPERGEL INC.,
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
2292319 ONTARIO INC.
AND NOT IN ANY OTHER CAPACITY**

Per:



Deborah Hornbostel, CPA, CA, CIRP, LIT, CFE
Senior Principal

TAB 6

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

BETWEEN:

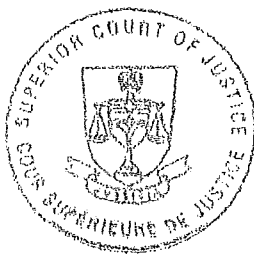
ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent



ORDER

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

and requiring any and all occupants of the Premises to deliver up vacant possession of the Premises to the Receiver; and (iv) approving the fees and disbursements of the Receiver and its counsel, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and the appendices thereto, including, without limitation, the fee affidavits sworn on behalf of the Receiver and its counsel, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Christine Doyle sworn July 19, 2016, filed,

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

2. **THIS COURT ORDERS** that the First Report (inclusive of the Receiver's Statement of Receipts and Disbursements therein) be and is hereby approved and the actions of the Receiver described therein be and are hereby approved.

3. **THIS COURT ORDERS AND DECLARES** that, subject only to paragraph 8 herein, any purchaser of the Premises from the Receiver shall be entitled to vacant possession of the Premises, free and clear of the interests and claims, if any, of any and all occupants of the Premises, including, without limitation, any Leases that may exist in respect of the Premises.

4. **THIS COURT ORDERS** that, subject only to paragraph 8 herein, the Receiver be and is hereby authorized to terminate the Leases in respect of the Premises on ten days' notice and that

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

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

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

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

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

insurance for its portion of the Premises as required by paragraph 7 of the relevant Lease has not been provided to the Receiver by August 7, 2016.

9. **THIS COURT ORDERS** that "S.K. Food Equipment" ("SK") shall provide access to the Receiver and its agents on July 29, 2016 to permit all hydro meters to be read, and SK shall cooperate with the Receiver and/or its agents to locate and identify the hydro meters.

10. **THIS COURT ORDERS** that SK shall provide the Receiver with the keys to SK's portions of the Premises on or before 5 p.m. (Toronto time) on July 29, 2016. The Receiver acknowledges that delivery of the keys to it does not constitute, and shall not be construed as, any abandonment, termination or renunciation by SK of the Premises or its rights under its Leases with the Debtor.

11. **THIS COURT ORDERS** that SK shall provide access to the Receiver and its agents to the portions of the Premises occupied by SK and/or its subtenants on 24 hours' notice to Raymound Young at 888bsc@gmail.com.

12. **THIS COURT ORDERS** that no costs are awarded for today's attendance.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUL 29 2016

PER / PAR:



ROYAL BANK OF CANADA

2292319 ONTARIO INC.

- and -

Applicant

Respondent

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

ORDER

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

ROYAL BANK OF CANADA

- and -

2392319 ONTARIO INC.

Applicant

Respondent

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

July 28, 2016

July 28/16.

S. Mitra and J. Nemers for the Receiver
R. Morin for the Royal Bank

Raymond Young, ~~for~~ self-represented, as
representative for SK Food Equipment Ltd.

On consent in respect of the matters in the
order dealing with SK Food Equipment Ltd., and
unopposed in respect of the matters dealing with
Green Island Trading Company which was served and
did not appear, order to go in the form
attached.

William-H. J.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

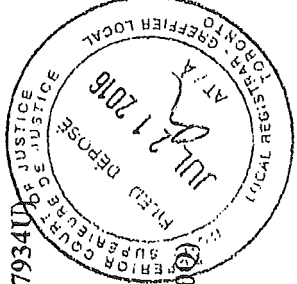
Proceedings commenced at Toronto

MOTION RECORD

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

TAB 7

08/10/2016 WED 08:53

FAX

401001

 *** FAX TX REPORT ***

TRANSMISSION OK

JOB NO. 1244
 DEPT. ID 1
 DESTINATION ADDRESS 4163276228
 SUBADDRESS
 DESTINATION ID
 ST. TIME 08/10 08:52
 TX/RX TIME 00' 27
 PGS. 1
 RESULT OK
 COMM. MODE ECM

Commercial List File Number: CV-16-1131-0CL
 Civil File Number:

Date: 10 AUG 2016

SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST
 9:30 A.M. HEARING REQUEST FORM

A	PLEASE NOTE: The 9:30 hearing procedure is only for "ex parte, urgent, scheduling and consent matters which take no longer than 10 minutes" (Practice Direction, (2002), 37 O.R. (3d) 97; paragraph 26). This restriction will be enforced. This matter is (tick one or more): <input type="checkbox"/> ex parte <input checked="" type="checkbox"/> urgent <input checked="" type="checkbox"/> scheduling <input type="checkbox"/> consent <input type="checkbox"/> other (explain)
B	Short Title of Proceeding: <u>ROYAL BANK OF CANADA V. 2892319 ONTARIO INC.</u>
C	Date(s) Requested: <u>THURSDAY, AUGUST 11TH, 2016</u>
D	The following is a brief description of the matter to be considered at the 9:30 appointment: <u>AN ORDER re: STAY OF JUDICIAL REVIEW OF THE TENANT, GREEN ISLAND TRADING COMPANY</u>
E	The following materials will be necessary for the matter to be considered. (It is the responsibility of counsel to confirm that the proper materials are available for the Court.)
F	Is any Judge seized of these matters or any judicial conflicts? <input type="checkbox"/> No <input type="checkbox"/> The Honourable Justice

Applicant: <u>GREEN ISLAND TRADING COMPANY</u> By: <u>[Signature]</u> <u>FELIX R. [Signature]</u> PRINT AND SIGN OR INITIAL <u>ROYAL BANK OF CANADA</u> <u>(416) 362-8808</u> <u>(416) 362-8808</u> <u>3000 SHEPPARD AVE. E. #200, SCARBOROUGH, ONT. M1S 1T6</u>	PRINT AND SIGN OR INITIAL
--	---

(IF MORE THAN 2 PARTIES INVOLVED, ADD ADDITIONAL SIGNATURES AND PARTICULARS ON REVERSE OR SEPARATE PAGE)

To be submitted to: Commercial List Office, 330 University Ave, 7th Floor, Toronto Ontario Fax to: (416) 327-6228

You may also convert to PDF and email to Toronto.CommercialList@luc.gov.on.ca

Endorsement/Disposition ☐ See attached Yellow Endorsement Form.

August 11/16
Order released - Order of July 28/16
 Commercial Form A
 as against Green Island is on
 current stay of until determination of the matter.

Imetable

- ① Motion Record to set aside
July 28, 2016 order as
against Green Island
to be served by
Friday, August 19, 2016
- ② Responding Material by
August 30, 2016
- ③ if needed examination on
Affidavit/Witnesses to be conducted
on Sept 7, 8 or 9, 2016
- ④ Hearing to be conducted
on September 28, 2016
for 2 hours.

TAB 8

NO. ON LIST: 3

SUPERIOR COURT OF JUSTICE

DATE: SEP 19 2016

COURT FILE NO: CV-16-11331-001L

SHORT TITLE: Royal Bank of Canada v. 2292319 Ontario Inc

COUNSEL SHEET FOR JUDGE'S REGULAR MOTIONS

MOVING COUNSEL

NAME: S. Nemers, Attd & Baris LLP
(and T. Jones, articling student)
for court-appointed Receiver

RESPONDING COUNSEL

NAME:

TELEPHONE: 416-863-1500
FAX: 416-863-1515TELEPHONE:
FAX:

APPEARING FOR

☐ PLAINTIFF/PETITIONER/APPLICANT
☐ DEFENDANT/RESPONDENT
☐ OTHER--SPECIFY

APPEARING FOR

☐ PLAINTIFF/PETITIONER/APPLICANT
☐ DEFENDANT/RESPONDENT
☐ OTHER--SPECIFY

TYPE OF MOTION (CHECK ONE ONLY)

☐ CONTEMPT
☐ DECLARATION
☐ DISMISS ACTION
☐ INJUNCTION
☐ JUDGEMENT
☐ ORDER TO GO
☐ STAY PROCEEDINGS☐ VEXATIOUS PROCEEDINGS
☐ EXPEDITE TRIAL
☐ A. G. MATTER
☐ ATTEND EXAMINATION
☐ APPEAL MASTER
☐ OTHER
☐ SUMMARY JUDGEMENT MOTION

**LENGTH OF MOTION/APPLICATION:

**RULE:

NATURE OF MOTION (CHECK ONE ONLY)

☐ CONTESTED
☐ UNOPPOSED☐ ON CONSENT
☐ WITHOUT NOTICE

September 19, 2016.

Endorsement/Disposition ☐ See attached Yellow Endorsement Form

Commercial Form A
27130887.1

There are two Grants who wish to take care with the order for vacant possession. One is scheduled (Green Island) for September 28. The other (St. Paul) ~~has a date~~ is a continuation of the Receiver's original motion before Wilton-Lewis J. on July 28. For scheduling reasons the September 28 date was to be moved. Both motions shall be heard together on a date convenient to counsel and available on the Ch.

Ray J.

TAB 9

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

**UNOFFICIAL TRANSCRIPTION OF THE ENDORSEMENT OF
THE HONOURABLE JUSTICE WILTON-SIEGEL
DATED OCTOBER 13, 2016**

October 13, 2016

There are two separate issues this morning.

First, the Receiver seeks the termination of the leases of SK Food Equipment on two grounds.

There are approximately \$48,000 in hydro charges payable by the Receiver's calculation. SK disputes the manner of calculation and suggests only \$34,000 is payable.

I find the Receiver's calculation to be correct. It is also apparently consistent with past practice. The hydro bills reflect estimated not actual usage. The Receiver's calculation pro rates on the basis of actual usage.

SK is therefore in default. There is urgency in that Hydro will cut off the service shortly if not paid. SK has until 4:00 p.m. tomorrow to deliver a certified cheque or bank draft in the amount of \$48,351 to the Receiver, failing which the SK leases will automatically terminate.

In addition, Scrap to Go but not SK has obtained insurance on the Scrap to Go operation. The Court's order dated July 28, 2016 was susceptible of different interpretations. SK has until 4:00 p.m. October 21, 2016 to deliver evidence that its insurance policy has been extended to include the operations of Scrap to Go failing which the Lease in respect of the premises on which the Scrap to Go operations are conducted will be terminated.

The parties will have seven days to provide written submissions regarding costs and a further seven days to provide any responding submissions. Each party shall serve the other with their submissions which shall not in any case exceed five pages in length.

Wilton-Siegel, J.

Court File Number: CV-16-11331-EOCLSuperior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Royal Bank

Plaintiff(s)

AND

229319 Ontario Inc.

Defendant(s)

Case Management ☐ Yes ☐ No by Judge: _____

Counsel	Telephone No:	Facsimile No:

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)
- ☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- ☐ Adjourned to: _____
- ☐ Time Table approved (as follows):

There are two separate issues this morning.

First, SIC Food Equipment opposes termination of the leases of SIC Food Equipment on two grounds.

There are approximately \$48,000 in hydro charges payable by the Receiver's calculation. SIC disputes the manner of calculation and suggests only \$34,000.

October 13/16

Date

En Ben-hur J.

Judge's Signature

☒ Additional Pages 2

Court File Number: CV-16-11331-00CLSuperior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

payable.

I find the Reviewer's calculation to be correct. It is also apparently consistent with past practice. The Hydro bills reflect estimated not actual usage. The Reviewer's calculation provides on the basis of actual usage.

SK ~~is~~ is therefore in default. There is urgency in that Hydro will cut off the service ~~tomorrow~~ ^{shortly} if not paid. SK has until 4:00pm tomorrow to deliver a certified cheque or bank draft in the amount of \$48,351 to the Reviewer, failing which the SK lines will automatically terminate.

In addition, SK ~~to~~ Scrap to Go but not SK has obtained insurance on the Scrap to Go operations. The Court's order dated July 28, 2016 was susceptible of different interpretations. SK has until 4:00pm on October 21, 2016 to deliver evidence that its insurance policy has been ~~extended~~ extended to include the

Court File Number: CV-176-11331-0002Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

operations of Scrap to be failing which it
dear in respect of the premises on which the
Scrap to be operations are conducted will be
terminated.

The parties will have seven days to
provide written submissions regarding
costs and a further seven days to provide
any responding submissions. Each party
shall serve the other with their submissions
which shall not in any case exceed
five pages in length.

TAB 10

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

THURSDAY, THE 13TH DAY

)

JUSTICE WILTON-SIEGEL

)

OF OCTOBER, 2016

BETWEEN:



ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

ORDER

THIS MOTION, made by Green Island Trading Company ("Green Island"), for an order setting aside the Order of the Honourable Justice Wilton-Siegel dated July 28, 2016 (the "July 28 Order") as against Green Island in respect of its interest in the premises municipally known as 38 Metropolitan Road, Toronto, Ontario (the "Premises"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING each of: (i) the First Report of msi Spergel inc. ("Spergel"), in its capacity as the Court-appointed receiver (in such capacity, the "Receiver"), without security, of all of the assets, undertakings and properties of 2292319 Ontario Inc. (the "Debtor"), and the appendices thereto; (ii) the July 28 Order; (iii) the Endorsement of the Honourable Justice Newbould dated August 11, 2016; (iv) the Second Report of the Receiver dated August 30, 2016

and the appendices thereto; (v) the unsworn affidavit of Cuong Tran dated August 2016 and the exhibits thereto; (vi) the amended affidavit of Cuong Tran sworn September 8, 2016 and the exhibits thereto; (vii) the transcript of the cross-examination of Cuong Tran conducted on September 8, 2016 and the exhibits thereto; (viii) the answers to the undertakings from the cross-examination of Cuong Tran conducted on September 8, 2016; (ix) the factum of Green Island dated August 19, 2016; and (x) the responding factum of the Receiver dated October 6, 2016, and on hearing the submissions of counsel for the Receiver and counsel for Green Island, a representative of SK Food Equipment, Cool Ocean Impex and Scrap to Go, no one appearing for any other person on the service list, although properly served as appears from the affidavits of service, filed,

1. **THIS COURT ORDERS** that, provided Green Island delivers a copy of its entire commercial insurance policy in respect to the Premises to the Receiver by no later than October 27, 2016, the July 28 Order shall be varied to set aside the termination of the lease of Green Island at the Premises (the "**Green Island Lease**").

2. **THIS COURT ORDERS** that, notwithstanding paragraph 1 of this Order, the Receiver may bring a further motion to terminate the Green Island Lease if Green Island fails to respond to any notice of default issued under the Green Island Lease after the date of this Order.

3. **THIS COURT ORDERS** that the Receiver be and is hereby granted exclusive possession of the portion of the first floor of the Premises which is not subject to the a lease of which the Receiver is aware, effective immediately.


4. **THIS COURT ORDERS** that counsel shall schedule a 9:30 a.m. hearing (the "**9:30 Conference**") to address: (i) the process for determining costs submissions for today's hearing;

(ii) the issue of an order vesting out the remaining tenants' leasehold interests on the Receiver's sale of the Premises; and, iii) any other issues pertaining to Green Island's Lease.

W. Han - L.M.T.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

NOV 22 2016

PER / PAR: 

ROYAL BANK OF CANADA

- and -

2292319 ONTARIO INC.

Applicant

Respondent

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

ORDER

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Barristers and Solicitors
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*Lawyers for msi Spergel inc., in its capacity as the Court-appointed
receiver of 2292319 Ontario Inc.*

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

**UNOFFICIAL TRANSCRIPTION OF THE ENDORSEMENT OF
THE HONOURABLE JUSTICE WILTON-SIEGEL
DATED OCTOBER 13, 2016**

October 13, 2016

There were two matters addressed at the hearing this morning. The first matter involving SK Equipment was dealt with in a separate endorsement.

The second matter was a motion of Green Island Trading Company to set aside the Court's order dated July 28, 2016 insofar as it terminated Green Island's lease on the subject property.

The lease was terminated on the basis of a record which appeared to demonstrate defective insurance coverage. More significantly, it was the Receiver's impression that the failure of any representative of Green Island to attend the hearing, together with the lack of insurance coverage and its lack of communication with the Receiver on this and other issues, reflected its intention to vacate the premises.

In fact, although Green Island has been uncommunicative and slow to pay amounts due to the Receiver, by July 28th, it had paid its rent for July, had paid its portion of the hydro charges billed to it by the Receiver, and had obtained insurance coverage on its grow-op operations, not merely on dispensary operations.

In short, it fully intended to maintain its lease and took steps to bring this motion as soon as it learned of the Court's order of July 28, 2016. Further, Mr. Tran states in an affidavit sworn September 8, 2016 that he had been negotiating with Mr. Battiston of the Receiver during July, which is not disputed to a certain point, and that he believed that all of the issues related to Green Island's tenancy were resolved.

While the Receiver did not, and does not believe, that all of the issues were resolved, I think there was a sufficient misunderstanding between the parties as to both the actual issues and the requirements of proof required by the Receiver that Mr. Tran's failure to appear at the hearing can reasonably be said to be based on a mistake.

As such, while the motion is brought under Rule 59.06(2) of the Rules of Civil Procedure, I think it is more properly treated as falling under Rule 37.14(b). Based on the foregoing, I am satisfied I have jurisdiction under that Rule.

Further, also based on the foregoing, I think the Court's order dated July 28, 2016 should be set aside in respect of Green Island for the reason that the Receiver has failed to establish a default under the lease as of that date entitling it to a termination of the lease. In particular, it would appear that, as mentioned, Green Island had obtained insurance which complied with its lease although it had failed to provide adequate evidence of this fact. On the other hand, it has also failed to comply with an undertaking, given on the examination of Mr. Tran, to provide a copy of the entire policy. This should be reflected in the order granted today.

Further, there are serious concerns raised regarding the state of the premises occupied by Green Island which go to safety and fire risk. The Receiver may bring a further motion to terminate if Green Island fails to respond to any notice of default under the lease pertaining to the concerns regarding the premises.

Accordingly, it is ordered that the Court's order dated July 28, 2016 is hereby varied to set aside the termination of the Lease of Green Island Trading Company provided it delivers a copy of its entire commercial insurance policy to the Receiver no later than October 27, 2016.

As each party wishes to make costs submissions regarding this morning's attendance, they shall schedule a 9:30 a.m. case conference to address the process for such determination as well as any other issues pertaining to Green Island's lease of the premises.

The issue of an order vesting out the interests of the tenants on the Receiver's sale of the property is also remitted for scheduling of a hearing to such 9:30 a.m. conference.

Lastly, the Receiver understands that unknown individuals may be using the first floor premises of the property. The portion of the building involved is not subject to any leases in favour of Green Island, SK Equipment or any other person of whom the Receiver is aware. The Receiver has no knowledge of the identities of such persons. I think it is clear that the Receiver has exclusive possession of such portion of the property and is entitled to an order to such effect.

Wilton-Siegel, J.

Court File Number: CV-16-11331-00CLSuperior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Royal Bank of Canada

Plaintiff(s)

AND

2292319 Ontario Tru.

Defendant(s)

Case Management ☐ Yes ☐ No by Judge: _____

Counsel	Telephone No:	Facsimile No:

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)
- ☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- ☐ Adjourned to: _____
- ☐ Time Table approved (as follows):

There were two matters addressed at the hearing this morning. The first matter involving S/E Equipment was dealt with in a separate endorsement.

The second matter was a motion of Green Island Trading Company to set aside the Court's order dated July 28, 2016 insofar as it terminated Green Island's Case on the subject property.

October 13, 2016

Date

W. J. - L. J.

Judge's Signature

☒ Additional Pages _____

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Plaintiff(s)

AND

Defendant(s)Case Management ☐ Yes ☐ No by Judge: _____

Counsel	Telephone No:	Facsimile No:

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)
☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
☐ Adjourned to: _____
☐ Time Table approved (as follows):

The lease was terminated on the basis of a record which appeared to demonstrate defective insurance coverage. More significantly, it was the Receiver's impression that the failure of any representative of Green Island to attend the hearing, together with the lack of insurance coverage and ~~the~~ its lack of communication with the Receiver on this and other issues, reflected its ~~unwillingness~~ ~~departure from the premises~~ intention to vacate the premises.

October 13 / 16

Date

C. J. J.

Judge's Signature

☒ Additional Pages 5

2 of 7

Court File Number: CV-16-11331-00CLSuperior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

In fact, although Green Island has been uncommunicative and slow to pay amounts due to the Reuver, by July 28th, it had paid its rent for July, had paid its portion of the hydro charges billed to it by the Reuver, and had obtained insurance coverage on its grow-op operations, not merely on dispensary operations.

In short, it fully intended to maintain its lease and took steps to bring this motion as soon as it learned of the Court's order of July 28, 2016. Further, Mr. Tran states in an affidavit sworn September 8, 2016 that he had been negotiating with Mr. Baskiston of the Reuver during July, which is not disputed to a certain point, and that he believed that all of the issues related to Green Island's tenancy were resolved.

While the Reuver did not, and does not believe, that all of the issues were resolved, I

Court File Number: CV-16-11331-0001Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

I think there ^{was a} sufficient misunderstanding between the parties as to both the actual issues and the requirements of proof required by the Receiver that Mr. Tran's failure to appear at the hearing can reasonably be said to be based on a mistake.

As such, while the motion is brought under Rule 59.06(2) of the Rules of Civil Procedure, I think it is more properly treated as falling under Rule 37.14(1b). Based on the foregoing, I am satisfied I have jurisdiction under that Rule.

Further, ^{also} based on the foregoing, I think the Court's order dated ~~February~~ ^{July} 28, 2016 should be set aside in respect of Green Island for the reason that the Receiver has failed to establish a default under the lease as of that date entitling it to a termination of the lease. In particular, it would appear that, as mentioned, Green Island

Court File Number: CV-16-11331-00CLSuperior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

had obtained insurance which complied with
 its lease although it had failed to provide
 adequate evidence of this fact. On the
 other hand, it has ^{also} failed to comply with
 an undertaking, given on the examination
 of Mr. Tran, to provide a copy of the
 entire policy. This should be reflected
 in the order granted today.

Further, there are serious concerns
 raised regarding the state of the premises
 occupied by Green Island which go to safety
 and fire risk. The Receiver may bring a
 further motion to terminate if Green
 Island fails to respond to any notice of
 default under the lease pertaining to these
 concerns regarding the premises.

Accordingly, it is ordered that the
 Court's order dated July 28, 2016 is hereby
 varied to set aside the termination of the
 lease of Green Island Trading Company.

Court File Number: CV-16-11331-0001Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

provided it delivers a copy of its entire commercial insurance policy to the Receiver no later than October 27, 2016.

As each party wishes to make costs submissions regarding the morning's attendance, they shall schedule a 9:30 am case conference to address the process for such determination as well as any other issues pertaining to Green Island's Care of the premises.

The issue of an order vesting and the interests of the tenants on the Receiver's sale of the property is also remitted for scheduling of a hearing to such 9:30 am conference.

Lastly, the Receiver understands that unknown individuals may be using the first floor premises of the property. The portion of the building involved is not subject to any leases in favour of Green Island.

Court File Number: CV-16-11331-0001Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

SK Equipment or any other person of whom
the Receiver is aware. The Receiver has no
knowledge of the identities of such persons.
I think it is clear that the Receiver has
exclusive possession of such portion of
the property and is entitled to an order
to such effect.

Court File Number: CV-16-11331-00CLSuperior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Royal Bank

Plaintiff(s)

AND

2292319 Ontario Inc.

Defendant(s)

Case Management ☐ Yes ☐ No by Judge: _____

Counsel	Telephone No:	Facsimile No:
B. Micmer for 2292319 <u>Green Island Trading (agent for D. Sedloff)</u>		
J. Nemery for the Receiver		

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)
- ☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- ☐ Adjourned to: _____
- ☐ Time Table approved (as follows):

Order to go on the form attached. Cost
submissions not exceeding five pages in length
to be delivered by December 5/16 accompanied
by a Costs Outline in accordance with the
Rules of Civil Procedure.

Nov 22/16

Date

M. Han-M.T.

Judge's Signature

☐ Additional Pages _____

TAB 11

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	WEDNESDAY, THE 4TH DAY
)	
JUSTICE <i>HAINES</i>)	OF JANUARY, 2017

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

ORDER

THIS MOTION, made by msi Spergel inc. ("Spergel"), in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of 2292319 Ontario Inc. (the "**Debtor**"), for an order, amongst other things: (i) approving the Fourth Report of the Receiver dated December 20, 2016 (the "**Fourth Report**") and the actions of the Receiver set out therein; and (ii) approving an increase to the Receiver's borrowing powers to \$240,000, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fourth Report and the appendices thereto, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service

2 counsel for RBC and a representative for SK Foods,

[Handwritten signature]

list, although properly served as appears from the affidavit of Christine Doyle sworn December 21, 2016, filed,

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

2. **THIS COURT ORDERS** that the Fourth Report be and is hereby approved and the actions of the Receiver described therein be and are hereby approved.

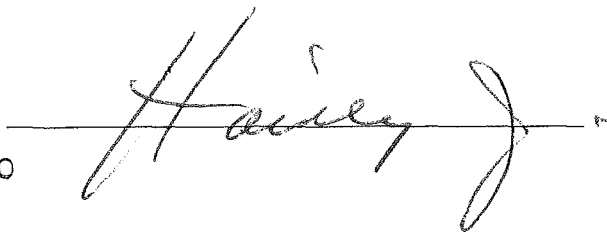
3. **THIS COURT ORDERS AND DECLARES** that paragraph 21 of the Order of the Honourable Justice Wilton-Siegel in these proceedings dated March 31, 2016 be and is hereby amended such that the outstanding principal amount of monies that the Receiver be at liberty and is empowered to borrow at any time be and is hereby increased from \$100,000 to \$240,000 (or such greater amount as this Court may by further Order authorize).

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

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JAN 04 2017

PER / PAR:



ROYAL BANK OF CANADA

- and -

2292319 ONTARIO INC.

Applicant

Respondent

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

ORDER

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

Jan. 4, 2017

Applicant

Respondent

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

January 4, 2017

I am submitting this Motion should be granted on the terms of the attached order.

Hainey

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at Toronto

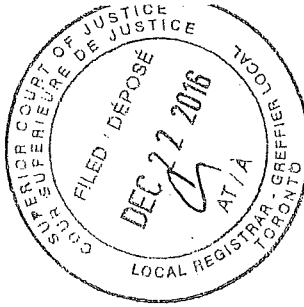
MOTION RECORD

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, 181 Bay Street
Toronto, ON M5J 2T9

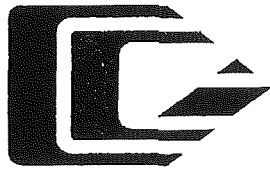
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Lawyers for MSI Spengel Inc.



TAB 12

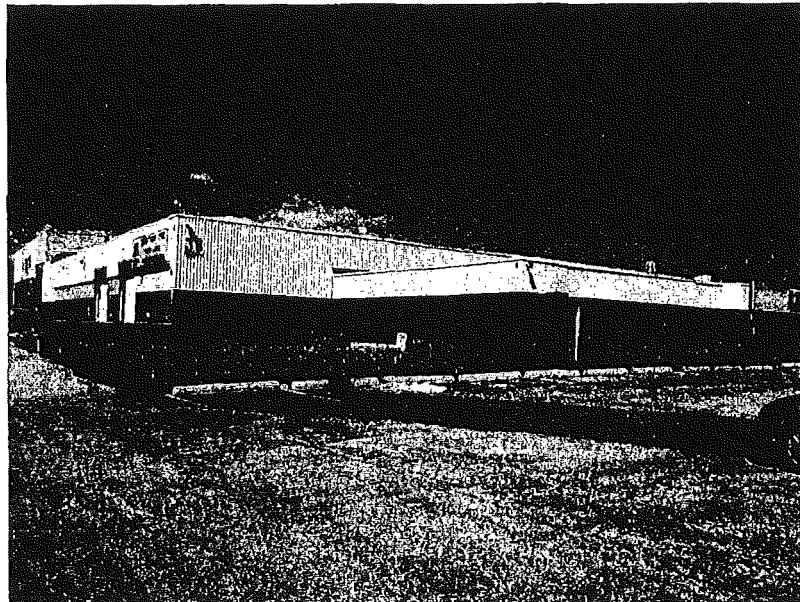


CCI GROUP

SCIENCE • ENGINEERING • SOLUTIONS

7900 KEELE STREET SUITE 200 CONCORD ON L4K 2A3

PROPERTY CONDITION ASSESSMENT



at
Green Island Trading Company
38 Metropolitan Road
Toronto, Ontario

Prepared for: **msi Spergel inc.**

CCIG Project No: T1611742CA
CCIG Contact: Medil Gamage, P.Eng.
medilg@ccigroupinc.ca
August 30, 2016

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PROPERTY CONDITION ASSESSMENT

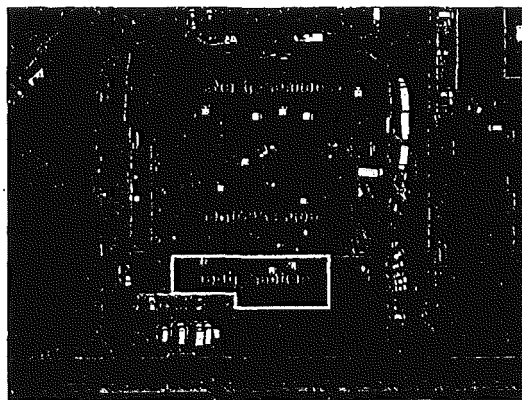
Green Island Trading Company, 38 Metropolitan Road, Toronto, ON

1.0 INTRODUCTION

Personnel with CCI Group Inc. visited the property located at 38 Metropolitan Road in Toronto, Ontario on August 3rd, 2016 for the purpose of carrying out a condition assessment of the tenant space occupied by Green Island Trading Company.

The purpose of this evaluation was to obtain the information necessary to document the condition of the Green Island Trading Company tenant space, to prepare a report describing its condition and to provide recommendations regarding the repair work that is currently required. Destructive investigation and testing work was not carried out as part of this assessment.

The existing development consists of a multi-tenant light industrial building with ancillary office areas along the south side. The south and centre sections of the building are one storey in height. The north section of the building is two storeys in height. It appears that the south and centre sections of the building were constructed in the mid-1960's and the north section was added in the late 1990's. We understand (based on the information provided by our client) that the gross floor area of the building is 87,183 square feet.



The total footprint area of the building is estimated to be approximately 64,000 square feet.

The west portion of the south and centre sections of the building are currently vacant. The east portion of the south section of the building is currently occupied by a live lobster distribution business. The west portion of the ground floor of the north section and the north-east portion of the centre section are currently occupied by Cool Ocean Impex Inc., a sea food distribution business. The east portion of the ground floor of the north section is currently occupied by a scrap metal recycling business. The south-east portion of the centre section and the 2nd floor of the north section are currently occupied by Green Island Trading Company, for the production of medical marihuana.

Generally, the exterior walls of the building are covered with a combination of masonry and metal siding. Additionally, there are stucco panels covering the walls of the south section of the building. Single glazed window units with anodized aluminum frames provide fenestration for the south office section of the building. There several loading docks along the east side and several drive-in bays along the west side that are enclosed by metal sectional overhead doors.

PROPERTY CONDITION ASSESSMENT

Green Island Trading Company, 38 Metropolitan Road, Toronto, ON

There are three "flat" roof areas above the building that are divided by changes in elevation. All the roof areas utilize conventional roof systems that incorporate built-up asphalt roof membranes.

The structure of the building consists of metal roof decks that are supported by open-web steel joists that span between steel beams that frame into steel columns and between masonry walls. The second floor of the north section of the building is formed by a concrete topped metal deck that spans between steel joists. The underside of the second floor framing is covered with spray applied fireproofing material. A poured concrete slabs-on-ground form the ground floor of the building.

Asphaltic concrete pavement forms the parking area located at the south-west side, drive aisles and shipping/receiving areas located along the east and west sides and the drive aisle located along the north side. Access to the site is provided by two curb cuts along the south side of the property, off of Metropolitan Road.

The interior of the building is finished with a variety of materials including carpeting, painted gypsum wallboard and suspended acoustical ceiling tile.

The audit work addresses the following components of the property:

- interior finishes
- structural framing
- mechanical and electrical installations
- fire separations

The threshold reporting level for this report is \$5,000. Repair and maintenance items with an estimated cost of \$5,000 or less are assumed to be funded from operating budgets and may not be included in this report.

We were provided with the following documentation prior to our site visit:

- Agreement to Lease, dated July 20th, 2015, and signed by a representative of Green Island Trading Company (tenant) and a representative of 2292319 Ontario Inc. (landlord).

We were accompanied on our site visit by Mr. Daniel Battistan, Corporate Estate Manager with msi Spergel inc.

Subsequent to our site visit the following information was provided by the City of Toronto:

- Property Information Report dated August 25, 2016 as prepared by Toronto Building and signed by Mr. Dwayne Tapp, Manager, Customer Service.

PROPERTY CONDITION ASSESSMENT

Green Island Trading Company, 38 Metropolitan Road, Toronto, ON

- Surveyors Real Property Report, as prepared by Bennett Young Limited, Professional Land Surveyors and dated January 31, 2005. The drawing is stamped by Toronto Building as having been reviewed for compliance with the Ontario Building Code and is identified with Application # 13 194141 BLD 00.
- Drawings A1 and A2 titled "Proposed Interior Alteration to 38 Metropolitan Road, Scarborough, Ontario", as prepared by Tran Dieu and Associates Inc., and stamped received by Toronto Building on October 22, 2013. The drawings are stamped by Toronto Building as having been reviewed for compliance with the Ontario Building Code and are identified with Application # 13 194141 BLD 00.
- Drawings A1, A2, M1, S1 and S2 titled "Proposed Interior Alteration to 38 Metropolitan Road, Scarborough, Ontario", as prepared by Tran Dieu and Associates Inc., and stamped received by Toronto Building on July 5, 2013. The drawings are stamped by Toronto Building as having been reviewed for compliance with the Ontario Building Code and are identified with Application # 13 194141 BLD 00.
- Ontario Building Code Notice, as prepared by Toronto Building (Karim Gilani, Building Code Examiner). The notice is identified with Application # 13 194141 BLD 00.

PROPERTY CONDITION ASSESSMENT

Green Island Trading Company, 38 Metropolitan Road, Toronto, ON

2.0 INTERIOR FINISHES**2.1 Description**

A visual review was conducted in all accessible areas of the tenant space.

The following components were examined:

- the type and condition of the floor coverings
- the wall construction and finishes
- the ceiling construction and finishes

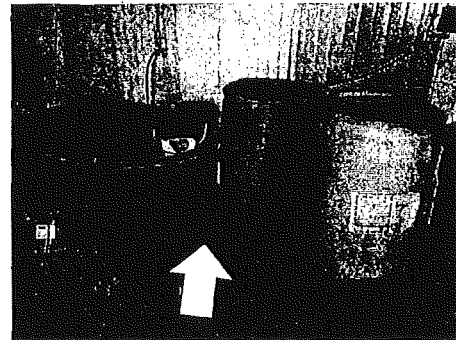
2.2 Observations

The following is a summary of conditions that were observed during our visual review of the interior finishes:

- .1 General view of the second floor of the north section that is currently occupied by Green Island Trading Company. Minimal finishes are installed within the space. The floor is formed by exposed concrete and a waterproofing system is not installed over the top surface of the floor slab.



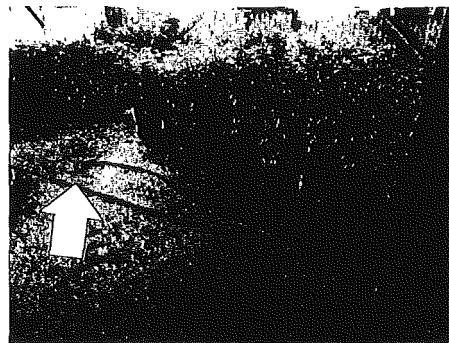
- .2 Water from storage tanks on the second floor level spills onto the concrete floor slab. Water may penetrate the concrete slab and cause corrosion of the underlying steel deck and supporting structure.



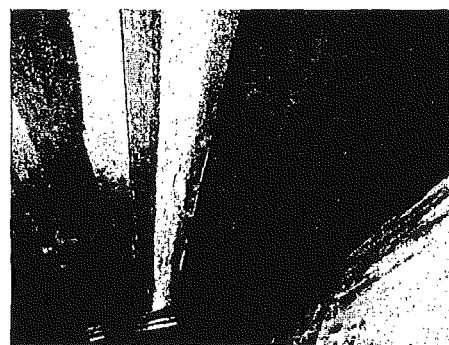
PROPERTY CONDITION ASSESSMENT

Green Island Trading Company, 38 Metropolitan Road, Toronto, ON

- .3 It appears that water is sprayed directly onto the plants and floor slab using a garden hose. Water may penetrate the concrete slab and cause corrosion of the underlying steel deck and supporting structure.



- .4 There are black stains (likely mold) on partition walls within the 2nd floor tenant space, particularly near the base of the walls.



Section 629-6 of the Toronto Municipal Code (Property Standards) details the following requirement:

629-6. Occupant's duties.

Every person who occupies property shall:

- A. Maintain the property in a clean and sanitary condition;
- B. Maintain all plumbing, cooking, refrigerating appliances and fixtures, and all storage facilities and other equipment in or on the property in a clean and sanitary condition;
- C. Maintain all sanitary facilities and every fixture in a sanitary facility in a clean and sanitary condition; [Amended 2009-05-27 by By-law No. 570-20098]
- D. Keep all exits from the property clear and unobstructed;
- E. Co-operate with the landlord in complying with the requirements of this chapter;
- F. Limit the number of occupants to the maximum number permitted by this chapter; and
- G. Take immediate action to eliminate any unsafe condition.

In our opinion, the current condition of the second floor tenant space occupied by Green Island Trading Company does not meet the requirements detailed in Section 629-6 of the Toronto Municipal Code.

PROPERTY CONDITION ASSESSMENT

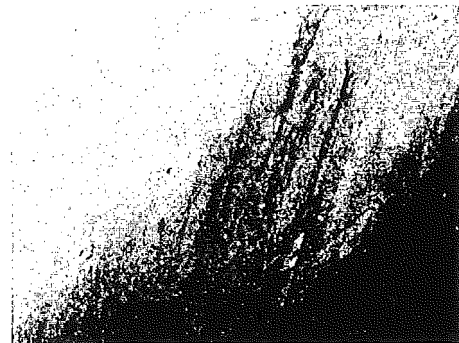
Green Island Trading Company, 38 Metropolitan Road, Toronto, ON

- .5 General view of the east side of the centre section of the building (ground floor level) that is currently occupied by Green Island Trading Company. Minimal finishes are installed within the space.



- .6 There are black stains (likely mold) on the freezer panels of a decommissioned walk-in cooler within the ground floor space occupied by Green Island Trading Company.

In our opinion this condition does not meet the requirements detailed in Section 629-6 of the Toronto Municipal Code.

**2.3 Recommendations**

Based on our visual review, we are of the opinion that the interior finishes within Green Island Trading Company's tenant spaces are in generally fair to poor condition. In our opinion, the following repair work is required immediately:

- Sample the areas of black stains within the tenant spaces and carry out laboratory analysis to determine if mold is present, and
- Clean the areas of black stains from the surfaces within the tenant spaces. Cleaning procedures are dependent on the results of the laboratory analysis.

A waterproofing system is required at the floor slab of the second floor tenant space to prevent the entry of water into the exposed concrete floor slab. Water that penetrates the floor slab may cause corrosion of the underlying steel deck and supporting structure.

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Green Island Trading Company, 38 Metropolitan Road, Toronto, ON

3.0 STRUCTURAL FRAMING**3.1 Description**

The structural framing of the building was typically concealed by interior finishes in the office areas and some warehouse areas. The majority of the steel columns within the occupied tenant spaces were concealed by stock and/or material at the time of our site visit and were not fully visible for review. Our review was limited to the structural framing exposed in the warehouse areas.

The structure of the building consists of metal roof decks that are supported by open-web steel joists that span between steel beams that frame into steel columns and between masonry walls. The second floor of the north section of the building is formed by a concrete topped metal deck that spans between steel joists. The underside of the second floor framing is covered with spray applied fireproofing material. Poured concrete slabs-on-ground form the ground floor of the building. Foundation walls of the building appear to be formed by a combination of poured concrete and concrete masonry.

The extent to which the integrity of a structure is evaluated can vary from a simple visual inspection of those parts of the structure exposed to view to a program of sophisticated non-destructive and destructive testing designed to reveal information concerning "as-built" conditions followed by a structural analysis carried out to determine the extent of compliance of the structure with the requirements detailed in the relevant edition of the Ontario Building Code. The terms of reference governing our review of this structure limited our work to a visual inspection of those parts of the structure exposed at the time of our visit. For the purpose of this assessment our review was visual in nature and, other than where may be noted otherwise, completed from floor level. As a result of this limitation our review should not be presumed to include confirmation of the presence of welds or fasteners of appropriate size at all connections.

It should be noted that we did not remove or lift any ceiling tile, gypsum board or fireproofing or any other material that concealed the structural framing members from view during our cursory visual review.

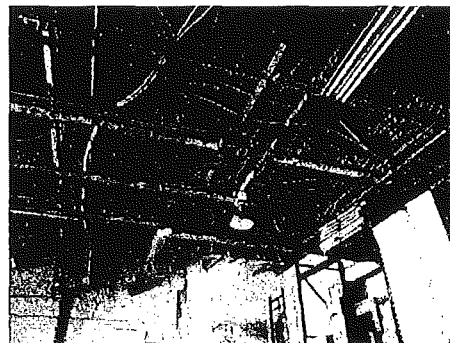
3.2 Observations

The following is summary of conditions that were identified during our visual review of the exposed structural framing members:

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- .1 General view of the underside of the second floor framing at the north section as viewed from the Cool Ocean Impex Inc. space. Structural framing members are covered with spray applied fireproofing material.



- .2 In isolated locations, fireproofing material at the underside of the second floor framing is damaged/missing. Damaged fireproofing requires immediate repair.



- .3 There is a mezzanine office space within the ground floor space occupied by Green Island Trading Company, at the east portion of the centre section. The mezzanine level was not accessible at the time of the site visit. The drawings provided by Toronto Building do not indicate that a Building Permit was obtained for the construction of the mezzanine. Confirmation from the tenant is required to confirm that a building permit was obtained for the construction of the mezzanine.



3.3 Recommendations

Based on our cursory visual review of the structural framing members that were visible at the time of our site visit, we recommend that the following remedial work be carried out immediately.

- Confirm with the tenant that a building permit was obtained for the construction of the mezzanine level within the space on the ground floor occupied by Green Island Trading Company (in the event that a building permit was not obtained, remove the mezzanine)

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- or have the mezzanine reviewed by a structural engineer and obtain a building permit for its construction).
- Repair the areas of damaged fireproofing at the underside of the second floor framing.

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4.0 MECHANICAL AND ELECTRICAL INSTALLATIONS**4.1 Description**

The mechanical and electrical systems associated with the Green Island Trading Company tenant space were visually reviewed during our site visit. Our review was limited to accessible equipment, without review of any drawings or schematics.

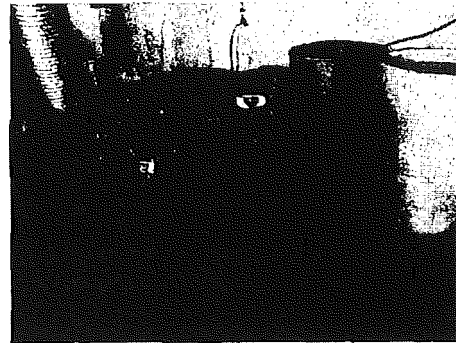
Tests were not performed nor were dismantling of systems carried out to verify the condition of the interior components of HVAC equipment. Unit heaters and other equipment suspended from high ceilings were not observed due to inaccessibility. Seasonal use should be considered with regards to any comments made about the condition of any HVAC equipment.

Calculations were not made to verify the adequacy of the electrical supply, domestic water, or HVAC performance.

Tests were not performed on life safety systems such as fire alarm and suppression systems including sprinklers, standpipe, and smoke control systems.

4.2 Observations**4.2.1 Sanitary and Storm Drainage**

Water storage tanks are provided to each marihuana planting area. During our site visit we observed water over flows from the storage tanks and spills over the second floor and floor drains are not provided. We recommend floor drains be installed to each marihuana planting area, as required, to drain water from the floor surface.

**4.2.2 Domestic Hot and Cold Water System**

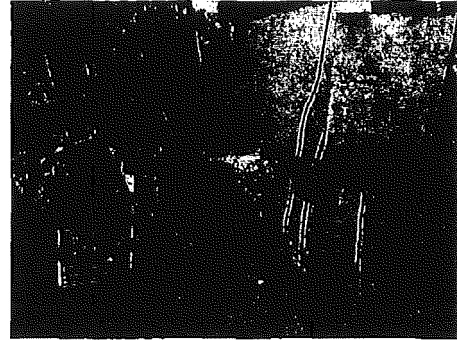
Domestic hot water for the washrooms is generated by electric hot water tanks in the ceiling spaces. The domestic hot water tank heaters were inaccessible for the visible review during our site visit.

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Green Island Trading Company, 38 Metropolitan Road, Toronto, ON

Municipal incoming water supply enters the building in the service room and is connected to a meter and three (3) shut-off valves.

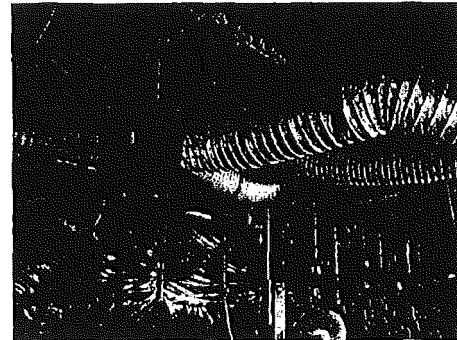
Based on our visual review it appears that there is backflow prevention provided to prevent contaminants from entering the municipal potable water system.



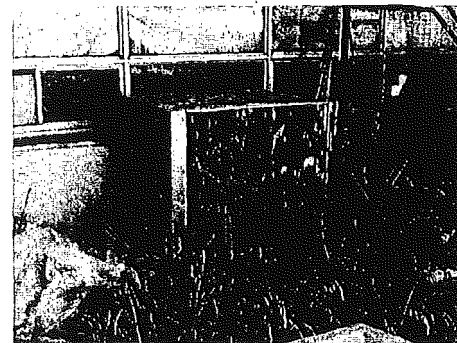
Due to the nature of the businesses within the building, we recommend back flow prevention be installed to the incoming water supply at each occupancy in accordance with Chapter 851 (Water Supply) of the Toronto Municipal Code. This work should be carried out in conjunction with a cross-connection survey which may identify additional areas that require protection.

4.2.3 Heating, Ventilation and Air Conditioning

The ventilation systems within the medicinal marihuana production areas do not appear to have been carried out using good engineering practice and with the benefit of a building permit.



One of the outdoor condensing units that provide ventilation cooling to the medicinal marihuana production facility located on the ground floor in the east portion of the building is not professionally installed. It is mounted on a wood pallet. We recommend the outdoor condensing unit be professionally installed.



Article 6.2.1.1. of the Ontario Building Code details the following requirements for the design and installation of heating, ventilating and air-conditioning systems:

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6.2.1.1. Good Engineering Practice

(1) Heating, ventilating and *air-conditioning* systems, including related mechanical refrigeration systems, shall be designed, constructed and installed to conform to good engineering practice appropriate to the circumstances such as described in,

(a) the ASHRAE Handbooks as follows:

- (i) Fundamentals,
- (ii) Refrigeration,
- (iii) HVAC Applications,
- (iv) HVAC Systems and Equipment, and
- (v) ANSI/ASHRAE/IESNA 90.1, "Energy Standard for Buildings Except Low-Rise Residential Buildings",

(b) CSA F280, "Determining the Required Capacity of Residential Space Heating and Cooling Appliances", and the outside winter design temperatures shall conform to MMAH Supplementary Standard SB-1, "Climatic and Seismic Data",

(c) CAN/CSA-F326-M, "Residential Mechanical Ventilation Systems",

(d) the NFPA Fire Codes,

(e) the HRAI Digest,

(f) the Hydronics Institute Manuals,

(g) the SMACNA Manuals,

(h) ACGIH, "Industrial Ventilation Manual",

(i) CAN/CSA-Z317.2, "Special Requirements for Heating, Ventilation, and Air Conditioning (HVAC) Systems in Health Care Facilities",

(j) CCBFC NRCC 38730, "Model National Energy Code of Canada for Buildings",

(k) CCBFC NRCC 54435, "National Energy Code of Canada for Buildings", and

(l) EPA/625/R-92/016, "Radon Prevention in the Design and Construction of Schools and Other Large Buildings".

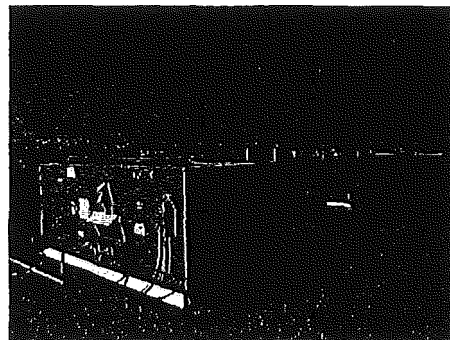
It should be confirmed with the tenant that a building permit was obtained for the installation of the ventilation systems. In the event that a permit was not obtained, a building permit should be obtained immediately.

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Green Island Trading Company, 38 Metropolitan Road, Toronto, ON

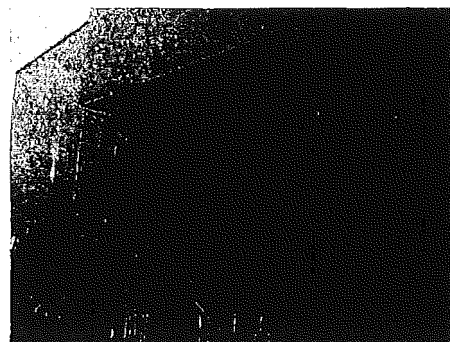
Heating and ventilation cooling to the new addition (medicinal marihuana production facility) is provided by five natural gas-fired rooftop units located on the high roof area.

The rooftop units are equipped with economizers to provide free cooling and are electrically controlled by dedicated thermostats.



Manufacture/ Model	No of units	Age (Years)	Refrigerant type	Tons	MBH	Remarks
York/ D2CG180N32058F	5	19	R-22	15	400	Four units appear to be in working condition, one unit is disconnected.

The non-functional rooftop unit's (located on the high roof area) gas supply has been disconnected and its fresh air intake has been covered with wood sheathing. This indicates that the unit's heating and cooling cycles are not working.



Article 629-38.A of the Toronto Municipal Code (Property Standards) details the following requirement:

629-38. Heating and air conditioning.

- A. Every heating and air-conditioning system or unit shall be kept in good repair and maintained in good working condition at all times relevant to the operation of that system.

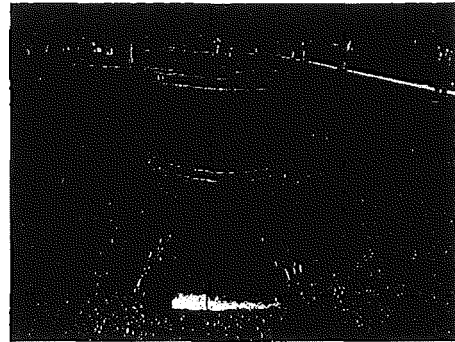
In our opinion, the current condition of the roof top unit serving the second floor of the Green Island Trading Company tenant space does not meet the requirements detailed in Article 629-38.A of the Toronto Municipal Code. We recommend the unit's cooling and heating cycles be restored (repaired).

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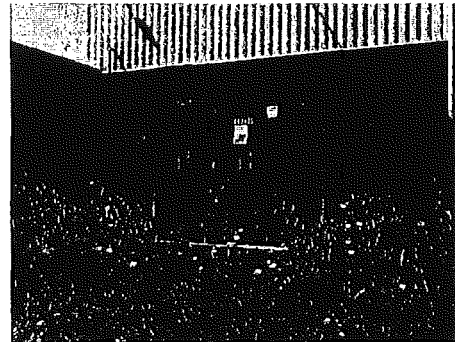
Ventilation exhaust to the medicinal marihuana production facility is provided by a rooftop mounted up-blast type exhaust fan.

The exhaust fan appears to be in working condition.



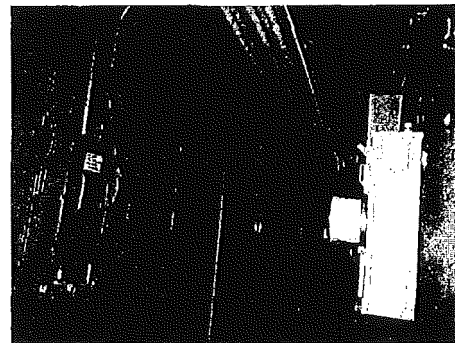
4.2.4 Power Supply and Distribution

The electrical power supply is fed from a transformer mounted on a concrete housekeeping pad located outdoors.

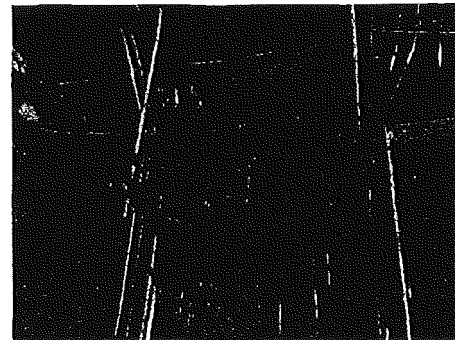


The main disconnect switch and the splitter are located in the new electrical room. The disconnect switch is manufactured by "Cutler-Hammer" and rated for 800 amperes, 600 volts, 3 phase, 4 wire.

There is another disconnect switch for the older section of the building located in the old electrical room and is rated for 600 amps.



The power transformer's cover plate is missing in the medicinal marihuana production area. This condition is a potential fire and life safety hazard.



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Some distribution panels and receptacles in the medicinal marihuana production area are missing cover plates, exposing live electrical wires.



Loose live wiring, unsecured junction boxes and receptacles and missing lighting fixtures were overserved throughout the Green Island Trading Company tenant spaces.



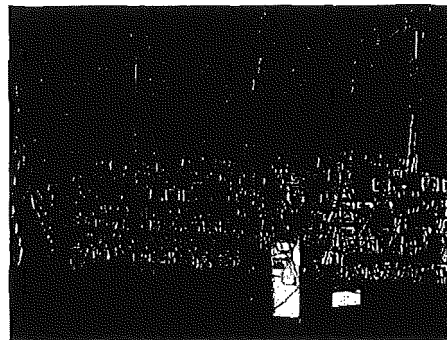
Article 629-35.C of the Toronto Municipal Code (Property Standards) details the following requirement:

629-35. Electrical service and outlets.

- C. All electrical fixtures, switches, receptacles and connections to them shall be maintained in a safe and complete condition and in good working order.

In our opinion, the current condition of the electrical panels, transformer, junction boxes, receptacles and light fixtures in the Green Island Trading Company tenant space does not meet the requirements detailed in Article 629-35.C of the Toronto Municipal Code. We recommend cover plates be installed immediately and all wiring, junction boxes and receptacles be adequately secured by a qualified electrical contractor to reduce the risk of electrical shock.

We observed electrical extension cords and power bars used for multiple electrical services in the medicinal marihuana production area on the second floor.



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The electrical power supply to the medicinal marihuana production area uses temporary wiring.



Article 629-35.B of the Toronto Municipal Code (Property Standards) details the following requirement:

629-35. Electrical service and outlets.

- B. The capacity of the system of circuits and electrical outlets within a building shall be adequate for the intended use of all rooms, and adequate electrical outlets shall be installed to prevent the need for extension cords or other extensions being used as a permanent wiring system. [Amended 2004-06-24 by By-law No. 559-2004]

In our opinion, the current condition of the electrical wiring and circuits in the Green Island Trading Company tenant space does not meet the requirements detailed in Article 629-35.B of the Toronto Municipal Code. We recommend that permanent wiring be installed for all electrical fixtures and appliances, to eliminate the use of extension cords. Additionally, the current condition does not meet the requirements detailed in the electrical safety code.

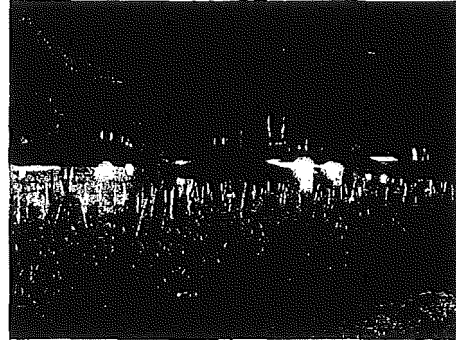
Due to the above observations, it appears the electrical distribution system is not maintained and it poses potential life, safety and fire hazards. Additionally, it does not appear that electrical modifications were carried out with the benefit of an electrical permit or that the electrical modifications were inspected and approved by the Electrical Safety Authority (ESA). We recommend that an electrical permit be obtained from ESA for the electrical modifications.

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Green Island Trading Company, 38 Metropolitan Road, Toronto, ON

4.2.5 Lighting

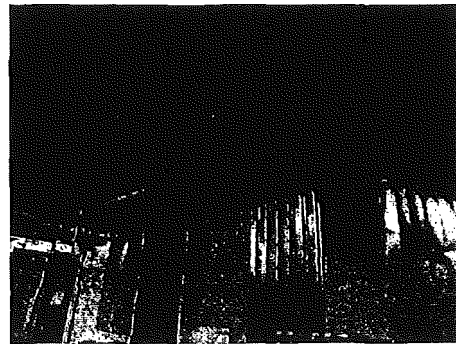
High intensity discharge (HID) lighting with timers provides lighting to the medicinal marihuana production areas. The lighting appears to be tenant installed.



4.2.6 Miscellaneous Fire Safety Systems

During our site visit we observed that the required fire separations between tenant spaces are not maintained.

Currently the walk-in freezer and cooler walls and ceilings are used for the fire separations between the vacant tenant space (warehouse) and the ground floor medicinal marihuana production area and between the ground floor medicinal marihuana production area and the Cool Ocean Impex tenant space.



Article 3.3.1.1. of the Ontario Building Code details the following requirements for the separation of suites:

3.3.1.1. Separation of Suites

(1) Except as permitted by Sentences (2) and (3), each *suite* in other than *business and personal services occupancies* shall be separated from adjoining *suites* by a *fire separation* having a *fire-resistance rating* not less than 1 h.

(2) The *fire-resistance rating* of the *fire separation* required by Sentence (1) is permitted to be less than 1 h but not less than 45 min provided the *fire-resistance rating* required by Subsection 3.2.2. is permitted to be less than 1 h for,

(a) the floor assembly above the *floor area*, or

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(b) the floor assembly below the *floor area*, if there is no floor assembly above.

(3) *Occupancies* that are served by *public corridors* conforming to Clause 3.3.1.4.(4)(b) in a *building* that is *sprinklered*, are not required to be separated from one another by *fire separations* provided the *occupancies* are,

(a) *suites of business and personal services occupancy*,

(b) fast food vending operations that do not provide seating for customers,

(c) *suites of mercantile occupancy*, or

(d) any combination of these *occupancies*.

Article 3.3.1.1. details a requirement for the fire separations between suites (i.e., between adjacent tenant spaces) to have a fire resistance rating of not less than 1 hour.

We recommend an architect or engineer be retained to design the fire separations and means of egress from the Green Island Trading Company tenant spaces and that a building permit be obtained for the required remedial work.

4.3 Recommendations

Based on our visual review we are of the opinion that the following repair/remedial work is required immediately:

- Obtain an electrical permit from the Electrical Safety Authority for the electrical modifications within the Green Island Trading Company tenant spaces.
- Obtain a building permit from Toronto Building for the interior alterations (including fire separations) and ventilation system installation within the Green Island Trading Company tenant spaces.
- Install floor drains at the second floor level tenant space, connected to the storm sewer system (building permit required).
- Install a backflow prevention device at the water supply to the tenant space.

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5.0 ZONING REVIEW**5.1 General**

City of Toronto Zoning By-law 569-2013, as amended, regulates the use of land, the bulk, height, location, erection and use of buildings and structures, the provision of parking spaces, loading spaces and other associated matters in the City of Toronto.

The following uses are currently being carried out at 38 Metropolitan Road:

- Cold storage facility,
- Food manufacturing facility,
- Medical marihuana production facility (use to be confirmed), and
- Recovery facility for the recycling of electronics and metals.

We have not confirmed that the building contains a medical marihuana production facility as defined by Access to Cannabis for Medical Purposes Regulations. We recommend that legal guidance be obtained to confirm the legal status of the marihuana production currently being carried out at 38 Metropolitan Road. Our comments are based on the assumption that Green Island Trading Company is considered a Medical Marihuana Production Facility, as defined by City of Toronto Zoning By-law 569-2013, as amended by Zoning By-law 0403-2014.

5.2 Comments

- .1 Chapter 5 of Zoning By-law 569-2013 details regulations applying to all lands, uses, buildings and structures in the City of Toronto. Based on our review we are of the opinion that the property at 38 Metropolitan Road meets the regulations detailed in this chapter of the zoning by-law.
- .2 Chapter 60 of Zoning By-law 569-2013 details regulations applying to the Employment – Industrial Zone category. The Employment – Industrial Zone category is divided into the following 4 zones:
 - Employment Light Industrial Zone (EL)
 - Employment Industrial Zone (E)
 - Employment Heavy Industrial Zone (EH)
 - Employment Industrial Office Zone (EO)
- .3 The Zoning By-law Map in Section 990.10 of By-law 569-2013 identifies that the property at 38 Metropolitan Road in Toronto is located in an Employment Industrial Zone (identified by the letter 'E' on the zoning map).

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- .4 Furthermore, the Zoning By-law Map details a requirement for the property at 38 Metropolitan Road to have a Floor Space Index (FSI) of no more than 0.80.
- .5 Section 60.5 of Zoning By-law 569-2013 details regulations applying to all lands, uses, buildings and structures in the Employment – Industrial Zone category. Based on our review we are of the opinion that the property at 38 Metropolitan Road meets the regulations detailed in this section of the zoning by-law.
- .6 Clause 60.5.40.40 of Zoning By-law 569-2013 details gross floor area regulations that apply to properties within the Employment – Industrial Zone category, including the procedure for calculating the Floor Space Index (FSI) of a building in this category. Based on the information provided to us, we calculate that the building at 38 Metropolitan Road has an FSI of approximately 0.67, and therefore, we are of the opinion that the building at 38 Metropolitan Road meets the FSI regulation detailed in the zoning by-law.
- .7 Section 60.20 of Zoning By-law 569-2013, as amended by Zoning By-law 0403-2014 (currently under appeal with the Ontario Municipal Board (OMB)), details regulations applying to all lands, uses, buildings and structures in the Employment Industrial Zone (E).
- .8 Clause 60.20.20.20 details the permitted uses with conditions within the E zone. The use of the property as a Medicinal Marihuana Production Facility is a permitted use, subject to the conditions contained in Clause 60.20.20.100 of the zoning by-law.
- .9 The following condition contained in Clause 60.20.20.100 is applicable to the Medical Marihuana Production Facility use:
In the E zone, a medical marihuana production facility must comply with the specific use regulations in Section 150.60.
- .10 The following regulation contained in Article 150.60.40 is applicable to the Medical Marihuana Production Facility use:
A lot with a medical marihuana production facility must be:
 - (B) *at least 70 metres from a lot with a:*
 - (i) *public school;*
 - (ii) *private school;*
 - (iii) *place of worship; and*
 - (iv) *day nursery.*

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The lot municipally addressed as 38 Metropolitan Road is located approximately 45 metres from the lot municipally addressed as 8 Metropolitan Road. The Toronto Chinese Methodist Church is located at 8 Metropolitan Road. Based on our review we are of the opinion that, in the event that the building is determined to contain a Medical Marihuana Production Facility, the use does not meet the regulation detailed in this article of the zoning by-law since the lot is less than 70 metres from a lot with a place of worship.

- .11 The following regulation contained in Article 150.60.90 is applicable to the Medical Marihuana Production Facility use:

Loading spaces for a medical marihuana production facility must be in a wholly enclosed building.

The building at 38 Metropolitan Road is not provided with drive-in bays to allow vehicle access to the interior of the building (exterior loading docks are provided). Based on our review we are of the opinion that the Medical Marihuana Production Facility use does not meet the regulation detailed in this article of the zoning by-law since loading spaces are not in a wholly enclosed building.

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6.0 LIMITATIONS

Any maintenance, repair or replacement schedules contained in this report are based on the assumption that the recommendations contained in this report will be carried out, that the property will be maintained on a regular and routine basis by skilled and qualified tradesmen and that a program of periodic professional review will be carried out throughout the life of the property. Failure to undertake any of these tasks in an expeditious manner may result in unanticipated failure of any of the systems and components that form the property and its improvements and lead to issues of public safety.

The information presented in this report is based on direct visual observation made by personnel with CCI Group Inc. and in some instances as noted within the report on information provided by others. Recommendations contained within our report reflect our informed opinion based on the information gathered during our investigation. The findings cannot be extended to *components of the building or portions of the site that were not reviewed or that were concealed or unavailable for direct observation at the time of our visit*. There is a possibility for additional deficiencies being present in the building which have not been identified during our visit, given the limited nature of this review.

Our mandate is to complete a visual walk-through survey of items, components and systems that are conspicuous, patent and which may be observed visually during the walk-through survey without intrusion, removal of material, exploratory probing or the use of special equipment. Therefore, concealed or inaccessible physical deficiencies are specifically excluded from our mandate. Our interviews of building personnel attempt to uncover known concerns in the building, but we cannot attest to the integrity or knowledge of the interviewees, nor can this process, or the proposed scope of work in its entirety, be considered technically exhaustive or be considered to eliminate all risks related to owning or having a financial interest in this property.

No legal survey, soil test, detailed structural engineering investigation, or quantity survey compilation have been made. Our scope of services for this assignment did not include a design review or engineering analysis of any of the building's systems or components. No responsibility, therefore, is assumed concerning these matters, or for any failure to carry out those technical or engineering procedures required to discover any inherent or hidden condition of this property since such investigation work was not included in the terms of reference governing this study.

The conclusions and recommendations detailed in this report are based upon the information available at the time of preparation of the report. No investigative method eliminates the possibility of obtaining imprecise or incomplete information. Professional judgement was

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exercised in gathering and analyzing the information obtained and in the formulation of our conclusions and recommendations. The recommendations are not intended to be utilized as a detailed specification for any remedial work that may be required. CCI Group Inc. accepts no responsibility for interpretation of our recommendations, or actions taken based on them without our consultation and supervision.

The mechanical and electrical equipment and the fire safety systems were visually inspected where accessible. The systems were not dismantled to verify the condition of the internal components.

We did not carry out a review to check compliance with all Building or Fire Code requirements which may have been applied at the time of construction, or which may be retroactively applied to this building. Our review assumes that the design professionals and building permit process have created a design (and subsequent construction) that is code compliant.

Information provided by CCI Group Inc. is intended for the exclusive use of **msi Spergel Inc.** CCI Group Inc. will not provide results or information to any party other than the client, unless the client, in writing, requests that information be provided to a third party or unless disclosure by CCI Group Inc. is required by law. Any use by a third party, of reports or documents authored by CCI Group Inc., or any reliance by a third party, or decisions made by a third party, on the findings described in reports or documents authored by CCI Group Inc., is the sole responsibility of such third parties. CCI Group Inc. accepts no responsibility for damages suffered by any third party as a result of decisions made or work carried out based on reports or documents authored by CCI Group Inc.

CCI Group Inc. makes no representations concerning the legal and medical significance of our findings. With respect to regulatory compliance requirements, regulations change from time to time, and interpretation of their meaning and intent may also change. CCI Group Inc. accepts no responsibility for any legal interpretation of the Regulations, or the consequent financial effect on transactions, property values, or requirements for follow-up actions and costs.

The liability of CCI Group Inc. or its staff is limited to the fees paid or actual damages incurred by the client, whichever is less. CCI Group Inc. is not responsible for consequential or indirect damages. All claims by the client shall be deemed relinquished if not made within two years after last date of services provided.

The client expressly agrees that it has entered into this agreement with CCI Group Inc., both on its own behalf and as agent on behalf of its employees and principals.


PROPERTY CONDITION ASSESSMENT

Green Island Trading Company, 38 Metropolitan Road, Toronto, ON

The client expressly agrees that CCI Group Inc.'s employees and principals shall have no personal liability to the client in respect of a claim, whether in contract, or tort, or in any other cause of action in law. Accordingly, the client expressly agrees that it will bring no proceedings and will take no action in any court of law against any of CCI Group Inc.'s employees or principals.

We trust that the foregoing information is sufficient for your present needs and will be pleased to review the contents of this report in greater detail should you so require.

Yours truly,
CCI Group Inc.



Medil Gamage, P.Eng.,
Building Assessment Group



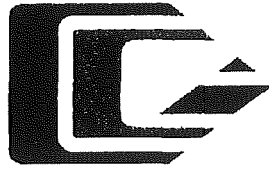
Sam Appuhamy, P.Eng.,
Building Assessment Group

Reviewed by:



Mari Subero, P.Eng.,
Building Assessment Group

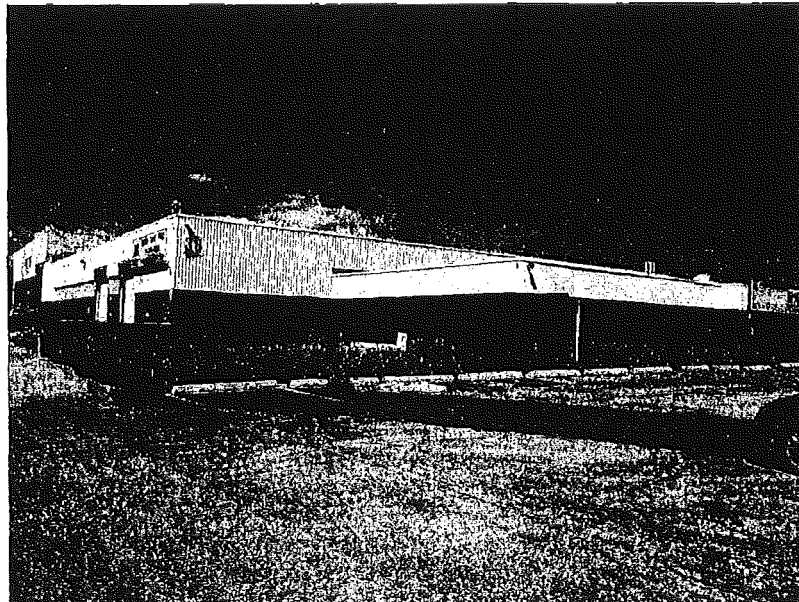
TAB 13

**CCI GROUP**

SCIENCE • ENGINEERING • SOLUTIONS

7900 KEELE STREET SUITE 200 CONCORD ON L4K 2A3

PROPERTY CONDITION ASSESSMENT



at
S.K. Food Equipment
38 Metropolitan Road
Toronto, Ontario

Prepared for: **msi Spergel inc.**

CCIG Project No: T1611742CA
CCIG Contact: Medil Gamage, P.Eng.
medilg@ccigroupinc.ca
September 28, 2016

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PROPERTY CONDITION ASSESSMENT

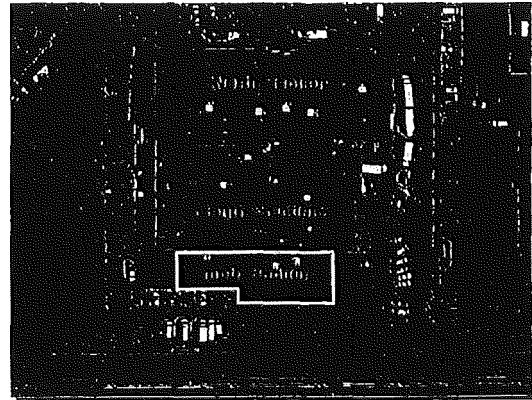
S.K. Food Equipment, 38 Metropolitan Road, Toronto, ON

1.0 INTRODUCTION

Personnel with CCI Group Inc. visited the property located at 38 Metropolitan Road in Toronto, Ontario on August 3rd, 2016 for the purpose of carrying out a condition assessment of the tenant space leased by S.K. Food Equipment.

The purpose of this evaluation was to obtain the information necessary to document the condition of the S.K. Food Equipment space, to prepare a report describing its condition and to provide recommendations regarding the repair work that is currently required. Destructive investigation and testing work was not carried out as part of this assessment.

The existing development consists of a multi-tenant light industrial building with ancillary office areas along the south side. The south and centre sections of the building are one storey in height. The north section of the building is two storeys in height. It appears that the south and centre sections of the building were constructed in the mid-1960's and the north section was added in the late 1990's. We understand (based on the information provided by our client) that the gross floor area of the building is 87,183 square feet.



The total footprint area of the building is estimated to be approximately 64,000 square feet.

The west portion of the south and centre sections of the building are currently vacant. The east portion of the south section of the building is currently occupied by a live lobster distribution business. The west portion of the ground floor of the north section and the north-east portion of the centre section are currently leased by S.K. Food Equipment and are occupied by Cool Ocean Impex Inc., a sea food distribution business. The east portion of the ground floor of the north section is currently leased by S.K. Food Equipment and is occupied by Scrap-to-Go, a scrap metal recycling business. The south-east portion of the centre section and the 2nd floor of the north section are currently occupied by Green Island Trading Company, for the production of medical marihuana.

Generally, the exterior walls of the building are covered with a combination of masonry and metal siding. Additionally, there are stucco panels covering the walls of the south section of the building. Single glazed window units with anodized aluminum frames provide fenestration for the south office section of the building. There several loading docks along the east side and several drive-in bays along the west side that are enclosed by metal sectional overhead doors.

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There are three "flat" roof areas above the building that are divided by changes in elevation. All the roof areas utilize conventional roof systems that incorporate built-up asphalt roof membranes.

The structure of the building consists of metal roof decks that are supported by open-web steel joists that span between steel beams that frame into steel columns and between masonry walls. The second floor of the north section of the building is formed by a concrete topped metal deck that spans between steel joists. The underside of the second floor framing is covered with spray applied fireproofing material. A poured concrete slabs-on-ground form the ground floor of the building.

Asphaltic concrete pavement forms the parking area located at the south-west side, drive aisles and shipping/receiving areas located along the east and west sides and the drive aisle located along the north side. Access to the site is provided by two curb cuts along the south side of the property, off of Metropolitan Road.

The interior of the building is finished with a variety of materials including carpeting, painted gypsum wallboard and suspended acoustical ceiling tile.

The audit work addresses the following components of the property:

- interior finishes
- structural framing
- mechanical and electrical installations
- fire separations

The threshold reporting level for this report is \$5,000. Repair and maintenance items with an estimated cost of \$5,000 or less are assumed to be funded from operating budgets and may not be included in this report.

We were provided with the following documentation prior to our site visit:

- Agreement to Lease, dated August 17th, 2012, and signed by a representative of S.K. Food Equipment (tenant) and a representative of 2292319 Ontario Inc. (landlord),
- Agreement to Lease, dated November 26th, 2012, and signed by a representative of S.K. Food Equipment (tenant) and a representative of 2292319 Ontario Inc.(landlord), and
- Agreement to Lease, dated February 18th, 2014, and signed by a representative of S.K. Food Equipment (tenant) and a representative of 2292319 Ontario Inc. (landlord).

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We were accompanied on our site visit by Mr. Daniel Battistan, Corporate Estate Manager with msi Spergel inc.

Subsequent to our site visit the following information was provided by the City of Toronto:

- Property Information Report dated August 25, 2016 as prepared by Toronto Building and signed by Mr. Dwayne Tapp, Manager, Customer Service.
- Drawings A1 and A2 titled "38 Metropolitan Rd. Warehouse", as prepared by Tran Dieu and Associates Inc., and stamped received by Toronto Building on January 27, 2012. The drawings are stamped by Toronto Building as having been reviewed for compliance with the Ontario Building Code on February 2, 2012 and are identified with Application # 11 327509.
- Surveyors Real Property Report, as prepared by Bennett Young Limited, Professional Land Surveyors and dated January 31, 2005. The drawing is stamped by Toronto Building as having been reviewed for compliance with the Ontario Building Code and is identified with Application # 13 194141 BLD 00.
- Drawings A1 and A2 titled "Proposed Interior Alteration to 38 Metropolitan Road, Scarborough, Ontario", as prepared by Tran Dieu and Associates Inc., and stamped received by Toronto Building on October 22, 2013. The drawings are stamped by Toronto Building as having been reviewed for compliance with the Ontario Building Code and are identified with Application # 13 194141 BLD 00.
- Drawings A1, A2, M1, S1 and S2 titled "Proposed Interior Alteration to 38 Metropolitan Road, Scarborough, Ontario", as prepared by Tran Dieu and Associates Inc., and stamped received by Toronto Building on July 5, 2013. The drawings are stamped by Toronto Building as having been reviewed for compliance with the Ontario Building Code and are identified with Application # 13 194141 BLD 00.
- Ontario Building Code Notice, as prepared by Toronto Building (Karim Gilani, Building Code Examiner). The notice is identified with Application # 13 194141 BLD 00.

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2.0 INTERIOR FINISHES**2.1 Description**

A visual review was conducted in all accessible areas of the tenant space.

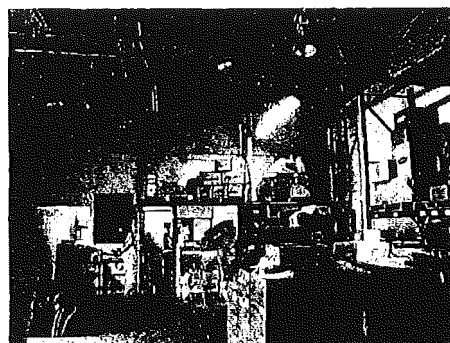
The following components were examined:

- the type and condition of the floor coverings
- the wall construction and finishes
- the ceiling construction and finishes

2.2 Observations

The following is a summary of conditions that were observed during our visual review of the interior finishes:

- .1 General view of the west portion of the ground floor of the north section of the building that is currently occupied by Cool Ocean Impex Inc. Minimal finishes are installed within the space. The majority of the floor slab was covered with material and was not fully visible for review. Where exposed the floor slab appears to be in generally fair condition.



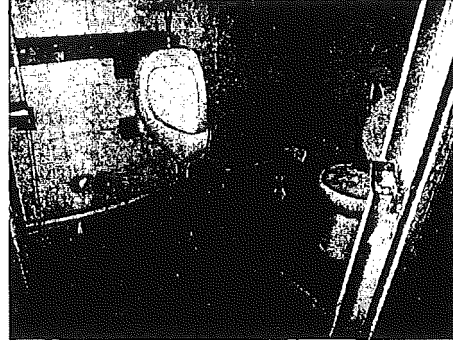
- .2 Black stains were observed on the outer surface of a freezer wall within the Cool Ocean Impex Inc. tenant space. There is the potential that the black stains are mold.



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- .3 Finishes in washrooms within the Cool Ocean Impex Inc. space are in generally poor condition and are not maintained.



Section 629-6 of the Toronto Municipal Code (Property Standards) details the following requirement:

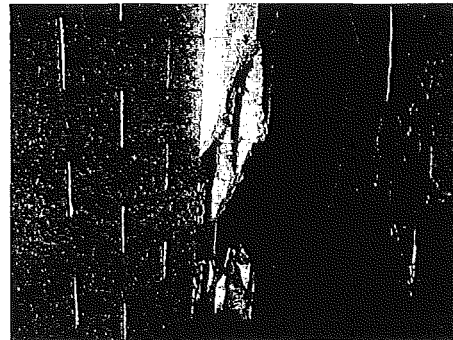
629-6. Occupant's duties.

Every person who occupies property shall:

- A. Maintain the property in a clean and sanitary condition;
- B. Maintain all plumbing, cooking, refrigerating appliances and fixtures, and all storage facilities and other equipment in or on the property in a clean and sanitary condition;
- C. Maintain all sanitary facilities and every fixture in a sanitary facility in a clean and sanitary condition; [Amended 2009-05-27 by By-law No. 570-20098]
- D. Keep all exits from the property clear and unobstructed;
- E. Co-operate with the landlord in complying with the requirements of this chapter;
- F. Limit the number of occupants to the maximum number permitted by this chapter; and
- G. Take immediate action to eliminate any unsafe condition.

In our opinion, the current condition of the ground floor tenant space occupied by Cool Ocean Impex Inc. does not meet the requirements detailed in Section 629-6 of the Toronto Municipal Code.

- .4 In one location, a concrete masonry wall within the Cool Ocean Impex Inc. space is impact damaged.



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629-27. Walls and ceilings.

- A. Every wall and ceiling shall be maintained clean and free of holes, cracks and damaged and deteriorated surface material, and each repair shall be finished to reasonably match the existing walls or ceilings.
- B. Previously finished walls and other surfaces in public areas of property shall be maintained in good repair and shall be renewed or refinished, when necessary, to maintain a similar appearance.
- C. Marks, stains, graffiti, smoke damage, painted slogans or other similar markings or defacements on previously finished walls and other surfaces in public areas of property shall be removed and the surface refinished.
- D. Where noxious fumes, odours or gases are, or could be, present, all elements of separation shall be of gas-tight construction and maintained in a good state of repair so as to effectively prevent the passage of noxious fumes, odours or gases through the separation.

In our opinion, the current condition of the ground floor tenant space occupied by Cool Ocean Impex Inc. does not meet the requirements detailed in Section 629-27 of the Toronto Municipal Code.

- .5 Several skids of stock within the freezer are leaning and pose a potential safety hazard.



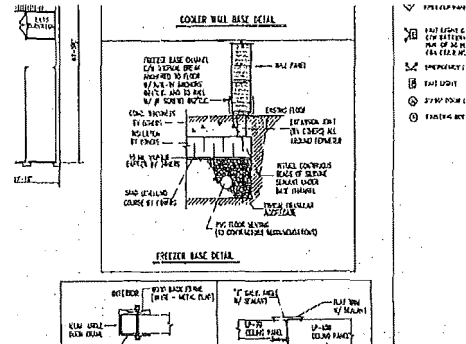
- .6 General view of the freezer within the Cool Ocean Impex Inc. space. It does not appear that thermal insulation is installed below the floor slab within the freezer to prevent frost damage to the floor slab and column footings, as detailed on drawing A1 of application 11 327509. The majority of the floor slab was covered with stock and was not fully visible for review. Where exposed, the floor slab appears to be in generally fair condition.



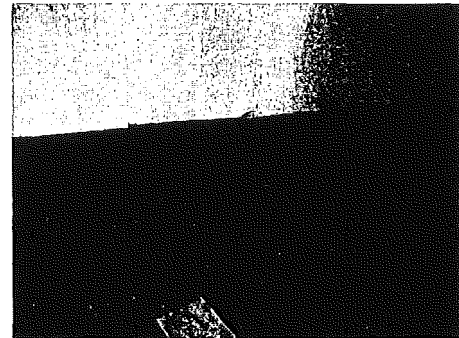
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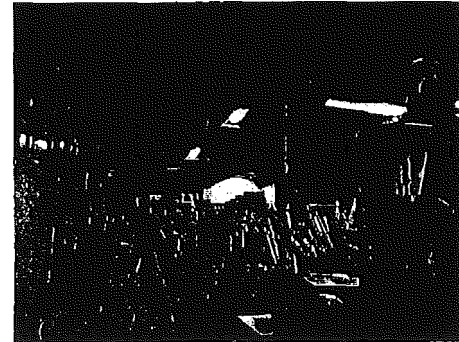
- .7 The adjacent detail is reproduced from drawing A1 of application 11 327509 and details a requirement for thermal insulation to be installed below the freezer floor slab.



- .8 There is standing water on the floor along the east "demising" wall of the vacant warehouse space. It appears that water is flowing from the adjacent tenant space (to the east) that is occupied by Cool Ocean Impex Inc.



- .9 General view of the east portion of the ground floor of the north section of the building that is currently occupied by Scrap-to-Go, a scrap metal recycling business. Minimal finishes are installed within the space. The majority of the floor slab was covered with scrap metal and stock and was not visible for review. Where exposed, the floor slab appears to be in generally fair condition.



2.3 Recommendations

Leaning skids within the freezers pose a potential safety hazard and should be re-stacked immediately.

Based on our visual review, we are of the opinion that the interior finishes within Cool Ocean Impex Inc.'s tenant space are in generally fair to poor condition. In our opinion, the following repair work is required immediately:

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- Sample the areas of black stains within the tenant spaces and carry out laboratory analysis to determine if mold is present, and
- Clean the areas of black stains from the surfaces within the tenant spaces. Cleaning procedures are dependent on the results of the laboratory analysis.

It does not appear that frost protection has been provided below the freezer floor slabs within the Cool Ocean Impex Inc. space to prevent frost action (heaving) of the floor slabs. It is our opinion that installation of insulation below the floor slab within the freezers is required, as detailed on drawing A1 of application 11 327509.

The condition of water flowing into the vacant warehouse space from the adjacent Cool Ocean Impex Inc. tenant space should be investigated and necessary measures to prevent/mitigate flowing of water should be taken immediately. The water appears to be condensate from the freezers and coolers to the east of the vacant warehouse space.

The condition of the washrooms and the area of impact damaged wall do not meet the requirements detailed in the Toronto Municipal Code. Repair to the finishes in the washroom and the impact damaged masonry wall is currently required.

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3.0 STRUCTURAL FRAMING**3.1 Description**

The structural framing of the building was typically concealed by interior finishes in the office areas and some warehouse areas. The majority of the steel columns within the occupied tenant spaces were concealed by stock and/or material at the time of our site visit and were not fully visible for review. Our review was limited to the structural framing exposed in the warehouse areas.

The structure of the building consists of metal roof decks that are supported by open-web steel joists that span between steel beams that frame into steel columns and between masonry walls. The second floor of the north section of the building is formed by a concrete topped metal deck that spans between steel joists. The underside of the second floor framing is covered with spray applied fireproofing material. Poured concrete slabs-on-ground form the ground floor of the building. Foundation walls of the building appear to be formed by a combination of poured concrete and concrete masonry.

The extent to which the integrity of a structure is evaluated can vary from a simple visual inspection of those parts of the structure exposed to view to a program of sophisticated non-destructive and destructive testing designed to reveal information concerning "as-built" conditions followed by a structural analysis carried out to determine the extent of compliance of the structure with the requirements detailed in the relevant edition of the Ontario Building Code. The terms of reference governing our review of this structure limited our work to a visual inspection of those parts of the structure exposed at the time of our visit. For the purpose of this assessment our review was visual in nature and, other than where may be noted otherwise, completed from floor level. As a result of this limitation our review should not be presumed to include confirmation of the presence of welds or fasteners of appropriate size at all connections.

It should be noted that we did not remove or lift any ceiling tile, gypsum board or fireproofing or any other material that concealed the structural framing members from view during our cursory visual review.

3.2 Observations

The following is summary of conditions that were identified during our visual review of the exposed structural framing members:

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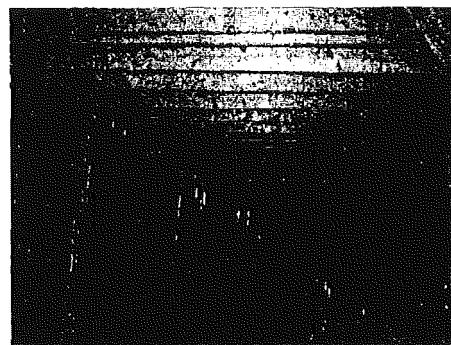
- .1 General view of the underside of the second floor framing at the north section as viewed from the Cool Ocean Impex Inc. space. Structural framing members are covered with spray applied fireproofing material.



- .2 In isolated locations, fireproofing material at the underside of the second floor framing is damaged/missing. Damaged fireproofing requires immediate repair.



- .3 There is a wood framed "tunnel" within the tenant space occupied by Cool Ocean Impex Inc. that connects the north-west tenant space to the centre-east tenant space. The drawings submitted to Toronto Building do not include any information regarding the construction of this tunnel and it appears that this "tunnel" was constructed without the benefit of a building permit.



- .4 General view of the underside of the second floor framing at the north section as viewed from the Scrap-to-Go space. Structural framing members are covered with spray applied fireproofing material.



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3.3 Recommendations

Based on our cursory visual review of the structural framing members that were visible at the time of our site visit, we recommend that the following remedial work be carried out immediately.

- Confirm with the tenant that a building permit was obtained for the construction of the wood framed "tunnel" within the space occupied by Cool Ocean Impex Inc. (in the event that a building permit was not obtained, remove the wood framed tunnel or have the tunnel reviewed by a structural engineer and obtain a building permit),
- Repair the areas of damaged fireproofing at the underside of the second floor framing.

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4.0 MECHANICAL AND ELECTRICAL INSTALLATIONS**4.1 Description**

The mechanical and electrical systems associated with the S.K. Food Equipment leased space were visually reviewed during our site visit. Our review was limited to accessible equipment, with limited review of available drawings.

Tests were not performed nor were dismantling of systems carried out to verify the condition of the interior components of HVAC equipment. Unit heaters and other equipment suspended from high ceilings were not observed due to inaccessibility. Seasonal use should be considered with regards to any comments made about the condition of any HVAC equipment.

Calculations were not made to verify the adequacy of the electrical supply, domestic water, or HVAC performance.

Tests were not performed on life safety systems such as fire alarm and suppression systems including sprinklers, standpipe, and smoke control systems.

4.2 Observations**4.2.1 Domestic Hot and Cold Water System**

Domestic hot water for the washrooms is generated by electric hot water tanks in the ceiling spaces. The domestic hot water tank heaters were inaccessible for the visible review during our site visit.

Municipal incoming water supply enters the building in the service room and is connected to a meter and three (3) shut-off valves.

Based on our visual review it appears that there is backflow prevention provided to prevent contaminants from entering the municipal potable water system.



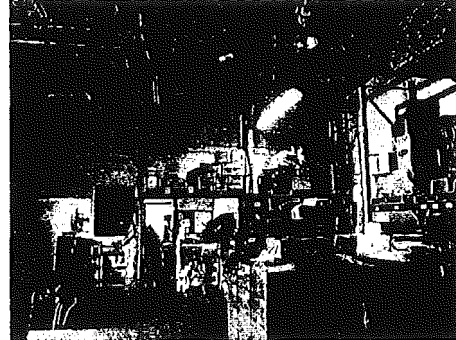
Due to the nature of the businesses within the building, we recommend back flow prevention be installed to the incoming water supply at each occupancy in accordance with Chapter 851 (Water Supply) of the Toronto Municipal Code. This work should be carried out in conjunction with a cross-connection survey which may identify additional areas that require protection.

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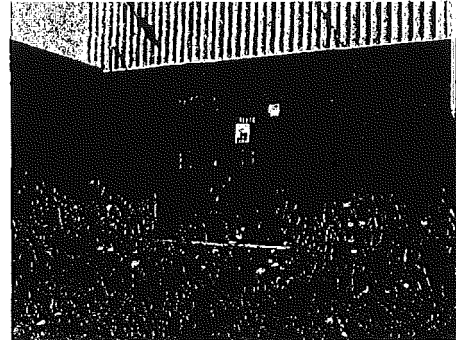
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4.2.2 Heating, Ventilation and Air Conditioning

Heating to the tenant spaces is provided by several natural gas-fired unit heaters. The unit heaters are manufactured by "Reznor". The unit heaters appear to have been installed in the early 2000s' and to be in working condition.

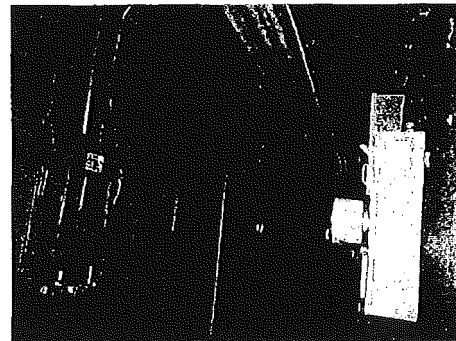
**4.2.3 Power Supply and Distribution**

The electrical power supply is fed from a transformer mounted on a concrete housekeeping pad located outdoors.



The main disconnect switch and the splitter are located in the new electrical room. The disconnect switch is manufactured by "Cutler-Hammer" and rated for 800 amperes, 600 volts, 3 phase, 4 wire.

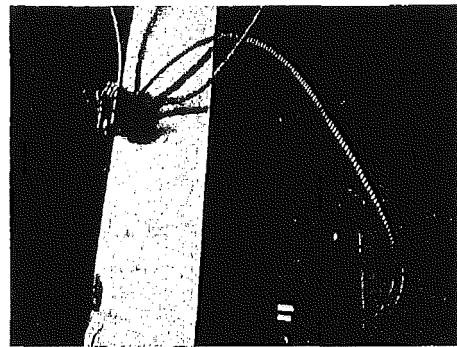
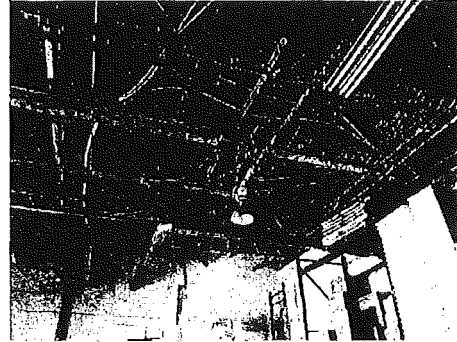
There is another disconnect switch for the older section of the building located in the old electrical room and is rated for 600 amps.



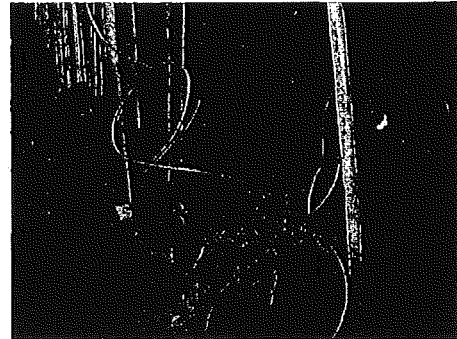
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Loose live wiring, temporary wiring, unsecured junction boxes and receptacles and missing lighting fixtures were observed in the Cool Ocean Impex Inc and the Scrap-to-Go tenant spaces.



The electrical distribution panel located in the Scrap-to-Go tenant space is placed on the floor. We recommend the distribution panel be properly installed on the wall.



The power supply to tenant owned equipment is not professionally installed. We did not observe any ground fault circuit (GFC) breakers located within the tenant spaces.

Article 629-35.C of the Toronto Municipal Code (Property Standards) details the following requirement:

629-35. Electrical service and outlets.

- C. All electrical fixtures, switches, receptacles and connections to them shall be maintained in a safe and complete condition and in good working order.

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In our opinion, the current condition of the electrical panels, junction boxes, receptacles and light fixtures in the S.K. Food Equipment leased space does not meet the requirements detailed in Article 629-35.C of the Toronto Municipal Code.

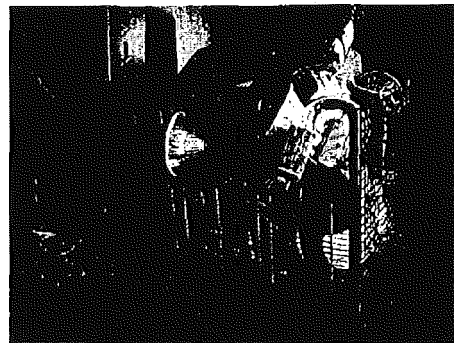
Due to the above observations, it appears the electrical distribution system is not maintained and it poses potential life, safety and fire hazards. Additionally, it does not appear that electrical installations were carried out with the benefit of an electrical permit or that the electrical modifications were inspected and approved by the Electrical Safety Authority (ESA). We recommend that an electrical permit be obtained from ESA for the electrical modifications/installations.

4.2.4 Lighting

Lighting to the Cool Ocean Impex Inc is provided by one (1) ft. x four (4) ft. fluorescent lamp pendent type fixtures and HID lamp high bay lighting fixtures.



High bay lighting fixtures have been removed from the warehouse (the Cool Ocean Impex Inc) areas and other storage rooms. These areas do not appear to have adequate lighting levels. We recommend high bay fixtures be re-installed in the area where necessary.



Lighting to the Scrap to Go tenant space is provided by one (1) ft. x four (4) ft. dual tube fluorescent lamp pendent type fixtures.



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The north east side of the warehouse (Scrap to Go) area does not have adequate lighting. We recommend adequate lighting be installed in the area where necessary.

629-36. Lighting.

- A. Adequate artificial light required to maintain the level of illumination shall be provided at all times.

In our opinion, the current condition of the warehouse and other storage areas of the tenant space does not meet the requirements detailed in Article 629-36.A of the Toronto Municipal Code. We recommend high bay fixtures be re-installed in the area where necessary to provide the required lighting.

4.2.5 Miscellaneous Fire Safety Systems

During our site visit we observed that the required fire separations between tenant spaces are not maintained.

Currently the walk-in freezer and cooler walls and ceilings are used for the fire separations between the metal recycling facility (Scrap-to-Go) and the Cool Ocean Impex tenant space.



Article 3.3.1.1. of the Ontario Building Code details the following requirements for the separation of suites:

3.3.1.1. Separation of Suites

- (1) Except as permitted by Sentences (2) and (3), each *suite* in other than *business and personal services occupancies* shall be separated from adjoining *suites* by a *fire separation* having a *fire-resistance rating* not less than 1 h.
- (2) The *fire-resistance rating* of the *fire separation* required by Sentence (1) is permitted to be less than 1 h but not less than 45 min provided the *fire-resistance rating* required by Subsection 3.2.2. is permitted to be less than 1 h

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for,

- (a) the floor assembly above the *floor area*, or
- (b) the floor assembly below the *floor area*, if there is no floor assembly above.

(3) *Occupancies* that are served by *public corridors* conforming to Clause 3.3.1.4.(4)(b) in a *building* that is *sprinklered*, are not required to be separated from one another by *fire separations* provided the *occupancies* are,

- (a) *suites of business and personal services occupancy*,
- (b) fast food vending operations that do not provide seating for customers,
- (c) *suites of mercantile occupancy*, or
- (d) any combination of these *occupancies*.

Article 3.3.1.1. details a requirement for the fire separations between suites (i.e., between adjacent tenant spaces) to have a fire resistance rating of not less than 1 hour.

We recommend an architect or engineer be retained to design the fire separations and means of egress from the S.K Food Equipment leased spaces and that a building permit be obtained for the required remedial work.

4.3 Recommendations

Based on our visual review we are of the opinion that the following repair/remedial work is required immediately:

- Install a backflow prevention device at the water supply to each tenant space,
- Obtain an electrical permit from the Electrical Safety Authority for the electrical installations/modifications within the tenant spaces.
- Re-install high bay lighting fixtures in the area where necessary
- Mount the power distribution panel that is currently resting on the floor on the wall,
- Provide adequate lighting fixtures in the area where necessary, and
- Obtain a building permit from Toronto Building for the interior alterations (including fire separations).

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5.0 ZONING REVIEW**5.1 General**

City of Toronto Zoning By-law 569-2013, as amended, regulates the use of land, the bulk, height, location, erection and use of buildings and structures, the provision of parking spaces, loading spaces and other associated matters in the City of Toronto.

The following uses are currently being carried out at 38 Metropolitan Road:

- Cold storage facility,
- Food manufacturing facility,
- Medical marihuana production facility (use to be confirmed), and
- Recovery facility for the recycling of electronics and metals.

5.2 Comments

- .1 Chapter 5 of Zoning By-law 569-2013 details regulations applying to all lands, uses, buildings and structures in the City of Toronto. Based on our review we are of the opinion that the property at 38 Metropolitan Road meets the regulations detailed in this chapter of the zoning by-law.
- .2 Chapter 60 of Zoning By-law 569-2013 details regulations applying to the Employment – Industrial Zone category. The Employment – Industrial Zone category is divided into the following 4 zones:
 - Employment Light Industrial Zone (EL)
 - Employment Industrial Zone (E)
 - Employment Heavy Industrial Zone (EH)
 - Employment Industrial Office Zone (EO)
- .3 The Zoning By-law Map in Section 990.10 of By-law 569-2013 identifies that the property at 38 Metropolitan Road in Toronto is located in an Employment Industrial Zone (identified by the letter 'E' on the zoning map).
- .4 Furthermore, the Zoning By-law Map details a requirement for the property at 38 Metropolitan Road to have a Floor Space Index (FSI) of no more than 0.80.
- .5 Section 60.5 of Zoning By-law 569-2013 details regulations applying to all lands, uses, buildings and structures in the Employment – Industrial Zone category. Based on our review we are of the opinion that the property at 38 Metropolitan Road meets the regulations detailed in this section of the zoning by-law.

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- .6 Clause 60.5.40.40 of Zoning By-law 569-2013 details gross floor area regulations that apply to properties within the Employment – Industrial Zone category, including the procedure for calculating the Floor Space Index (FSI) of a building in this category. Based on the information provided to us, we calculate that the building at 38 Metropolitan Road has an FSI of approximately 0.67, and therefore, we are of the opinion that the building at 38 Metropolitan Road meets the FSI regulation detailed in the zoning by-law.
- .7 Section 60.20 of Zoning By-law 569-2013, as amended by Zoning By-law 0403-2014 (currently under appeal with the Ontario Municipal Board (OMB)), details regulations applying to all lands, uses, buildings and structures in the Employment Industrial Zone (E).
- .8 Clause 60.20.20.10 details the permitted uses within the E zone. The use of the property for Cold Storage and Food Manufacturing and as a Metal Recycling Facility are permitted uses.

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6.0 LIMITATIONS

Any maintenance, repair or replacement schedules contained in this report are based on the assumption that the recommendations contained in this report will be carried out, that the property will be maintained on a regular and routine basis by skilled and qualified tradesmen and that a program of periodic professional review will be carried out throughout the life of the property. Failure to undertake any of these tasks in an expeditious manner may result in unanticipated failure of any of the systems and components that form the property and its improvements and lead to issues of public safety.

The information presented in this report is based on direct visual observation made by personnel with CCI Group Inc. and in some instances as noted within the report on information provided by others. Recommendations contained within our report reflect our informed opinion based on the information gathered during our investigation. The findings cannot be extended to components of the building or portions of the site that were not reviewed or that were concealed or unavailable for direct observation at the time of our visit. There is a possibility for additional deficiencies being present in the building which have not been identified during our visit, given the limited nature of this review.

Our mandate is to complete a visual walk-through survey of items, components and systems that are conspicuous, patent and which may be observed visually during the walk-through survey without intrusion, removal of material, exploratory probing or the use of special equipment. Therefore, concealed or inaccessible physical deficiencies are specifically excluded from our mandate. Our interviews of building personnel attempt to uncover known concerns in the building, but we cannot attest to the integrity or knowledge of the interviewees, nor can this process, or the proposed scope of work in its entirety, be considered technically exhaustive or be considered to eliminate all risks related to owning or having a financial interest in this property.

No legal survey, soil test, detailed structural engineering investigation, or quantity survey compilation have been made. Our scope of services for this assignment did not include a design review or engineering analysis of any of the building's systems or components. No responsibility, therefore, is assumed concerning these matters, or for any failure to carry out those technical or engineering procedures required to discover any inherent or hidden condition of this property since such investigation work was not included in the terms of reference governing this study.

The conclusions and recommendations detailed in this report are based upon the information available at the time of preparation of the report. No investigative method eliminates the possibility of obtaining imprecise or incomplete information. Professional judgement was

PROPERTY CONDITION ASSESSMENT

S.K. Food Equipment, 38 Metropolitan Road, Toronto, ON

exercised in gathering and analyzing the information obtained and in the formulation of our conclusions and recommendations. The recommendations are not intended to be utilized as a detailed specification for any remedial work that may be required. CCI Group Inc. accepts no responsibility for interpretation of our recommendations, or actions taken based on them without our consultation and supervision.

The mechanical and electrical equipment and the fire safety systems were visually inspected where accessible. The systems were not dismantled to verify the condition of the internal components.

We did not carry out a review to check compliance with all Building or Fire Code requirements which may have been applied at the time of construction, or which may be retroactively applied to this building. Our review assumes that the design professionals and building permit process have created a design (and subsequent construction) that is code compliant.

Information provided by CCI Group Inc. is intended for the exclusive use of **msi Spergel Inc.** CCI Group Inc. will not provide results or information to any party other than the client, unless the client, in writing, requests that information be provided to a third party or unless disclosure by CCI Group Inc. is required by law. Any use by a third party, of reports or documents authored by CCI Group Inc., or any reliance by a third party, or decisions made by a third party, on the findings described in reports or documents authored by CCI Group Inc., is the sole responsibility of such third parties. CCI Group Inc. accepts no responsibility for damages suffered by any third party as a result of decisions made or work carried out based on reports or documents authored by CCI Group Inc.

CCI Group Inc. makes no representations concerning the legal and medical significance of our findings. With respect to regulatory compliance requirements, regulations change from time to time, and interpretation of their meaning and intent may also change. CCI Group Inc. accepts no responsibility for any legal interpretation of the Regulations, or the consequent financial effect on transactions, property values, or requirements for follow-up actions and costs.

The liability of CCI Group Inc. or its staff is limited to the fees paid or actual damages incurred by the client, whichever is less. CCI Group Inc. is not responsible for consequential or indirect damages. All claims by the client shall be deemed relinquished if not made within two years after last date of services provided.

The client expressly agrees that it has entered into this agreement with CCI Group Inc., both on its own behalf and as agent on behalf of its employees and principals.

PROPERTY CONDITION ASSESSMENT

S.K. Food Equipment, 38 Metropolitan Road, Toronto, ON

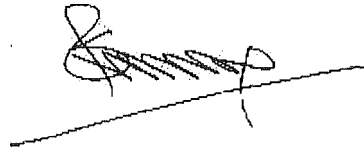
The client expressly agrees that CCI Group Inc.'s employees and principals shall have no personal liability to the client in respect of a claim, whether in contract, or tort, or in any other cause of action in law. Accordingly, the client expressly agrees that it will bring no proceedings and will take no action in any court of law against any of CCI Group Inc.'s employees or principals.

We trust that the foregoing information is sufficient for your present needs and will be pleased to review the contents of this report in greater detail should you so require.

Yours truly,
CCI Group Inc.



Medil Gamage, P.Eng.
Building Assessment Group



Sam Appuhamy, P.Eng.,
Building Assessment Group

Reviewed by:



Mari Subero, P.Eng.
Building Assessment Group

In the Matter of the Receivership of
2292319 Ontario Inc.
Receiver's Statement of Projected Receipts and Disbursements
as at December 20, 2016

	<u>Actual As At</u> <u>14-Dec-16</u>	<u>Projected To</u> <u>31-Mar-16</u>	<u>Total</u>	<u>Notes</u>
Receipts				
Advances from Secured Creditor	\$ 100,000.00	\$ -	\$ 100,000.00	
Rental Income	200,299.43	56,346.12	256,645.55	
Utility Back Charges to Tenants	267,254.12	335,651.96	602,906.08	
HST Collected	25,713.87	7,325.00	33,038.87	
Settlement with Former Tenant	3,400.00	-	3,400.00	
Interest Earned	130.51	-	130.51	
Total Receipts	\$ 596,797.93	\$ 399,323.08	\$ 996,121.01	
Disbursements				
Utilities	\$ 286,375.77	\$ 337,635.60	\$ 624,011.37	
Receiver's Fees and Disbursements	103,528.19	94,588.41	198,116.60	1
Legal Fees and Disbursements	79,489.95	48,618.24	128,108.19	2
Insurance	39,930.84	15,937.56	55,868.40	
HST Paid on Disbursements	29,420.24	19,555.47	48,975.71	
Repairs and Maintenance	27,337.37	27,220.00	54,557.37	3
Environmental Consulting Fees	8,500.00	-	8,500.00	
Lock Changing, Inspections and Site Management	7,615.64	10,000.00	17,615.64	
Filing Fee, License, Bank Charges	397.50	-	397.50	
Total Disbursements	\$ 582,595.50	\$ 553,555.28	\$ 1,136,150.78	
Total Receipts less Disbursements	\$ 14,202.43	\$ (154,232.21)	\$ (140,029.78)	<i>E&OE</i>

Notes:

1. Receiver's outstanding fees and disbursements as at November 30, 2016 amount to \$44,588. The Receiver has estimated additional fees and disbursements of \$50,000 to March 31, 2016.
2. Legal fees and disbursements rendered as of October 31, 2016 amount to \$18,618. The Receiver has estimated additional fees and disbursements of \$30,000 to March 31, 2016.
3. Projected disbursements for repairs and maintenance include costs related to snow removal as well as repairs and conversion of the existing sprinkler system to a "dry" system. These costs are known to the Receiver as of the date of this statement.

TAB 14



November 4, 2016

Via Email to ctran822@gmail.com

Green Island Trading Co.
38 Metropolitan Road
Toronto, ON M9V 3B9
Attention: Cuong Tran

Re: Lease dated July 20, 2015 (the "**Lease**") between 2292319 Ontario Inc. (the "**Landlord**") and Green Island Trading Company (the "**Tenant**") of the premises known as 38 Metropolitan Road, Toronto, Ontario (the "**Property**")

Mr. Tran,

Please be advised that the Receiver recently engaged CCI Group Inc. ("**CCI**"), an engineering consulting firm, for the purposes of carrying out a condition assessment of the tenanted portions of the Property. CCI attended the Property on August 3, 2016 to conduct its inspection.

CCI's Property Condition Assessment Report (the "**Condition Report**") addresses deficiencies with respect to the spaces currently occupied by the Tenant under the Lease. The Receiver views these deficiencies as defaults under the Lease and demands remediation of all deficiencies summarized below. A copy of the Condition Report has also been enclosed for your reference.

Deficiencies Related to Interior Finishes

- Cleansing and removal of all traces of suspected mould (as evidenced by black stains) from all surfaces within the premises; and,
- Installation of a waterproofing system is required at the floor slab to prevent the penetration of water into the exposed concrete floor slab and prevent resulting corrosion of the underlying steel deck and supporting structure.

Deficiencies Related to Structural Framing

- Repair to the areas of damaged fireproofing at the underside of the second floor framing.

Deficiencies Related to Mechanical and Electrical Installations

- Installation of a backflow prevention device at the water supply;
- Installation of floor drains on the second floor level which connect to the storm sewer system;
- Obtain and present evidence of an electrical permit from the Electrical Safety Authority for the electrical installations/modifications within the subtenant spaces; and,
- Obtain and present evidence of a building permit from Toronto Building for the interior alterations including fire separations and ventilation systems.

msi Spergel inc. 505 Consumers Road, Suite 200, Toronto, Ontario M2J 4V8 • Tel 416 497 1660 • Fax 416 494 7199 • www.spergel.ca
Barrie 705 722 5090 • Hamilton 905 527 2227 • Mississauga 905 602 4143 • Oshawa 905 721 8251 • Toronto-Central 416 778 8813

Member **CAIRP** Canadian Association of Insolvency and Restructuring Practitioners

Member **ICIN** The Independent Canadian Insolvency Network

Be advised that this notice is without prejudice to any and all of the Landlord's rights under the Leases and at law. The Landlord does not, as a result of any of its actions or the contents of this notice, acknowledge, waive or accept any other defaults in respect of the Lease.

The acceptance by the Landlord of any rent after the date of this notice will not constitute a waiver of the Landlord's rights as a result of the aforementioned default or any other defaults under the Lease and the time periods for your remedying the default will not hereby be extended. Any failure or delay by the Landlord in strictly enforcing your performance under the Lease are all without prejudice to the Landlord's rights under the Lease and at law.

msi Spergel Inc.,
In its capacity as Court-Appointed Receiver of
2292319 Ontario Inc.

Per:



Daniel Battiston, CPA, CA
Corporate Estate Manager



November 25, 2016

Via Email to 888bbbsc@gmail.com

SK Food Equipment
38 Metropolitan Road
Toronto, ON M9V 3B9
Attention: Raymond Young

Re: Leases dated August 17, 2012, November 26, 2012 and February 18, 2014 (the "**Leases**") between 2292319 Ontario Inc. (the "**Landlord**") and S.K. Food Equipment (the "**Tenant**") of the premises known as 38 Metropolitan Road, Toronto, Ontario (the "**Property**")

Mr. Young,

Please be advised that the Receiver recently engaged CCI Group Inc. ("**CCI**"), an engineering consulting firm, for the purposes of carrying out a condition assessment of the tenanted portions of the Property. CCI attended the Property on August 3, 2016 to conduct its inspection.

CCI's Property Condition Assessment Report (the "**Condition Report**") addresses deficiencies with respect to the spaces currently occupied by the Tenant under the Leases. The Receiver views these deficiencies as defaults under the Leases and demands remediation of all deficiencies summarized below. A copy of the Condition Report has also been enclosed for your reference.

Deficiencies Related to Interior Finishes

- Re-stacking of all leaning skids throughout the premises;
- Cleansing and removal of all traces of suspected mould (as evidenced by black stains) from all surfaces within the premises;
- Installation of frost protection below the freezer floor slabs to prevent frost action (heaving) of the floor slabs within the Cool Ocean space. Insulation below the floor slab within the freezers is required, as detailed on drawing A1 of application 11-327509;
- Institute measures to prevent the flow of water from the Cool Ocean premises into the adjacent vacant warehouse space; and,
- Repair to the finishes in the washroom and the impact damaged masonry wall.

Deficiencies Related to Structural Framing

- Removal of the wood framed tunnel located within the space occupied by Cool Ocean unless evidence of a proper building permit can be produced; and,
- Repair to the areas of damaged fireproofing at the underside of the second floor framing.

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Deficiencies Related to Mechanical and Electrical Installations

- Installation of a backflow prevention device at the water supply to each subtenant space;
- Re-install high bay lighting and adequate lighting fixtures throughout the premises where required;
- Mount the power distribution panel that is currently located on the floor;
- Obtain and present evidence of an electrical permit from the Electrical Safety Authority for the electrical installations/modifications within the subtenant spaces; and,
- Obtain and present evidence of a building permit from Toronto Building for the interior alterations including fire separations.

Be advised that this notice is without prejudice to any and all of the Landlord's rights under the Leases and at law. The Landlord does not, as a result of any of its actions or the contents of this notice, acknowledge, waive or accept any other defaults in respect of the Lease.

The acceptance by the Landlord of any rent after the date of this notice will not constitute a waiver of the Landlord's rights as a result of the aforementioned default or any other defaults under the Lease and the time periods for your remedying the default will not hereby be extended. Any failure or delay by the Landlord in strictly enforcing your performance under the Lease are all without prejudice to the Landlord's rights under the Lease and at law.

msi Spergel Inc.,
In its capacity as Court-Appointed Receiver of
2292319 Ontario Inc.
Per:



Daniel Battiston, CPA, CA
Corporate Estate Manager

Daniel Battiston

From: Daniel Battiston
Sent: November 21, 2016 10:42 AM
To: Ray Young (888bbsec@gmail.com)
Cc: Philip Gennis; Sanjeev Mitra (smitra@airdberlis.com) (smitra@airdberlis.com); 'Jeremy Nemers'
Subject: Notice from Electrical Safety Authority (ESA) re Electrical Deficiencies at the Property
Attachments: Notice from ESA re Electrical Deficiencies - November 9, 2016.pdf


Raymond,

Further to the ESA's on-site inspection on November 8, 2016, please refer to the attached notice. The ESA has identified multiple concerns with the electrical work performed at the property that needs to be rectified forthwith. Please ensure that all deficiencies within the premises currently occupied by SK Foods are addressed appropriately.

Thank you

Daniel Battiston, CPA, CA | Manager - Corporate Estates

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

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**Electrical
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400 Sheldon Dr, Unit 1, Cambridge, ON , N1T 2H9

For inquiries:

TOLL FREE TEL: 1-877-372-7233

TOLL FREE FAX: 1-800-667-4278

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karen NOV 15 2016

Working Without Electrical Inspection

MSI SPERGEL INC
505 CONSUMERS RD U200
TORONTO ON M2J 4V8

NOTICE DATE: November 09, 2016
NOTIFICATION #: 70137280
PRINT DATE: November 09, 2016

Re:

MSI SPERGEL INC
CARE OF ROYAL BANK OF CANADA
38 METROPOLITAN RD
TORONTO ON M1R 2T6
SCARBOROUGH

The defects listed below need correction by November 22, 2016 in order to fulfill the requirements of the Ontario Electrical Safety Code. Please **READ** the Instructions for Correcting Defects.

INSTRUCTIONS FOR CORRECTING DEFICIENCIES

- a) Phone ESA, make Application for Inspection, and pay the associated fees.
- b) Please inform ESA that your call is in response to this notice.
- c) A person issued a Defect by the Authority may, **WITHIN 15 days** of the issuance of the Defect, apply to the Director in writing for a review of the Defect. Information regarding the right to appeal is available on the Electrical Safety Authority website at www.esasafe.com under Government & Regulations, Appeals Regulation.
- d) In the event a defect is identified as 'Warning', it is still necessary to correct or have the defect corrected.

It has come to our attention that you and/or your employee(s) have done electrical wiring at the above location without filing an Application for Inspection with the Electrical Safety Authority. This is contrary to Rule 2-004(1) of the Ontario Electrical Safety Code, and Ontario Regulation 164/99 made pursuant to Section 113 of the Electricity Act, 1998 which reads as follows:

Rule 2-004 Inspection

A contractor shall file with the inspection department a completed application for inspection of any work on an electrical installation:

- a) Before or within 48 hours after commencement of the work whether or not electrical power or energy has been previously supplied to the land, building, or premises on which the work was performed;
- b) Shall pay the fees prescribed by the inspection department;
- c) Be in compliance with Ontario Regulation 570/05 made pursuant to Section 113 of the Electricity Act, 1998.



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TOLL FREE FAX: 1-800-667-4278

Violation of Rule 2-004 and Regulation 438/07 constitutes a provincial offence under the Provincial Offences Act, which upon conviction may result in the following:

- a) Liable for a fine up to \$50,000;
- b) Liable for a fine up to \$5,000 for each day an offence is committed; and
- c) Imprisonment for a term up to one year.

NOTE:

Ontario Electrical Safety Code defines "Contractor" as "...any person who, as principal, servant, or agent, by himself or his associates, employees, servants or agents, performs or engages to perform, either for own use and benefit or for that of another, and for or without remuneration or gain, any work with respect to any electrical installation or any other work to which this Code applies...". **You are, therefore, requested to contact the Electrical Safety Authority to make an application for electrical inspection without delay.**

-
- | | |
|---|---|
| 1 | November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 02-004 - Any person responsible for any installed, alteration, repair, or extension of any electrical equipment, shall obtain an application for inspection from the Electrical Safety Authority. |
|---|---|
-
- | | |
|---|--|
| 2 | November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 2-018 - The items listed in the attached report identify potential electrical hazards only. This inspection is not intended to imply that the wiring complies with the current requirements of the Ontario Electrical Safety Code. |
|---|--|
-
- | | |
|---|--|
| 3 | November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 10-204 - The electrical service shall be grounded.
Please confirm the above requirement is met for the main service |
|---|--|
-
- | | |
|---|---|
| 4 | November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 10-400 -
10-400 Fixed equipment, general |
|---|---|

Exposed, non-current-carrying metal parts of fixed equipment shall be bonded to ground if the equipment is supplied by means of metal-enclosed wiring;

Main electrical room.

It appears that bonding conductor for the 400 Amp. disconnect switch fed from the main splitter, has been cut.

Please confirm the above requirement is met.



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For inquiries:

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TOLL FREE FAX: 1-800-667-4278

-
- 5 November 09, 2016
 Defect Inspector: Zandi, Alex Cell no:(416)791-6506
 OESC 2015 Rule 10-812 - The Xo point of the transformer shall be connected to a grounding electrode with not smaller than No. 6 AWG Cu (No. 4 AWG Al) grounding conductor. See Bulletin 10-21-*.
 225 KVA transformer in the electrical room close to the main electrical room.

 Please check all transformers.
-
- 6 November 09, 2016
 Defect Inspector: Zandi, Alex Cell no:(416)791-6506
 OESC 2015 Rule 12-608 -
 12-608 Continuity of armoured cable

 Armoured cable shall be run in a manner such that the mechanical and electrical continuity of the armour is maintained throughout the run, and the armour of cables shall be mechanically and electrically secured to all equipment to which it is attached.

 Multiple locations where TECK cable was used.
-
- 7 November 09, 2016
 Defect Inspector: Zandi, Alex Cell no:(416)791-6506
 OESC 2015 Rule 10-404(1)(b) - Metal boxes to be bonded.
 Utility box between exterior wall & the stairs going to second floor offices above the main electrical room.

 Please check throughout.
-
- 8 November 09, 2016
 Defect Inspector: Zandi, Alex Cell no:(416)791-6506
 OESC 2015 Rules 12-114, 2-126 and 12-3000 - Incomplete or unused wiring is required to be disconnected, removed or to made safe by terminating in approved enclosures. See Bulletin 12-25-*.
 Please check throughout.
-
- 9 November 09, 2016
 Defect Inspector: Zandi, Alex Cell no:(416)791-6506
 OESC 2015 Rule 12-3024 - Fill all unused openings in cabinets, boxes, panelboards and fittings.
 Please check throughout.
-
- 10 November 09, 2016
 Defect Inspector: Zandi, Alex Cell no:(416)791-6506
 OESC 2015 Rule 12-3024 - Panel fillers are required in the unused openings in the breaker panelboard.
 Please check throughout.



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For inquiries:

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TOLL FREE FAX: 1-800-667-4278

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-
- 11 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 12-3012(1) - Boxes, cabinets, and fittings shall be fastened securely in place.
Please check throughout.
-
- 12 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 12-3022(3) - Cables entering boxes or enclosures shall be secured by approved box connectors or cable clamps.
Please check throughout.
-
- 13 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 12-3000(1) - All joints shall be made in approved electrical box(es). Above the coolers.
Please check throughout.
-
- 14 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 12-3000(5) - Cover plates are required on all devices.
Please check throughout.
-
- 15 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 04-012(3)(a)(ii) - Flexible cord shall not be run through holes in walls, ceilings or floors, or permanently secured to any structural member.
-
- 16 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 12-618 - Where armoured cable is run between boxes and fittings, it shall be supported by approved straps or other approved means within 300 mm (12) of every box or fitting and at intervals of not more than 1.5 m (5 ft) throughout the run.
-
- 17 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 22-102 -
22-102 Type of construction
- (4) Where the electrical equipment is, or is likely to be, exposed to splashing of water, it shall be of a weatherproof or watertight type of construction.
- Exterior equipments.
Please check throughout.



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For inquiries:

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TOLL FREE FAX: 1-800-667-4278

18 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 22-200 - Cables in wet location shall meet the requirements of Rule
4-008(1) and Table 19.
AC90 used outside.

Pour obtenir une version française du rapport, veuillez appeler 1-877-372-7233.

Daniel Battiston

From: Daniel Battiston
Sent: November 21, 2016 10:43 AM
To: 'ctran822@gmail.com'
Cc: Philip Gennis; Sanjeev Mitra (smitra@airdberlis.com) (smitra@airdberlis.com); 'Jeremy Nemers'
Subject: RE: Notice from Electrical Safety Authority (ESA) re Electrical Deficiencies at the Property
Attachments: Notice from ESA re Electrical Deficiencies - November 9, 2016.pdf

Notice attached

Daniel Battiston, CPA, CA | Manager - Corporate Estates

 **msi Spergel inc., Licensed Insolvency Trustee**
 505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8
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SPERGEL dbattiston@spergel.ca | www.spergel.ca

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From: Daniel Battiston
Sent: November 21, 2016 10:43 AM
To: 'ctran822@gmail.com'
Cc: Philip Gennis; Sanjeev Mitra (smitra@airdberlis.com) (smitra@airdberlis.com); 'Jeremy Nemers'
Subject: Notice from Electrical Safety Authority (ESA) re Electrical Deficiencies at the Property

Mr. Tran,

Further to the ESA's on-site inspection on November 8, 2016, please refer to the attached notice. The ESA has identified multiple concerns with the electrical work performed at the property that needs to be rectified forthwith. Please ensure that all deficiencies within the premises currently occupied by Green Island are addressed appropriately.

Thank you

Daniel Battiston, CPA, CA | Manager - Corporate Estates

 **msi Spergel inc., Licensed Insolvency Trustee**
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For inquiries:

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TOLL FREE FAX: 1-800-667-4278

karen NOV 15 2016

Working Without Electrical Inspection

MSI SPERGEL INC
505 CONSUMERS RD U200
TORONTO ON M2J 4V8

NOTICE DATE: November 09, 2016
NOTIFICATION #: 70137280
PRINT DATE: November 09, 2016

Re:

MSI SPERGEL INC
CARE OF ROYAL BANK OF CANADA
38 METROPOLITAN RD
TORONTO ON M1R 2T6
SCARBOROUGH

The defects listed below need correction by November 22, 2016 in order to fulfill the requirements of the Ontario Electrical Safety Code. Please **READ** the Instructions for Correcting Defects.

INSTRUCTIONS FOR CORRECTING DEFICIENCIES

- a) Phone ESA, make Application for Inspection, and pay the associated fees.
- b) Please inform ESA that your call is in response to this notice.
- c) A person issued a Defect by the Authority may, WITHIN 15 days of the issuance of the Defect, apply to the Director in writing for a review of the Defect. Information regarding the right to appeal is available on the Electrical Safety Authority website at www.esasafe.com under Government & Regulations, Appeals Regulation.
- d) In the event a defect is identified as 'Warning', it is still necessary to correct or have the defect corrected.

It has come to our attention that you and/or your employee(s) have done electrical wiring at the above location without filing an Application for Inspection with the Electrical Safety Authority. This is contrary to Rule 2-004(1) of the Ontario Electrical Safety Code, and Ontario Regulation 164/99 made pursuant to Section 113 of the Electricity Act, 1998 which reads as follows:

Rule 2-004 Inspection

A contractor shall file with the inspection department a completed application for inspection of any work on an electrical installation:

- a) Before or within 48 hours after commencement of the work whether or not electrical power or energy has been previously supplied to the land, building, or premises on which the work was performed;
- b) Shall pay the fees prescribed by the inspection department;
- c) Be in compliance with Ontario Regulation 570/05 made pursuant to Section 113 of the Electricity Act, 1998.



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400 Sheldon Dr, Unit 1, Cambridge, ON , N1T 2H9

For inquiries:

TOLL FREE TEL: 1-877-372-7233

TOLL FREE FAX: 1-800-667-4278

Violation of Rule 2-004 and Regulation 438/07 constitutes a provincial offence under the Provincial Offences Act, which upon conviction may result in the following:

- a) Liable for a fine up to \$50,000;
- b) Liable for a fine up to \$5,000 for each day an offence is committed; and
- c) Imprisonment for a term up to one year.

NOTE:

Ontario Electrical Safety Code defines "Contractor" as "...any person who, as principal, servant, or agent, by himself or his associates, employees, servants or agents, performs or engages to perform, either for own use and benefit or for that of another, and for or without remuneration or gain, any work with respect to any electrical installation or any other work to which this Code applies...". **You are, therefore, requested to contact the Electrical Safety Authority to make an application for electrical inspection without delay.**

-
- | | |
|---|---|
| 1 | November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 02-004 - Any person responsible for any installed, alteration, repair, or extension of any electrical equipment, shall obtain an application for inspection from the Electrical Safety Authority. |
|---|---|
-
- | | |
|---|--|
| 2 | November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 2-018 - The items listed in the attached report identify potential electrical hazards only. This inspection is not intended to imply that the wiring complies with the current requirements of the Ontario Electrical Safety Code. |
|---|--|
-
- | | |
|---|--|
| 3 | November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 10-204 - The electrical service shall be grounded.
Please confirm the above requirement is met for the main service |
|---|--|
-
- | | |
|---|---|
| 4 | November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 10-400 -
10-400 Fixed equipment, general |
|---|---|
-

Exposed, non-current-carrying metal parts of fixed equipment shall be bonded to ground if the equipment is supplied by means of metal-enclosed wiring;

Main electrical room.

It appears that bonding conductor for the 400 Amp. disconnect switch fed from the main splitter, has been cut.

Please confirm the above requirement is met.



**Electrical
Safety
Authority**

www.esasafe.com

400 Sheldon Dr, Unit 1, Cambridge, ON , N1T 2H9

For inquiries:

TOLL FREE TEL: 1-877-372-7233

TOLL FREE FAX: 1-800-667-4278

-
- 5 November 09, 2016
 Defect Inspector: Zandi, Alex Cell no:(416)791-6506
 OESC 2015 Rule 10-812 - The Xo point of the transformer shall be connected to a grounding electrode with not smaller than No. 6 AWG Cu (No. 4 AWG Al) grounding conductor. See Bulletin 10-21-*.
 225 KVA transformer in the electrical room close to the main electrical room.
- Please check all transformers.
-
- 6 November 09, 2016
 Defect Inspector: Zandi, Alex Cell no:(416)791-6506
 OESC 2015 Rule 12-608 -
 12-608 Continuity of armoured cable
- Armoured cable shall be run in a manner such that the mechanical and electrical continuity of the armour is maintained throughout the run, and the armour of cables shall be mechanically and electrically secured to all equipment to which it is attached.
- Multiple locations where TECK cable was used.
-
- 7 November 09, 2016
 Defect Inspector: Zandi, Alex Cell no:(416)791-6506
 OESC 2015 Rule 10-404(1)(b) - Metal boxes to be bonded.
 Utility box between exterior wall & the stairs going to second floor offices above the main electrical room.
- Please check throughout.
-
- 8 November 09, 2016
 Defect Inspector: Zandi, Alex Cell no:(416)791-6506
 OESC 2015 Rules 12-114, 2-126 and 12-3000 - Incomplete or unused wiring is required to be disconnected, removed or to made safe by terminating in approved enclosures. See Bulletin 12-25-*.
 Please check throughout.
-
- 9 November 09, 2016
 Defect Inspector: Zandi, Alex Cell no:(416)791-6506
 OESC 2015 Rule 12-3024 - Fill all unused openings in cabinets, boxes, panelboards and fittings.
 Please check throughout.
-
- 10 November 09, 2016
 Defect Inspector: Zandi, Alex Cell no:(416)791-6506
 OESC 2015 Rule 12-3024 - Panel fillers are required in the unused openings in the breaker panelboard.
 Please check throughout.



www.esasafe.com

400 Sheldon Dr, Unit 1, Cambridge, ON , N1T 2H9

For inquiries:

TOLL FREE TEL: 1-877-372-7233

TOLL FREE FAX: 1-800-667-4278

499

-
- 11 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 12-3012(1) - Boxes, cabinets, and fittings shall be fastened securely in place.
Please check throughout.
-
- 12 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 12-3022(3) - Cables entering boxes or enclosures shall be secured by approved box connectors or cable clamps.
Please check throughout.
-
- 13 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 12-3000(1) - All joints shall be made in approved electrical box(es). Above the coolers.
Please check throughout.
-
- 14 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 12-3000(5) - Cover plates are required on all devices.
Please check throughout.
-
- 15 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 04-012(3)(a)(ii) - Flexible cord shall not be run through holes in walls, ceilings or floors, or permanently secured to any structural member.
-
- 16 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 12-618 - Where armoured cable is run between boxes and fittings, it shall be supported by approved straps or other approved means within 300 mm (12) of every box or fitting and at intervals of not more than 1.5 m (5 ft) throughout the run.
-
- 17 November 09, 2016
Defect Inspector: Zandi, Alex Cell no:(416)791-6506
OESC 2015 Rule 22-102 -
22-102 Type of construction
- (4) Where the electrical equipment is, or is likely to be, exposed to splashing of water, it shall be of a weatherproof or watertight type of construction.
- Exterior equipments.
Please check throughout.



www.esasafe.com

400 Sheldon Dr, Unit 1, Cambridge, ON , N1T 2H9

For inquiries:

TOLL FREE TEL: 1-877-372-7233

TOLL FREE FAX: 1-800-667-4278

18 November 09, 2016

Defect Inspector: Zandi, Alex Cell no:(416)791-6506

OESC 2015 Rule 22-200 - Cables in wet location shall meet the requirements of Rule 4-008(1) and Table 19.

AC90 used outside.

Pour obtenir une version française du rapport, veuillez appeler 1-877-372-7233.



Daniel Battiston, CPA, CA
 Phone: (647) 288-7625
 dbattiston@spergel.ca

December 20, 2016

Via Email to 888bbssc@gmail.com

SK Food Equipment
 38 Metropolitan Road
 Toronto, ON M9V 3B9
 Attention: Raymond Young

Mr. Young

Re: Leases dated August 17, 2012, November 26, 2012 and February 18, 2014 (the "Leases") between 2292319 Ontario Inc. (the "Landlord") and S.K. Food Equipment (the "Tenant") of the premises known as 38 Metropolitan Road, Toronto, Ontario (the "Property")

Further to correspondence issued by the Receiver on November 21, 2016 and November 25, 2016 in respect of deficiencies identified in the premises currently occupied by SK Food Equipment, including specific electrical deficiencies noted by the Electrical Safety Authority ("ESA"), the Receiver has not received a response to date not any indication whether or not any progress has been made to remediate the outstanding deficiencies.

The Receiver requests a response in respect of the aforementioned forthwith. Copies of correspondence issued by the Receiver on November 4, 2016 and November 21, 2016 in respect of the noted deficiencies are enclosed for your reference.

msi Spergel Inc.,
In its capacity as Court-Appointed Receiver of
2292319 Ontario Inc.
 Per:

Daniel Battiston, CPA, CA
 Corporate Estate Manager



Daniel Battiston, CPA, CA
 Phone: (647) 288-7625
 dbattiston@spergel.ca

December 20, 2016

Via Email to ctran822@gmail.com

Green Island Trading Co.
 38 Metropolitan Road
 Toronto, ON M9V 3B9
 Attention: Cuong Tran

Mr. Tran,

Re: Lease dated July 20, 2015 (the "**Lease**") between 2292319 Ontario Inc. (the "**Landlord**") and Green Island Trading Company (the "**Tenant**") of the premises known as 38 Metropolitan Road, Toronto, Ontario (the "**Property**")

Further to correspondence issued by the Receiver on November 4, 2016 and November 21, 2016 in respect of deficiencies identified in the premises currently occupied by Green Island Trading Co., including specific electrical deficiencies noted by the Electrical Safety Authority ("ESA"), the Receiver has not received a response to date not any indication whether or not any progress has been made to remediate the outstanding deficiencies.

The Receiver requests a response in respect of the aforementioned forthwith. Copies of correspondence issued by the Receiver on November 4, 2016 and November 21, 2016 in respect of the noted deficiencies are enclosed for your reference.

msi Spergel Inc.,
In its capacity as Court-Appointed Receiver of
2292319 Ontario Inc.

Per:

Daniel Battiston, CPA, CA
 Corporate Estate Manager

TAB 15



Municipal Licensing and Standards

MAY 01 2017

503

Erik Boss
Municipal Standards Officer
Scarborough Civic Centre, 3rd Floor
150 Borough Dr., Toronto ON M1P 4N7
Phone No.: 416-396-8227
Fax No.: 416-396-5650
Email: eboss@toronto.ca

Folder #: 17 149092 WST 00 IV

REGISTERED MAIL
2292319 ONTARIO INC

C/O SPERGEL INSOLVENCY TRUSTEES, ATTN. DANIEL BATTISTON
505 CONSUMERS RD SUITE 200
TORONTO, ON M2J 4V8
CAN

NOTICE OF VIOLATION

April 26, 2017

Re: 38 METROPOLITAN RD
Legal Description: PLAN 4597 PT BLK E PT BLK G PT ROAD (CLOSED BY BY-LAW
7169) RP 64R12578 PARTS 1 & 2
Roll Number: 1901033470006500000
City of Toronto

A recent inspection revealed that the following By-Law/Municipal Code is being contravened.
You are hereby required to correct the following violation(s).

**The item(s) listed herein are in violation of the Toronto Municipal Code, Chapter 548,
Littering & Dumping of refuse.**

ITEM	LOCATION	DEFECT	SECTION
1	Exterior yards	Owner of land failed to clean and clear refuse that has been thrown, placed, dumped or deposited, including but not limited to: foam insulation, wood, plastic, concrete, doors, tree limbs, Styrofoam, garage door, asphalt, furniture, carpet, garbage, litter and debris.	5

**If 6 days after issuance of this Notice the property has not been cleared of the waste material,
we intend to remove the material and apply the costs incurred to your Municipal Tax Bill
and/or proceed with legal action, under the authority of Section 548-8**

Contacting the Investigating Officer

If you require additional information, please contact the officer directly with the contact information provided at the top of page one of this document. The best time to contact the officer is between 8:30 AM and 9:30 AM or you may leave a voice mail message and the officer will return your call.

You may also contact our customer service line for general information at 416-396-4166, Monday to Friday between the hours of 8:30 AM to 4:30 PM.



Additional Information You Need to Know About this Notice

Inspection Fees

Be advised, if compliance to this Notice is not achieved as specified, inspection fees will be charged in accordance with the Municipal Code Chapter 441 - Fees and Charges, Appendix C - Schedule 12. Chargeable inspections will be invoiced every 30 days. This fee is subject to an annual inflationary increase.

Required Permits

Where a permit is required to undertake any repair required to conform with the standards as prescribed in this Order, it is the responsibility of the Owner to obtain any such permit. Please contact your local ***Toronto Building Services office by calling 311***. In addition, information related to the requirements for a permit can also be found at http://www.toronto.ca/building/building_permits.htm.

Hiring Building Contractors/Trades People

As well, in those cases where building contractors or trades people are hired to conduct work at your property, be advised that building renovators and certain tradespersons require a City of Toronto business license to perform work within the City. Please ensure that any contractor you may hire has the required license(s). For further information you can contact: ***Municipal Licensing and Standards, Licensing Services, East York Civic Centre, 850 Coxwell Avenue, Third Floor, Toronto, ON M4C 5R1 (Licensing Services Call Centre: (416) 392-6700 or http://www.toronto.ca/licensing/bto_licensing.htm).***

Erik Boss
Municipal Standards Officer
Scarborough Civic Centre, 3rd Floor
150 Borough Dr., Toronto ON M1P 4N7
Phone No.: 416-396-8227
Fax No.: 416-396-5650
Email: eboss@toronto.ca

2292319 ONTARIO INC
C/O SPERGEL INSOLVENCY TRUSTEES, ATTN.
DANIEL BATTISTON
505 CONSUMERS RD SUITE 200
TORONTO, ON M2J 4V8
CAN

Folder #: 17 149096 ZON 00 IV

NOTICE OF VIOLATION

April 26, 2017

Re: 38 METROPOLITAN RD

Former City of Scarborough

Legal Description: PLAN 4597 PT BLK E PT BLK G PT
ROAD (CLOSED BY BY-LAW 7169) RP
64R12578 PARTS 1 & 2

Roll Number 1901033470006500000
City of Toronto

A recent inspection revealed that the following zoning by-law is being contravened, namely:

**Use property or cause or permit it to be used contrary to City of Scarborough
By-law 24982, as amended.**

ITEM	ZONE	DEFECT	SECTION
1	Industrial	(b) <u>Supplementary Regulations</u> (i) All uses shall be conducted wholly within an enclosed building.	Clause VI Section (1) (b) (i)

You are hereby required to correct the noted violation(s) and bring the property into compliance.

Remove everything from the exterior yards. All uses are to be conducted within the building. No open storage is permitted.

Failure to comply with the referenced by-law forthwith may result in the City taking further action.

Contacting the Investigating Officer

If you wish to speak to the officer directly you may do so in accordance with the contact information provided at the top of this document. The best time to contact the officer is between 8:30 AM and 9:30 AM.

However, if you cannot call between these hours or have difficulty reaching the officer for any reason you may contact our *Investigation Support Unit at 416-396-4166*, Monday to Friday between the hours of 8:30 AM to 4:30 PM.

Additional Information You Need to Know About this Notice

Inspection Fees

Be advised, if compliance to this Notice is not achieved as specified, inspection fees will be charged in accordance with Municipal Code Chapter 441 - Fees and Charges, Appendix C - Schedule 12. Chargeable inspections will be invoiced every 30 days. This fee is subject to an annual inflationary increase.

Required Permits

Where a permit is required to undertake any work required to conform with the standards as prescribed in this Notice, it is the responsibility of the Owner to obtain any such permit. Please contact your local **Toronto Building Services office by calling 311**. In addition, information related to the requirements for a permit can also be found at http://www.toronto.ca/building/building_permits.htm.

Hiring Building Contractors/Trades People

As well, in those cases where building contractors or trades people are hired to conduct work at your property, be advised that building renovators and certain tradespersons require a City of Toronto business license to perform work within the City. Please ensure that any contractor you may hire has the required license(s). For further information you can contact: **Municipal Licensing and Standards, Licensing Services, East York Civic Centre, 850 Coxwell Avenue, Third Floor, Toronto, ON M4C 5R1 (Licensing Services Call Centre: (416) 392-6700 or http://www.toronto.ca/licensing/bto_licensing.htm).**

TAB 16

Fire Services - Notice of Violation

2292319 Ontario Inc. - C/o 38 Metropolitan Rd
505 Consumers Rd , Suite # 200, Toronto, On, M2J 4V8
Daniel Battiston - MSI Spergel Inc.
505 Consumers Rd suite # 200, Toronto, on, M2J 4V8

In accordance with the Fire Protection and Prevention Act, S. O. 1997, c4 a fire safety inspection was conducted at :
Property Address: 38 METROPOLITAN RD
on this date: **April 24, 2017**

All noted contraventions are listed and described below

WARNING: You are advised to take corrective action immediately and notify Toronto Fire Services upon completion. Contraventions of the Ontario Fire Code and Toronto Municipal Code are subject to prosecution.

Subsections 28(3) and (4) of the Fire Protection and Prevention Act state that:
An individual convicted of an offence under subsection 28(1) for contravention of the Fire Code is liable to a fine of not more than \$50,000 or to imprisonment for a term of not more than one year, or both. A corporation convicted of an offence under subsection 28(1) is liable to a fine not more than \$100,000


Subsection 28(5) of the Fire Protection and Prevention Act states that,
A director or officer of a corporation who knows that the corporation is violating or has violated a provision of the fire code is guilty of an offence and on conviction is liable to a fine of not more than \$50,000 or to imprisonment for a term of not more than one year, or both.

<u>Item</u>	<u>Fire Code Reference</u>	<u>Description</u>
1	1.1.2.3./6.2.7.5.	Failing to keep written records of all tests and corrective measures conducted on the Portable Fire Extinguishers and make them available upon request of the Chief Fire Official
Inspector Comments:		Fail to provide annual records of tests for Fire Extinguishers (last tested in 2008). ___ Offices & Auto shop (South Vacant) ___ Cool Ocean Impex Inc. ___ SK Food Inc ___ Metal Recycling Inc. ___ Metal Worx Custom ___ Green Island (grow up)
2	1.1.2.3./6.3.2.2.	Failing to keep written records of all tests and corrective measures conducted on the Fire Alarm System; in conformance with CAN/ULC-S536 "Inspection and Testing of Fire Alarm Systems" and make them available upon request of the Chief Fire Official. Note: Any persons working on the building's fire alarm system shall have either, 1) Successfully completed one of the approved fire alarm training programs in conformance with Sentence 1.2.1.2.(1). of Division C of the Ontario Fire Code or 2) Supervised by a person(s) that meet the previous requirements in conformance with Sentence 1.2.1.2.(2). of Division C of the Ontario Fire Code.!
Inspector Comments:		___ Failed to provide written records of tests for Fire Alarm System.

<u>Item</u>	<u>Fire Code Reference</u>	<u>Description</u>
3	1.1.2.3./6.5.5.3.	Failing to keep written records of Water Flow Alarm Tests and make them available upon request of the Chief Fire Official
Inspector Comments:		___ Failed to provide records of tests for Sprinkler System.
4	2.2.1.1	Where fire separations between major occupancies are damaged in a manner so as to affect the integrity of their fire-resistance rating, such damaged fire separations shall be repaired so that the integrity of the fire separations is maintained.
Inspector Comments:		Fire separation is damaged or lacking full separation to the ceiling of BLD; ___ Offices & Auto shop (South Vacant) ___ Cool Ocean Impex Inc. ___ SK Food Inc ___ Metal Recycling Inc. ___ Metal Worx Custom
5	2.4.1.1	Combustible materials shall not be accumulated in or around a building in such quantity or such location as to create a fire hazard.
Inspector Comments:		Combustibles stored inside BLD (used car tires/batteries/unlabeled drums/propane tanks/lose electrical wires) ___ SK Food Inc ___ Metal Recycling Inc.
6	2.7.1.7	(2)Lighting provided for illumination in exits and access to exits, including corridors used by the public, shall be maintained.
Inspector Comments:		Emergency lighting lacking or did not operate : ___ Offices & Auto shop (South Vacant) ___ Cool Ocean Impex Inc. ___ SK Food Inc ___ Metal Recycling Inc. ___ Metal Worx Custom ___ Green Island (Grow Up)
7	2.7.1.7	Means of egress shall be maintained in good repair and free of obstructions.
Inspector Comments:		Green Island (Grow up) - Remove obstructions by exits (garbage bags/carboard boxes/deadbolt locks) ___ East Entrance bottom of stairs ___ West exit next to washrooms
8	2.7.3.1	Required exit signs shall be clearly visible and maintained in a clean and legible condition.
Inspector Comments:		Exits signs burnt out or lacking in; ___ Offices & Auto shop (South Vacant) ___ Cool Ocean Impex Inc. ___ SK Food Inc ___ Metal Recycling Inc. ___ Metal Worx Custom ___ Green Island Grow up
9	3.4.2.1	(4)Each fuel-fired industrial truck shall be equipped with at least one portable extinguisher having a minimum rating of 2A30BC.
Inspector Comments:		Forklifts lack multipurpose fire extinguishers ___ Cool Ocean Impex Inc. ___ SK Food Inc ___ Metal Recycling Inc.

<u>Item</u>	<u>Fire Code Reference</u>	<u>Description</u>
10	6.2.1.5	The location of portable extinguishers shall be prominently indicated by signs or markings in large floor areas and in locations where visual obstructions cannot be avoided.
Inspector Comments:		Fire extinguishers lack proper signage as required <input type="checkbox"/> Offices & Auto shop (South Vacant) <input type="checkbox"/> Cool Ocean Impex Inc. <input type="checkbox"/> SK Food Inc <input type="checkbox"/> Metal Recycling Inc. <input type="checkbox"/> Metal Worx Custom
11	6.2.4.1	Portable extinguishers shall be provided to protect every building, each hazardous occupancy inside the building and each hazardous process or operation located outside.
Inspector Comments:		Fire extinguishers are missing and require mounting (by all exits, means of egress and bay doors) <input type="checkbox"/> Offices & Auto shop (South Vacant) <input type="checkbox"/> Cool Ocean Impex Inc. <input type="checkbox"/> SK Food Inc <input type="checkbox"/> Metal Recycling Inc. <input type="checkbox"/> Metal Worx Custom <input type="checkbox"/> Green Island (Grow up)
12	6.5.1.1	(1)Repair, replacement and alterations of sprinkler system components shall be in accordance with NFPA 13, "Standard for the Installation of Sprinkler Systems", NFPA 13D, "Standard for the Installation of Sprinkler Systems in One- and Two-Family Dwellings and Manufactured Homes" or NFPA 13R, "Standard for the Installation of Sprinkler Systems in Residential Occupancies up to and Including Four Stories in Height", as applicable.
Inspector Comments:		Sprinkler heads obstructed or lacking at time of inspection (Freezers/drywall/office/kitchen spaces/bay doors/Drop ceilings/mezzanines) <input type="checkbox"/> Offices & Auto shop (South Vacant) <input type="checkbox"/> Cool Ocean Impex Inc. <input type="checkbox"/> SK Food Inc <input type="checkbox"/> Metal Recycling Inc. <input type="checkbox"/> Metal Worx Custom <input type="checkbox"/> Green Island (Grow up)
13	6.5.1.1	(1)Repair, replacement and alterations of sprinkler system components shall be in accordance with NFPA 13, "Standard for the Installation of Sprinkler Systems", NFPA 13D, "Standard for the Installation of Sprinkler Systems in One- and Two-Family Dwellings and Manufactured Homes" or NFPA 13R, "Standard for the Installation of Sprinkler Systems in Residential Occupancies up to and Including Four Stories in Height", as applicable.
Inspector Comments:		<input type="checkbox"/> Provide city approved documentation for installation (2) x Dry Valves (sprinkler room)
14	Note 1	This Notice of Violation may not represent a comprehensive list of all violations at the above noted property. Further Notice of Violations may be forthcoming.
Inspector Comments:		Immediate action must be taken towards full compliance with all the violations within 30 days of the date of issuance of this notice. Legal action may be taken on outstanding items.

NOTICE: This Notice of Violation does not release the property, its owners, agents, occupants or tenants from compliance with any Provincial or Municipal Acts, Regulations, By-laws or Standards.

Inspector Frank Paniccia	Date Issued 24/04/2017 <small>dd/mm/yyyy</small>	Inspector signature 
For more information call (416) 338-9179		

TAB 17



SPERGEL

511

May 7, 2017

Via Email to singkong02@yahoo.com

SK Food Equipment
38 Metropolitan Road
Toronto, ON M9V 3B9

Attention: Sherry Chen

Dear Ms. Chen:

Re: Leases dated August 17, 2012, November 26, 2012 and February 18, 2014 (the "**Leases**") between 2292319 Ontario Inc. (the "**Landlord**") and S.K. Food Equipment (the "**Tenant**") of the premises known as 38 Metropolitan Road, Toronto, Ontario (the "**Property**")

Enclosed with this letter is a Notice of Violation issued by Toronto Fire Services as a result of a recent attendance and inspection at the Property, which Notice of Violation was received by the Receiver within the past 24 hours. Please be advised that violations itemized as 1, 4 to 6 and 8 to 12 are in respect of premises leased by the Tenant. Accordingly, the Receiver recommends that the Tenant addresses the violations on an expedited basis. As set out in the Notice of Violation, failure to do so may result in a fine, imprisonment or further legal action, including, without limitation, with respect to the Property and the Tenant's interest therein.

The Receiver reserves all its rights and remedies against the Tenant and its principals, as set out in the Leases and at law.

msi Spergel Inc.,
In its capacity as Court-Appointed Receiver of
2292319 Ontario Inc.

Per:

Daniel Battiston, CPA, CA
Corporate Estate Manager

msi Spergel inc. 505 Consumers Road, Suite 200, Toronto, Ontario M2J 4V8 • Tel 416 497 1660 • Fax 416 494 7199 • www.spergel.ca
Barrie 705 722 5090 • Hamilton 905 527 2227 • Mississauga 905 602 4143 • Oshawa 905 721 8251 • Toronto-Central 416 778 8813

Member **CAIRP** Canadian Association of Insolvency and Restructuring Practitioners

Member **ICIN** The Independent Canadian Insolvency Network

May 7, 2017

Via Email to ctran822@gmail.com

Green Island Trading Co.
38 Metropolitan Road
Toronto, ON M9V 3B9

Attention: Cuong Tran

Dear Mr. Tran:

Re: Lease dated July 20, 2015 (the "**Lease**") between 2292319 Ontario Inc. (the "**Landlord**") and Green Island Trading Co. (the "**Tenant**") of the premises known as 38 Metropolitan Road, Toronto, Ontario (the "**Property**")

Enclosed with this letter is a Notice of Violation issued by Toronto Fire Services as a result of a recent attendance and inspection at the Property, which Notice of Violation was received by the Receiver within the past 24 hours. Please be advised that violations itemized as 1 and 4 to 12 are in respect of premises leased by the Tenant. Accordingly, the Receiver recommends that the Tenant addresses the violations on an expedited basis. As set out in the Notice of Violation, failure to do so may result in a fine, imprisonment or further legal action, including, without limitation, with respect to the Property and the Tenant's interest therein.

The Receiver reserves all its rights and remedies against the Tenant and its principals, as set out in the Leases and at law.

**msi Spergel Inc.,
In its capacity as Court-Appointed Receiver of
2292319 Ontario Inc.**

Per:



Daniel Battiston, CPA, CA
Corporate Estate Manager

TAB 18



CHARGE TERMS

LAND REGISTRATION REFORM ACT

ROYAL BANK OF CANADA

ROYAL TRUST CORPORATION OF CANADA

SET OF STANDARD CHARGE TERMS
FOR ELECTRONIC DOCUMENTS
(COMMERCIAL CHARGES)



CHARGE TERMS

**LAND REGISTRATION REFORM ACT
SET OF STANDARD CHARGE TERMS
(COMMERCIAL CHARGES)
ROYAL BANK OF CANADA
ROYAL TRUST CORPORATION OF CANADA**

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CHARGE TERMS

LAND REGISTRATION REFORM ACT

**SET OF STANDARD CHARGE TERMS
FOR ELECTRONIC DOCUMENTS
(COMMERCIAL CHARGES)**

Filed by:
ROYAL BANK OF CANADA
ROYAL TRUST CORPORATION OF CANADA

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

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

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

1. PRINCIPAL AMOUNT SECURED

The amount of principal money secured by the Charge is the amount indicated in the Computer Field of the Charge which is entitled "Principal" (the "Principal Amount") and any additional principal amounts advanced by the Chargee to the Chargor from time to time under the Charge ("Additional Principal Amounts"). The Chargee and the Chargor acknowledge that at any one time the aggregate amount of the principal amounts advanced under and secured by the Charge (being the aggregate of the initial advance or advances made by the Chargee, less the principal amounts repaid by the Chargor, plus the Additional Principal Amounts, if any) may not exceed the Principal Amount.

2. CHARGE

The chargor or chargors indicated in the Computer Field of the Charge entitled "Chargor" (the "Chargor") charges the lands and premises indicated in the Computer Field of the Charge entitled "Description" together with all buildings, fixtures, improvements and facilities whatsoever situate thereon at the time of delivery for registration of the Charge or thereafter constructed or placed thereon (the "Charged Premises") with the payment to the chargee indicated in the Computer Field of the Charge entitled "Chargee" (the "Chargee") of the Principal Amount and interest thereon and any Additional Principal Amounts and interest thereon, and all other monies secured by the Charge upon the terms as set out in the Charge including this set of standard charge terms.

3. INTEREST**(a) VARIABLE INTEREST RATE**

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

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

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

For the purposes of the *Interest Act*, R.S.C. 1985, c-l 5, as amended (the "Interest Act"), it is understood, agreed and declared that the amount of principal money secured by the Charge is the Principal Amount and the Additional Principal Amounts, if any, and the rate of interest chargeable thereon, calculated half-yearly, not in advance, is the half-yearly rate set forth in the table of equivalent interest rates below:

These equivalent interest rates are provided for disclosure purposes only and do not affect the calculation of interest under the Charge as set out in this Section 3(a). The following table sets out interest rates calculated half-yearly, not in advance, which are equivalent to interest rates calculated monthly, not in advance. The Chargor may determine the equivalent rate by locating the Variable Interest Rate payable under the Charge in the column entitled "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)".

EQUIVALENT RATES

Interest Rate calculated Monthly Not In Advance 1%)	Equivalent Interest Rate calculated Not In Advance (%)	Half-Yearly Interest Rate calculated Monthly Not In Advance 1%)	Equivalent Interest Rate calculated Half-Yearly Not In Advance 1%)
1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
2.000	2.008	11.500	11.779
2.125	2.134	11.625	11.910
2.250	2.261	11.750	12.041
2.375	2.387	11.875	12.173
2.500	2.513	12.000	12.304
2.625	2.639	12.125	12.435
2.750	2.766	12.250	12.567
2.875	2.892	12.375	12.698
3.000	3.019	12.500	12.830
3.125	3.145	12.625	12.962
3.250	3.272	12.750	13.094
3.375	3.399	12.875	13.225
3.500	3.526	13.000	13.357
3.625	3.652	13.125	13.489
3.750	3.779	13.250	13.621
3.875	3.906	13.375	13.753
4.000	4.033	13.500	13.885
4.125	4.161	13.625	14.018
4.250	4.288	13.750	14.150
4.375	4.415	13.875	14.282
4.500	4.542	14.000	14.415
4.625	4.670	14.125	14.547
4.750	4.797	14.250	14.680
4.875	4.925	14.375	14.812
5.000	5.052	14.500	14.945
5.125	5.180	14.625	15.078
5.250	5.308	14.750	15.211
5.375	5.436	14.875	15.344
5.500	5.563	15.000	15.477
5.625	5.691	15.125	15.610
5.750	5.819	15.250	15.743
5.875	5.947	15.375	15.876
6.000	6.076	15.500	16.009
6.125	6.204	15.625	16.143
6.250	6.332	15.750	16.276
6.375	6.460	15.875	16.409
6.500	6.589	16.000	16.543
6.625	6.717	16.125	16.677
6.750	6.846	16.250	16.810
6.875	6.974	16.375	16.944
7.000	7.103	16.500	17.078
7.125	7.232	16.625	17.212
7.250	7.360	16.750	17.345
7.375	7.489	16.875	17.480
7.500	7.618	17.000	17.614
7.625	7.747	17.125	17.748
7.750	7.876	17.250	17.882
7.875	8.005	17.375	18.016
8.000	8.135	17.500	18.151
8.125	8.264	17.625	18.285
8.250	8.393	17.750	18.419
8.375	8.522	17.875	18.554
8.500	8.652	18.000	18.689
8.625	8.781	18.125	18.823
8.750	8.911	18.250	18.958
8.875	9.041	18.375	19.093
9.000	9.170	18.500	19.228
9.125	9.300	18.625	19.363
9.250	9.430	18.750	19.498
9.375	9.560	18.875	19.633
9.500	9.690	19.000	19.768
9.625	9.820	19.125	19.903
9.750	9.950	19.250	20.039
9.875	10.080	19.375	20.174
10.000	10.211	19.500	20.310
10.125	10.341	19.625	20.445
10.250	10.471	19.750	20.581
10.375	10.602	19.875	20.716

(b) FIXED INTEREST RATE

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

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

4. DEFEASANCE

- (a) The provisions relating to defeasance contained in subsection 6(2) of the Land Registration Reform Act, shall be and are hereby expressly excluded from the terms of the Charge.
- (b) The Charge shall be void upon the Chargor paying to the Chargee in lawful money of Canada, the Principal Amount and any Additional Principal Amounts, with interest thereon computed from the date of advance thereof at the Charge Rate, which interest is either payable monthly and calculated monthly (in the case of a Variable Interest Rate as set out in Section 3(a) hereof), or payable monthly and calculated half-yearly (in the case of a Fixed Rate of Interest as set out in Section 3(b) hereof), not in advance, as well after as before maturity and both before and after default and judgment until paid. Such interest shall be calculated as follows:

Interest at the Charge Rate on the amounts from time to time advanced, computed from the respective dates of such advances until the date indicated in the Computer Field of the Charge entitled "Interest Adjustment Date" (such date being hereinafter referred to as the "Interest Adjustment Date"), shall become due and be paid on the Interest Adjustment Date. Provided that the Chargee may require such interest at the Charge Rate on the principal amounts advanced from time to time, computed from the respective dates of such advances, to become due and payable in monthly instalments on a date in the month next following the first advance which date shall be the day of the month for payment indicated in the Computer Field of the Charge entitled "Payment Date", and on the same day of each and every month thereafter and the balance, if any, of the interest on such advances shall become due and be paid on the Interest Adjustment Date. At the option of the Chargee interest so due and payable may be deducted from such advances. Thereafter, the Principal Amount together with interest thereon at the Charge Rate, computed from the Interest Adjustment Date, shall become due and be paid by consecutive monthly instalments. Such instalments shall be in the amount indicated in the Computer Field of the Charge entitled "Payment" and shall be paid in each and every month in each and every year on the payment dates specified in the Charge from and including the date indicated in the Computer Field of the Charge entitled "First Payment Date" and to and including the date indicated in the Computer Field of the Charge entitled "Last Payment Date" and the balance, if any, of the Principal Amount and interest thereon shall become due and payable on the date indicated in the Computer Field of the Charge entitled "Balance Due Date" (the "Balance Due Date"); and also paying to the Chargee in lawful money of Canada, any Additional Principal Amounts with interest thereon at the Charge Rate at the times and in the manner set out in the Charge, or as otherwise agreed to by the Chargor and the Chargee; and paying any taxes, rates, levies, charges or assessments upon the Charged Premises no matter by whom or what authority imposed and observing and performing all covenants, provisos and conditions in the Charge.

5. NO PREPAYMENT

The Chargor shall have no right to prepay the loan secured by the Charge except as otherwise provided in the Charge.

6. ADDITIONAL ADVANCES

Upon repayment to the Chargee of the Principal Amount in whole or in part, the Chargor may from time to time, at the Chargee's option, borrow Additional Principal Amounts, in which event, the Charge will remain as security for all principal amounts, interest and other amounts owing by the Chargor to the Chargee whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, it being agreed that the Charge at any one time will secure only that portion of the Principal Amount then outstanding not exceeding the Principal Amount, together with any interest or compound interest accrued on the principal amount outstanding at such time at the Charge Rate.

7. APPLICATION OF PAYMENTS AND WITHHOLDING FROM PAYMENTS

- (a) Provided that if the Charge is repayable by blended instalments of principal and interest, the instalments payable under the Charge are to be applied firstly to any life insurance premiums payable by the Chargor in respect of the Charge, secondly to bring into good standing any accounts in which funds are held pending payment to third parties or from which amounts are debited in respect of the Charge, including tax accounts, if any, thirdly to interest calculated as provided in the Charge on the principal amounts from time to time outstanding (the "Outstanding Principal Amount") and the balance of the said instalments shall be applied on account of the portion of the Principal Amount then outstanding:

except, however, in the case of default by the Chargor, the Chargee may then apply any payments received during the period of default in whatever order it may elect as between principal, interest, taxes, repairs, insurance premiums or other advances made on behalf of the Chargor.

Also, if the Charge Rate is a Variable Interest Rate, while the amount of each consecutive monthly instalment to be paid by the Chargor under the Charge is fixed under the terms of the Charge, the respective portions of interest and principal which comprise each instalment may vary as the Prime Rate varies.

"Deferred Interest" shall mean the amount by which the interest that has accrued on the Outstanding Principal Amount from one payment date under the Charge to the next payment date exceeds the amount of each installment (or such other amount agreed to by the Chargor and the Chargee, in writing, as the amount to be paid on a payment date) and thus remains unpaid. So long as the Chargor is not in default under the Charge the Chargee shall apply each monthly installment, and any other payment that may be made from time to time by the Chargor firstly to life insurance premiums payable by the Chargor in respect of the Charge, if any, secondly to bring into good standing any accounts in which funds are held pending payment to third parties or from which amounts are debited in respect of the Charge, including tax accounts, if any, thirdly to interest at the Charge Rate calculated as provided in the Charge on the Outstanding Principal Amount, fourthly to Deferred Interest and interest thereon calculated in accordance with the Charge and fifthly to the reduction of the Outstanding Principal Amount, interest, taxes, repairs, insurance premiums or any other amounts payable by the Chargor under the Charge.

If the Prime Rate rises, a larger portion of any instalment will be applied against the accrued interest then outstanding, thus delaying the reduction of the portion of the Principal Amount then outstanding under the Charge. If the Prime Rate falls, a larger portion of any instalment will be applied against the portion of the Principal Amount then outstanding, thus accelerating the reduction of the principal amount outstanding under the Charge.

In the event that any monthly instalment is not sufficient to pay all accrued interest on the date of such payment, the Deferred Interest will form a charge on the Charged Premises and shall bear interest at the Charge Rate. On the next payment date if all accrued interest is not paid the amount of interest that remains unpaid will bear interest at the Charge Rate and the unpaid interest will be added to the Deferred Interest and so on.

- (b) Withholdings from Payments: If the Chargor is required by law to make any deduction or withholding from any sum payable by the Chargor to the Chargee under the Charge, then the sum payable by the Chargor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Chargee receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or been required to be made; and the Chargor shall pay the full amount to be deducted or withheld to the relevant taxation or other authority within the time allowed for such payment under applicable law and shall deliver to the Chargee within thirty days after the Chargor has made such payment to the applicable authority a receipt issued by such authority evidencing such payment.
- (c) Tax on Loan: The Chargor shall pay to the Chargee, on demand, the amount of any income, corporate, withholding or similar taxes (other than the Chargee's income taxes) (the "Income Taxes") that may be imposed upon or in respect of the Principal Amount from time to time outstanding, together with interest thereon that the Chargee may be called upon to pay, together with interest from the date on which such Income Taxes are paid by the Charge at the rate and compounded in the manner provided in the Charge.

8. COMPOUND INTEREST

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

9. TAXES

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

- (a) The Chargee may deduct from any advance of the monies secured by the Charge an amount sufficient to pay the taxes which have become or will become due and payable at the Interest Adjustment Date in the Charge and are unpaid at the date of such advance.
- (b) The Chargor will pay all taxes as they fall due and will provide the Chargee with receipts confirming payment of same as the Chargee may require.

- (c) The Chargor shall, if directed by the Chargee, pay to the Chargee in monthly instalments on the dates on which instalments of principal and interest are payable under the Charge, sums which in the sole opinion of the Chargee will be sufficient to enable the Chargee to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof.
- (d) The Chargee agrees to apply the foregoing deduction and payments to the taxes chargeable against the Charged Premises so long as the Chargor is not in default under any covenant, proviso or agreement contained in the Charge, but nothing contained in the Charge shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided, however, that if, before any sum or sums so paid to the Chargee shall have been so applied, there shall be default by the Chargor in respect of any payment of principal or interest as provided in the Charge, the Chargee may apply such sum or sums in or towards payment of the portion of the Principal Amount and/or interest in default. The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Chargor.
- (e) The Chargee shall allow the Chargor interest on the average monthly balance standing in the Charge account from time to time to the credit of the Chargor for payment of taxes, at a rate per annum, and at such times, as the Chargee may determine in its sole discretion, and the Chargor shall be charged interest at the Charge Rate on the debit balance, if any, in the Charge account outstanding after payment of taxes by the Chargee until such debit balance is fully repaid.

10. DEEMED COVENANTS EXCLUDED

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

11. COVENANTS IN LIEU OF STATUTORY COVENANTS

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

(a) To Pay and Observe Covenants

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

(b) For Good Title

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

(c) Right to Charge

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

(d) Quiet Possession on Default

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

(e) Further Assurances

That from and after default in the payment of the portion of the Principal Amount then outstanding, or the interest

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

(f) Done No Act to Encumber

That the Chargor has not at any time heretofore made, done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby the lands described in the Charge or intended so to be, or any part thereof, are, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate, or otherwise howsoever. The Chargor further covenants and agrees that there will be no subsequent encumbrances on the Charged Premises other than those consented to in writing by the Chargee.

(g) Insurance

The Chargor will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire and such insurable perils as are covered by an "all risks" policy and such other perils as the Chargee may require, to the full extent of their replacement cost, each and every building comprised in the Charged Premises and which may hereafter be erected thereon, both during construction and thereafter, in lawful money of Canada, with an insurance company duly authorized to carry on business as such and under a policy or policies satisfactory in form and content to the Chargee; and the policy or policies of insurance shall not contain co-insurance clauses and the Chargor will forthwith deliver to the Chargee certified copies of the policy or policies of insurance and all renewal receipts thereto appertaining. Without limiting the foregoing, such policy or policies shall include the following insurance coverage:

- (i) "All risks" of direct physical loss or damage with respect to the Charged Premises and any personal property located thereon on a replacement cost basis with loss under each policy payable to the Chargee pursuant to the standard mortgage clause approved by the Insurance Bureau of Canada or otherwise approved by the Chargee, with preference in its favour over any claim of any other person; permission shall be granted thereby for the improvements to be vacant or unoccupied for a period of at least thirty (30) days and it shall provide for partial occupancy;
- (ii) Comprehensive broad form boiler and machinery insurance including unfired pressure vessels insurance and air-conditioning equipment, if any, including repair and full replacement cost for amounts satisfactory to the Chargee with loss payable first to the Chargee by way of a charge clause approved by the Chargee;
- (iii) Business interruption or rental loss insurance covering perils insured in paragraphs (a) and (b) above acceptable to the Chargee for an indemnity period of not less than twelve (12) months and with coverage of not less than 1 00% of the resulting loss of rents or loss of business income from the business conducted on the Charged Premises; and
- (iv) Commercial general liability insurance, including personal injury, products, and completed operations subject to a limit per occurrence of not less than Two Million (\$2,000,000.00) Dollars or such amount as the Chargee shall reasonably require, inclusive of bodily injury, death or property damage.

All cancellation clauses in the above referenced policies, including those contained in the mortgage clauses, are to provide for at least thirty (30) days prior written notice to the Chargee of such cancellation.

Such policies shall also provide that the Chargee shall receive at least thirty (30) days prior written notice of any material alteration of such policy.

The Chargee shall be entitled to require coverage of such other risks and perils as the Chargee may from time to time consider advisable or desirable and in respect of which insurance coverage may be available. Should an insurer, at any time, cease to have the approval of the Chargee, the Chargor shall effect such new insurance as the Chargee may desire.

The Chargee is hereby irrevocably appointed by the Chargor as attorney of the Chargor to assign any policy of insurance in the event of the foreclosure of the Charge or other extinguishment of the indebtedness secured by the Charge.

The Chargor will not do or omit or cause or suffer anything to be done, omitted, caused or suffered whereby the policy or policies of insurance, as aforesaid, may be voided or become void; and the Chargor will pay all premiums and sums of money necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Chargee at least fifteen (15) days prior to the expiration of any policy of insurance; and, in the event of any breach of the foregoing covenants respecting

insurance, the Chargee, without prejudice to its other rights under the Charge, may, at its option, effect such insurance to a value deemed, in the sole opinion of the Chargee, adequate to protect the Chargee's insurable interest and any amount paid therefor by the Chargee shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate from the time of such payment and shall be payable at the time appointed for the next ensuing payment of interest on the said debt; provided that in no event shall the Chargee be liable for failure to have insurance placed or for any loss growing out of any defects in any policy, or for failure of an insurance company to pay for any loss or damage insured against.

Forthwith on the happening of any loss or damage, the Chargor will furnish at its own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies and the production of a printed copy of the Charge shall be sufficient authority for the said insurance company to pay every such loss to the Chargee, and the said insurance company is hereby directed thereupon to pay the same to the Chargee.

Any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the Charged Premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Chargee, in whole or in part on the debt secured by the Charge or any part thereof whether due or not then due.

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

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

(h) Compliance with Laws

That the Chargor will at all times observe and comply in all material respects with the provisions of all applicable laws, regulations, by-laws, ordinances and work orders of any lawful authority, whether federal, provincial, municipal or otherwise, including, without restriction, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, building construction, public health and safety, and of all private covenants and restrictions, affecting the Charged Premises or any portion thereof and will from time to time upon request of the Chargee, provide to the Chargee evidence of such observation and compliance.

(i) Compliance with Leases

That the Chargor will observe promptly, as lessor, the terms and conditions contained in any and all leases and/or subleases of any portion of the Charged Premises and that the Chargor will not accept any prepayment of rent or other monies payable under any such lease or proposed lease in excess of the first or final month's rent.

(j) Contiguous Property

That the Chargor will not acquire any real property which is contiguous to the Charged Premises without the written consent of the Chargee.

12. ASSIGNMENTS OF RENTS AND LEASES

The Chargor covenants and agrees to execute and deliver and to authorize and direct the registration in favour of the Chargee from time to time as and when required by the Chargee assignments of leases and assignments of rents (subject to no prior claim or assignment) with respect to any and all leases and offers to lease and agreements to lease of portions of the Charged Premises now or hereafter from time to time granted or entered into by the Chargor (the "Assigned Leases"), all of such assignments to be held by the Chargee as further security for the monies owing and secured under the Charge. The form and content of all leases and offers to lease and agreements to lease relating to the Charged Premises or any part thereof and all

tenants thereof under leases must be expressly approved in writing by the Chargee. All of the Assigned Leases as and when required by the Chargee shall, at the option of the Chargee, be duly registered in such places and at such times as the Chargee may require from time to time.

The Chargor further covenants and agrees that, at the request of the Chargee, it shall cause any tenant or lessee in possession of the Charged Premises at the time of such request to execute and deliver and authorize and direct the registration in favour of the Chargee a postponement agreement in favour of the Chargee's interest in the Charged Premises.

13. RELEASE

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

14. FINANCIAL STATEMENTS

The Chargor further covenants with the Chargee to provide annually to the Chargee detailed financial statements of the income and expenses of the Charged Premises, including a current rent roll, for each calendar year as applicable. Such statements shall be prepared by a chartered accountant and shall be provided to the Chargee within sixty (60) days after the end of each calendar year or fiscal year of the Chargor, as applicable. In the event that the Chargor is a corporation, the Chargor shall provide to the Chargee audited financial statements within one hundred and twenty (120) days after each fiscal year-end of the Chargor for the duration of the term of the Charge. In the event that the Chargor is an individual, the Chargor shall provide to the Chargee a statement of net worth, a copy of current tax returns and a copy of Revenue Canada assessment notices, in each case by May 30 of each year during the term of the Charge.

15. ENTRY AFTER DEFAULT AND POWER OF SALE

Provided that the Chargee on default by the Chargor of payment of the portion of the Principal Amount then outstanding or the interest thereon or any part thereof as required by the Charge or in the observing, performing, fulfilling or keeping of one or more of the covenants of the Chargor provided in the Charge may enter into possession of the Charged Premises or the lands and premises intended to be charged by the Charge and take the rents, issues and profits and, whether in or out of possession, make such lease or leases as it or they shall think fit, and also on fifteen days' default as aforesaid and after giving at least thirty-five days written notice to the persons and in the manner prescribed by Part III of the Mortgages Act, R.S.O.1 990, c.M.40, as amended (the "Mortgages Act"), may sell the Charged Premises or any part or parts thereof by public auction or private contract, or partly the one and partly the other, and may convey and assure the same when so sold to the purchaser thereof, or as the purchaser shall direct and may do all such assurances, acts, matters and things as may be found necessary for the purposes aforesaid, and the Chargee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by reason of its wilful neglect or default. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the Charged Premises, if occupied, or by placing it on some portion of the Charged Premises, if unoccupied, or at the option of the Chargee, by mailing it by registered mail addressed to the Chargor at the Chargor's last known address and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person or persons to be affected thereby may be unknown, unascertained or under disability. It is hereby further agreed that the proceeds of sale under the Charge may be applied in payment of any costs, charges, and expenses incurred in taking, recovering or keeping possession of the Charged Premises or by reason of non-payment or procuring payment of monies, secured hereby otherwise, and that the Chargee may sell all or any part of the Charged Premises on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulation as to title or evidence or commencement of title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Charged Premises and resell without being answerable for loss occasioned thereby, and in the case of a sale or lease under the Charge, the title of a purchaser or lessee created in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given in compliance with the Mortgages Act, or had been given improperly, but any person damaged by an unauthorized, improper, or irregular exercise of the power shall have his remedy against the person exercising the power in damages only. The Chargee may sell fixtures, machinery, crops and standing or fallen trees apart from the lands, and the purchaser as well as the Chargee shall have all necessary access for securing, cutting and removal. It is agreed between the parties to the Charge that nothing contained in this section shall prejudice or diminish any other rights and remedies and powers of the Chargee or in the Charge contained or existing at law by virtue thereof. And it is further agreed between the parties to the Charge that until such sale or sales shall be made as aforesaid, the Chargee shall and will stand possessed of the rents and profits of the Charged Premises in case it shall take possession of them on default as aforesaid and after such sale or sales shall stand possessed of the monies to arise and be produced from such sales, or which might arise from any insurance upon the Charged Premises or any part thereof upon trust firstly in payment of all the expenses incident to the sales, leases, conveyances, or attempted sales, leases or conveyances, secondly in payment of all costs, charges, damages and expenses of the Chargee relating to taxes, rents, insurance, repairs, utilities and any other amounts which the Chargee may have paid relating to the Charged Premises, thirdly in discharge of all interest and costs then due in respect of the Charge, fourthly in discharge of the portion of the Principal Amount then outstanding, fifthly in payment of any subsequent encumbrancers according to their priorities

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

16. DISTRESS

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

17. PRINCIPAL DUE ON DEFAULT

It is agreed by the Chargor and the Chargee that if any default shall occur in the payment of the interest money secured by the Charge, or any part thereof, or in payment of any instalment of principal as the same matures or of any instrument, promissory note, bill of exchange or other obligations now or at any time held by the Chargee in respect of or representing or securing the money secured by the Charge or any part thereof, or in the performance of any covenant, proviso or agreement contained in the Charge or if any waste be committed or suffered on the Charged Premises, then at the option of the Chargee, the portion of the Principal Amount then outstanding secured by the Charge or intended so to be shall forthwith become due and payable in like manner and with the like consequences and effects as if the time in the Charge mentioned for payment of such principal amounts had fully come and expired, subject to any relief afforded to the Chargor at law. The Chargee may, however, waive its right so to call in the principal and shall not be therefore debarred from asserting and exercising its right to call in the principal upon the happening of any future default or breach.

18. CHARGOR'S QUIET POSSESSION UNTIL DEFAULT

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

19. BUILDINGS, ADVANCES AND COST OF SEARCH

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

20. FIXTURES

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

21. PARTIAL RELEASE

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

22. DEFAULT IN PRIOR CHARGES

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

23. LIENS AND CONSTRUCTION

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

24. WASTE, VACANCY AND REPAIR

The Chargor covenants and agrees with the Chargee that the Chargor will not permit waste to be committed or suffered on the Charged Premises and that the Chargor will maintain the buildings or other improvements on the Charged Premises in good order and repair to the satisfaction of the Chargee who, in accordance with paragraph 25 herein, may inspect, or may designate someone to inspect on the Chargee's behalf, the Charged Premises at any reasonable time or times to determine the status of repair and maintenance that may be required in respect of the Charged Premises, and will not permit or suffer them to become or remain vacant and that the Chargee may, but shall not be obliged to, make such repairs, improvements and alterations as it may deem necessary or complete the construction or reconstruction of any building on the Charged Premises, and the cost of repair, construction or reconstruction shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

25. ACCESS TO PROPERTY AND INSPECTION

The Chargee, its agents, employees, and independent contractors shall have the right at any reasonable time to enter upon the Charged Premises to fully inspect the interior and exterior of the Charged Premises and the financial status of the operation thereof, and where deemed necessary and/or advisable by the Chargee, and notwithstanding paragraph 18 hereof, to conduct investigations including intrusive testing and sampling on the Charged Premises for the purpose of determining the presence of or the potential for environmental contamination, and the reasonable cost of such inspection and investigations including any intrusive testing and sampling shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate, and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable by the Chargor to the Chargee forthwith on demand.

26. ALTERATIONS

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

27. PARKING AREA

The Chargor covenants and agrees that, where there is a parking area associated with the Charged Premises, the parking area shall not be used for any purpose other than for the parking of motorized vehicles, except with the prior written approval of the Chargee.

28. RESIDENTIAL RENTAL PROPERTY

Notwithstanding anything contained in the Charge to the contrary, if the Charged Premises is residential rental property then the Chargor represents and warrants that with respect to the Charged Premises, except as permitted under laws applicable to residential housing:

- (a) no demolition, conversion, renovation, repair or severance has taken place with respect to any part of the Charged Premises;
- (b) there have been no increases in the rental charged for any residential rental unit or units on the Charged Premises except in accordance with laws applicable to residential housing; and, as provided in laws applicable to residential housing:
- (c) all rents charged with respect to the Charged Premises or any part thereof are lawful rents and all required rebates have been paid;
- (d) all required filings have been made and were timely, accurate and complete; and, pursuant to laws applicable to residential housing:
- (e) no applications, investigations or proceedings have been commenced or made; and
- (f) there are no outstanding orders or decisions made by any ministry, board or commission with respect to the Charged Premises or any residential rental unit or units on the Charged Premises.

Before the first advance the Chargor agrees to provide a statutory declaration by the Chargor or by an officer/director of the Chargor where the Chargor is a corporation, that the above representations and warranties are true and correct. The Chargor agrees to deliver to the Chargee before the first advance all documents required to establish the legality of rents on the Charged Premises.

The Chargor hereby authorizes all government ministries, boards or commissions having jurisdiction over residential housing to release to the Chargee or to its solicitors any and all information contained in their files.

The Chargor further agrees to comply with the provisions of all laws applicable to residential housing during the term of the Charge. In the event of a breach of this covenant or in the event that any of the representations and warranties contained in this provision are false, the then outstanding portion of the Principal Amount, any Additional Principal Amounts and any accrued interest thereon shall, at the option of the Chargee, become immediately due and payable.

29. PROPERTY MANAGEMENT

The Chargor covenants and agrees that the Chargee may, at its option, require that the Chargor enter into an agreement with a professional independent property management firm (the "Property Management Firm") for the management of the Charged Premises. The selection of the Property Management Firm and the term of the agreement shall be subject to the approval of the Chargee. Where the Chargee has not instructed the Chargor to engage a Property Management Firm, the Chargor or, subject to the Chargee's approval, a corporation affiliated with the Chargor, shall manage the Charged Premises in accordance with the provisions of the Charge.

30. NON-MERGER

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

31. RIGHTS ON DEFAULT

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

32. OBLIGATIONS SURVIVE SALE

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

33. PRIOR ENCUMBRANCES

It is further stipulated, provided and agreed, that the Chargee may pay the amount of any encumbrance, lien or charge now existing or existing after the date of the Charge, or to arise or to be claimed upon the Charged Premises having priority over the Charge, including any taxes, utility charges or other rates on the Charged Premises or any of them, and may pay all costs, charges and expenses and all solicitors' charges or commissions, as between a solicitor and his client, which may be incurred in taking, recovering and keeping possession of the Charged Premises and generally in any proceedings or steps of any nature whatever properly taken in connection with or to realize the security of the Charge, or in respect of the collection of any overdue interest, principal, insurance premiums or any other monies whatsoever payable by the Chargor under the Charge whether any action or any judicial proceedings to enforce such payments has been taken or not, and the amount so paid and insurance premiums for fire or other risks or hazards and any other monies paid under the Charge by the Chargee shall be added to the debt secured by the Charge and be a charge on the Charged Premises and shall bear interest at the Charge Rate, and shall be payable forthwith by the Chargor to the Chargee, and the non-payment of such amount shall be a default of payment within the meaning of those words in paragraph 15 and shall entitle the Chargee to exercise the power of sale and all other remedies given by the Charge. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the monies advanced on the security or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid off, and is hereby authorized to retain any discharge thereof, without registration, for a longer period than six months if it thinks proper to do so.

34. EXTENSIONS

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

35. RENEWAL

Without prejudice to any rights of the Chargee against the Chargor or any other persons liable for the payment of the monies secured by the Charge, the Charge may be renewed or extended by an agreement in writing at or before maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to register any such agreement in order to retain priority of the Charge so altered over any instrument registered subsequently to the Charge provided, however, that the Chargee may at any time, at its option, register a notice of such renewal or extension agreement and the Chargor shall execute any authorizations or further documents required in order to effect such registration. In the event a charge renewal or extension agreement is sent to the Chargor but the Chargor does not sign and return the charge renewal or extension agreement to the Chargee by the Balance Due Date of the Charge, the Charge may, at the option of the Chargee, be automatically renewed on the terms contained in the charge renewal or extension agreement. The Interest Act permits the prepayment of charges with three (3) months' further interest once five (5) years have elapsed from the date of the Charge. For the purpose of this statutory right of prepayment only, the Chargor agrees that the date of the Charge if so renewed or extended will be the renewal date stipulated in the renewal or extension agreement. Nothing contained in this paragraph shall confer any right of renewal or extension upon the Chargor.

36. DISCHARGE

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

37. OTHER SECURITY

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

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

other charges shall be the aggregate of the Principal Amount of the Charge and the principal amounts secured under any such other charges.

38. PLACE OF PAYMENT

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

39. SPOUSES'S CONSENT

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

40. FAMILY LAW ACT

The Chargor covenants and agrees that forthwith after any change or happening affecting:

- (a) the spousal status of the Chargor; or
- (b) the qualification of the Charged Premises as a matrimonial home within the meaning of the Family Law Act, R.S.O. 1990, c.F.3, as amended (the "Family Law Act"); or
- (c) the ownership of the equity of redemption in the Charged Premises;

the Chargor will without request by the Chargee advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the Chargor and the owner or owners for the time being of the equity of redemption in the Charged Premises, and of any spouse who is not an owner but who has a right of possession in the Charged Premises by virtue of the said Family Law Act. In addition, the Chargor covenants and agrees to promptly furnish the Chargee with such evidence of such change or happening as the Chargee may from time to time request.

41. SEVERABILITY OF ANY INVALID PROVISIONS

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

42. NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS

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

43. SALE OF THE CHARGED PREMISES

The Chargor agrees that the Principal Amount, any Additional Principal Amounts and all accrued interest shall at the option of the Chargee become immediately due and payable in full if the Charged Premises or any part thereof or any interest therein is sold, transferred, conveyed, foreclosed, exchanged, assigned, mortgaged, leased or otherwise disposed

of without the prior written consent of the Chargee, or if the Chargor enters into an agreement to effect any of the foregoing, whether for valuable or nominal consideration, without the prior written consent of the Chargee.

44. CHANGE OF CORPORATE CONTROL

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

- (a) the Chargor fails to supply to the Chargee, in a form satisfactory to the Chargee, such information relating to the ownership of its shares as the Chargee may from time to time require; or
- (b) without the written consent of the Chargee first had and obtained,

- (i) the Chargor issues or redeems any of its shares or transfers any of its shares,
- (ii) there is a sale or sales of the shares of the Chargor which result in the transfer of the legal or beneficial interest of any of the shares of the Chargor, or

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

45. RECEIVERSHIP

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

- (a) Every such receiver shall have unlimited access to the Charged Premises as agent and attorney for the Chargor (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority (which power and authority shall not be revoked by the Chargor) to:
 - (i) collect the rents and profits from tenancies whether created before or after these presents;
 - (ii) rent any portion of the Charged Premises which may be or become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;
 - (iii) complete the construction of any building or buildings or other erections or improvements on the Charged Premises left by the Chargor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including without limitation appliances and equipment necessary or desirable to render the Charged Premises operable or rentable and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description; and
 - (iv) manage, operate, repair, alter or extend the Charged Premises or any part thereof.

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

- (b) The Chargee may at its discretion vest the receiver with all or any of the rights and powers of the Chargee.
- (c) The Chargee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Charged Premises.
- (d) Every such receiver shall be deemed to be the agent or attorney of the Chargor and in no event the agent or attorney of the Chargee and the Chargee shall not be responsible for the receiver's acts or omissions.
- (e) The appointment of any such receiver by the Chargee shall not result in or create any liability or obligation on the part of the Chargee to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Chargee a chargee in possession of the Charged Premises
- (f) No such receiver shall be liable to the Chargor to account for monies other than monies actually received by the receiver in respect of the Charged Premises or any part thereof and out of such monies so received every such receiver shall in the following order pay:
 - (i) the remuneration of the receiver as aforesaid;
 - (ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's powers and authority hereby conferred;
 - (iii) interest, principal and other monies from time to time that may be or become charged upon the Charged Premises in priority to the Charge including taxes;

(iv) to the Chargee all interest, principal and other monies due under the Charge to be paid in such order as the Chargee in its discretion shall determine;

(v) and thereafter every such receiver shall be accountable to the Chargor for any surplus.

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

- (g) Save as to claims for accounting under clause (f) of this paragraph, the Chargor hereby releases and discharges any such receiver from every claim of every nature whether sounding in damages or not which may arise or be caused to the Chargor or any person claiming through or under him by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.
- (h) The Chargee may at any time and from time to time terminate any such receivership by notice in writing to the Chargor and to any such receiver.
- (i) The statutory declaration of an officer of the Chargee as to default under the provisions of the Charge and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers provided for in the Charge and such dealing shall be deemed as regards such person to be valid and effectual.
- (j) The rights and powers conferred by the Charge in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.

46. COMPLIANCE WITH THE LAW AND ENVIRONMENTAL COMPLIANCE

The Chargor hereby represents and warrants to the Chargee that:

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

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

- (a) the Chargor shall give to the Chargee immediate notice of any material change in circumstances in respect of the Charged Premises or adjacent land which would cause any of the representations and warranties contained in the immediately preceding paragraphs (a) to (d) inclusive to become untrue; and
- (b) the Chargor shall not permit or create, and shall not allow anyone else to permit or create, any circumstance on the Charged Premises which would constitute or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment.

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

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

47. CONDOMINIUMS

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

- (a) The Chargor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration, the by-laws, and the rules as amended from time to time, of the Condominium Corporation, by virtue of the Chargor's ownership of the Charged Premises. Any breach of the said duties and obligations shall constitute a breach of covenant under the Charge.
- (b) Without limiting the generality of the foregoing, the Chargor covenants and agrees that the Chargor will pay promptly when due any contributions to common expenses required of the Chargor as an owner of the Charged Premises and in the event of default in doing so the Chargee, at its option, may pay the same and the amount so paid shall be added to the debt secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the Charge Rate from the time of such payments and shall be payable forthwith by the Chargor to the Chargee whether or not any payment in default has priority to the Charge or any part of the monies secured thereby.
- (c) The Chargor hereby irrevocably authorizes and empowers the Chargee to exercise the right of the Chargor as an owner of the Charged Premises to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:
 - (i) the Chargee may at any time or from time to time give notice in writing to the Chargor and the said Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes the said notice the Chargor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter;
 - (ii) the Chargee shall not by virtue of the assignment to the Chargee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Chargor; and
 - (iii) the exercise of the right to vote or consent shall not constitute the Chargee a chargee in possession.
- (d) The Chargor covenants and agrees to advise the Condominium Corporation to send all notices to the Chargee and to notify the Chargee of any breaches by the Condominium Corporation that come to the attention of the Chargor, in order that the Chargee is kept fully informed.

48. CHARGE EXPENSES

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

49. DEBT SERVICE COVERAGE

In the event that at the time of a review of the Chargor's financial statements or an inspection of the Charged Premises by the Chargee, the gross annual rental income relating to the Charged Premises has fallen below the minimum gross annual rental income required by the Chargee pursuant to any loan agreement or loan commitment between the Chargor and the Chargee relating to the Charge, the Chargee may require reimbursement of a part of the principal amount of the Charge in order to ensure compliance with such requirement.

50. EXPROPRIATION

In the event of any expropriation affecting the whole or part of the Charged Premises, the Chargor agrees that the proceeds from the expropriation shall be paid to the Chargee in priority to the claims of any other party.

51. TAX ON LOAN

The Chargor shall pay to the Chargee on demand the amount of any taxes (other than the Chargee's income taxes) which may be imposed upon or in respect of the principal of, or the interest on, the amounts secured by the Charge and which the Chargee may be called upon to pay, together with interest from the date on which such taxes are paid by the Chargee at the Charge Rate and compounded in the manner provided in paragraph 8.

52. COMMITMENT LETTER

The provisions set forth in any loan agreement or loan commitment between the Chargor and the Chargee in respect of the Charge will not merge with the Charge but shall survive the registration of the Charge unless otherwise expressly provided.

53. INTERPRETATION

It is hereby agreed and declared that the expression "the Chargor" used in these standard charge terms and the Charge shall include the heirs, personal representatives, executors, administrators, successors and assigns of each and every Chargor and the expression "the Chargee" shall include the successors and assigns of the Chargee and (if the Charge affects a Condominium) the expression "Condominium Corporation" shall mean the Condominium Corporation referred to

in the description and the expression "Declaration" shall mean the declaration registered in connection with the Condominium Corporation and the words in the singular include the plural and words in the plural include the singular and words importing the masculine gender include the feminine and neuter genders where the context so requires and that all covenants, liabilities, and obligations entered into or imposed under the Charge upon each Chargor shall be equally binding upon his, her, its or their respective heirs, executors, personal representatives, administrators, successors and assigns and that all such covenants, liabilities, advantages, privileges, immunities, powers and things hereby secured to the Chargee shall be equally secured to and exercisable by its successors and assigns; and if the Chargor is comprised of more than one person, all covenants by the Chargor herein contained or implied are and are to be construed as both joint and several.

54. PARAGRAPH HEADINGS

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

55. DATE OF CHARGE

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

56. EFFECT OF DELIVERY

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

RECEIPT

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

DATED the _____ day of _____, _____

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

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

DATED the _____ day of _____, _____

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

SITE SPECIFIC SECURITY AGREEMENT

1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to ROYAL BANK OF CANADA (the "Lender"), having a place of business at 180 Wellington Street West, 10th Floor, Toronto, Ontario, M5J 1J1, a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property consisting of all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) now or hereafter situate on, used in connection with or arising from the business or affairs carried on, at or about the real property located at or about 38 METROPOLITAN ROAD, TORONTO, ONTARIO (the "Mortgaged Property") and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and as further general and continuing security for the Debtor's indebtedness to the Lender the Debtor hereby assigns the Collateral to the Lender and mortgages and charges the Collateral as and by way of a fixed and specific mortgage and charge to the Lender. The Security Interest hereby created shall include such assignment, mortgage and charge. Without limiting the generality of the foregoing, the Collateral includes all of the following now owned or hereafter owned or acquired by or on behalf of Debtor now or hereafter situate on, used in connection with or arising from the business or affairs carried on at the Mortgaged Property or the business or operations of the Debtor related to the Mortgaged Property:

- (i) all Inventory of whatever kind;
- (ii) all equipment (other than Inventory) of whatever kind, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents or Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (v) all lists, records and files relating to Debtor's customers, clients and patients; and
- (vi) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term in the course of the enforcement of the said Security Interest; nor shall the Security Interest render the Lender liable to observe or perform any term, covenant or condition of any agreement, documents or instrument to which the Debtor is a party or by which it is bound.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A.. Any reference herein to "collateral" shall, unless the context

otherwise requires, be deemed a reference to "Collateral or any part thereof".

(d) The Debtor and the Lender acknowledge and agree that the Security Interest is taken over all of the Debtor's present and after acquired personal property except: (i) Goods not ordinarily located on the Mortgaged Property; and (ii) Accounts, Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities not used in connection with, or not arising from, the Mortgaged Property or the business or affairs carried on at the Mortgaged Property.

2. INDEBTEDNESS SECURED

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

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

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

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

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

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

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

(e) None of the Collateral in existence on the date hereof (i) is incapable of being assigned or otherwise secured in favour of the Lender in accordance with the provisions of this Security Agreement; (ii) is incapable of further assignment or security granted by the Lender or by any Receiver (as that term is defined in section 13(b) herein) after default; or (iii) requires the consent of any third party to the security interest granted hereby, except for any consent that has already been obtained. The Debtor covenants with the Lender that no

Collateral will be hereafter obtained or agreed to by the Debtor which is not secured in favour of the Lender in accordance with the provisions hereof or which requires the consent of any third party to any such security.

4. COVENANTS OF THE DEBTOR

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

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

(b) to notify the Lender promptly of:

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

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;

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

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

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

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

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

(i) to deliver to the Lender from time to time promptly upon request:

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

5. USE AND VERIFICATION OF COLLATERAL

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

6. SECURITIES

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

7. COLLECTION OF DEBTS

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

Debtor authorizes the Lender to take such action or proceedings in Debtor's name and at Debtor's expense as may be necessary to collect and recover any rents.

8. INCOME FROM AND INTEREST ON COLLATERAL

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

(b) After default, Debtor will not request or receive any Money constituting income from or interest on

Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to the Lender.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

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

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

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

10. DISPOSITION OF MONEY

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

11. EVENTS OF DEFAULT

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

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

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

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

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

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

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

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

(h) If any certificate, statement, representation, warranty or audit report heretofore or hereafter

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

12. ACCELERATION

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

13. REMEDIES

(a) Upon default, the Security Interest granted hereby will at the option of the Lender in its sole discretion become immediately enforceable.

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

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

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

(e) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any

proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.

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

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

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

(i) Debtor appoints any officer or director or branch manager of the Lender upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign or transfer, and to record any assignment or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

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

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

(c) Upon Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

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

the Lender's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting Collateral.

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

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

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

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

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

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

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the Lender and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the place of business of the Lender mentioned in section 1(a) shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all indebtedness contracted for or created before the receipt of such notice by the Lender, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

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

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

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

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

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

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

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

(ii) shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

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

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of Province of Ontario, as those laws may from time to time be in effect, including where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

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

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

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

INDIVIDUAL DEBTOR

SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE: YR / MO / DAY
ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE: YR / MO / DAY

ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR 2292319 ONTARIO INC.			
ADDRESS OF BUSINESS DEBTOR	CITY	PROVINCE	POSTAL CODE
38 Metropolitan Road	Toronto	Ontario	M1R 2T6
NAME OF BUSINESS DEBTOR			
ADDRESS OF BUSINESS DEBTOR	CITY	PROVINCE	POSTAL CODE
NAME OF BUSINESS DEBTOR			
ADDRESS OF BUSINESS DEBTOR	CITY	PROVINCE	POSTAL CODE

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 27 day of April, 2012.

2292319 ONTARIO INC.

By: 

Yue Wei Jang

Title: President

I have the authority to bind the Corporation

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

NONE

SCHEDULE "B"

1. Locations of Debtor's Business Operations

38 Metropolitan Road, Toronto, Ontario M1R 2T6

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

1713-2627 McCowan Road, Scarborough, Ontario M1R 2T6
26 Heathrow Court, Markham, Ontario L3R 3T8

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

38 Metropolitan Road, Toronto, Ontario M1R 2T6

SCHEDULE "C"

(DESCRIPTION OF PROPERTY)

LEGAL DESCRIPTION: Pt Blk E Pl 4597 Scarborough; Pt Blk G Pl 4597 Scarborough;
Metropolitan Rd Pl 4597 Scarborough closed by SC190090 Pts 1 & 2,
64R12578; S/T SC375112 amended by SC380649; Toronto, City of
Toronto

TAB 19

**In the Matter of the Receivership of
2292319 Ontario Inc.
Receiver's Statement of Projected Receipts and Disbursements
as at May 12, 2017**

	<u>As At</u> <u>12-May-17</u>	<u>Projected To</u> <u>29-May-17</u>	<u>Total</u>
Receipts			
Utility Back Charges to Tenants	\$ 450,286	\$ -	\$ 450,286
Rental Income	295,130	-	295,130
Advances from Secured Creditor	240,000	-	240,000
HST Collected	37,002	-	37,002
Settlement with Former Tenant	3,400	-	3,400
Interest Earned	131	-	131
Total Receipts	\$ 1,025,948	\$ -	\$ 1,025,948
Disbursements			
Utilities	\$ 458,753	\$ 49,310	\$ 508,063
Receiver's Fees & Disbursements	159,848	35,645	195,493
Legal Fees & Disbursements	107,111	12,758	119,870
Repairs and Maintenance	68,046	-	68,046
Insurance	66,493	5,312	71,806
HST Paid on Disbursements	46,656	7,111	53,767
Lock Changing, Inspections, Security & Site Management	15,721	2,655	18,376
Waste Removal & Disposal	5,892	3,645	9,537
Environmental Consulting Fees	8,500	-	8,500
Filing Fee, License, Bank Charges	443	-	443
Total Disbursements	\$ 937,464	\$ 116,436	\$ 1,053,900
Total Receipts less Disbursements	\$ 88,484	(\$ 116,436)	(\$ 27,952) E&OE

Note:

1. The projected shortfall anticipated at May 29, 2017 will be funded by RBC as part of the additional borrowing power requested in the Receiver's Fifth Report.

TAB 20

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

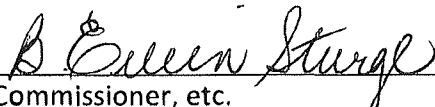
AFFIDAVIT OF PHILIP GENNIS
(sworn May 16, 2017)

I, **PHILIP GENNIS**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

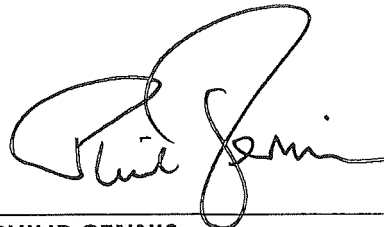
1. I am a licensed Trustee with msi Spergel Inc. ("**MSI**"), the court-appointed Receiver (the "**Receiver**") of all the assets, undertakings and properties of the Respondent. As such I have knowledge of the matters hereinafter deposed to.
2. MSI was appointed Receiver pursuant to the Order made by the Honourable Justice Wilton-Siegel of the Ontario Superior Court of Justice (Commercial List) on March 31, 2016.
3. Attached hereto as **Exhibit "A"** are true copies of Receiver's accounts with respect to its fees in the amount of \$124,575, exclusive of HST and disbursements, incurred by MSI in relation to this receivership estate for the period July 1, 2016 to May 12, 2017. This represents 551 hours at an effective hourly rate of \$226.

4. To the best of my knowledge the rates charged by MSI in connection with acting as Receiver are comparable to the rates charged by other firms in the Toronto market for the provision of similar services.
5. I make this affidavit in support of the Receiver's motion for; *inter alia*, approval of its fees and disbursements and not for an improper purpose.

SWORN BEFORE ME at the City
of Toronto, in the Province of
Ontario, this 16th day of May, 2017.



A Commissioner, etc.

Barbara Eileen Sturge, a Commissioner, etc.,
Province of Ontario, for MSI Spergel Inc. and
Spergel & Associates Inc.
Expires September 21, 2019.



PHILIP GENNIS

Exhibit "A"

A handwritten signature in cursive script that reads "B. Eileen Sturge". The signature is written in black ink and is positioned above the printed text.

Barbara Eileen Sturge, a Commissioner, etc.,
Province of Ontario, for msl Spergel inc. and
Spergel & Associates inc.
Expires September 21, 2019

Filters Used:

- Time Entry Date: 7/01/16 to 5/12/17
 - File ID: AAMETR-R: to AAMETR-R:

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File Name (ID): 2292319 Ontario Inc. (AAMETR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Alan Spergel (ASP)					
Wed	12/14/2016	Review/sign cheque (1)	0.10	\$445.00	\$44.50
Thur	01/05/2017	Review/sign cheque (1)	0.20	\$445.00	\$89.00
Mon	04/24/2017	Review/sign cheque	0.10	\$445.00	\$44.50
Alan Spergel (ASP)			0.40		\$178.00
Daniel Battiston (DBA)					
Fri	07/01/2016	Travel to premises. Site inspection. Travel to office. Meeting with Green Island to review sub-meter readings, reconcile payments for outstanding hydro. Further reconciliation of hydro costs and determination of pro-portinate share amongst tenants. Email to counsel re: results of reconciliation and strategy to resolve outstanding hydro dispute.	3.30	\$180.00	\$594.00
Fri	07/01/2016	(June 22, 2016) Address email re: o/s hydro concerns with Johnson Choy. Conference call with counsel and FCA Insurance w.r.t. SK Foods commercial policy and further action to be taken prior to court hearing.	1.80	\$180.00	\$324.00
Fri	07/01/2016	(June 20, 2016) Schedule conference call with counsel and FCA w.r.t. SK Foods insurance policy and review of coverage.	0.30	\$180.00	\$54.00
Fri	07/01/2016	First report of Receiver draft.	4.30	\$180.00	\$774.00
Fri	07/01/2016	(June 23, 2016) Travel to premises. Site inspection. Draft email to counsel re: outstanding tenant hydro issues and review of previous emails from SK re: refusal of payment of hydro.	1.30	\$180.00	\$234.00
Mon	07/04/2016	First report and appendices.	6.70	\$180.00	\$1,206.00
Tues	07/05/2016	First report and appendices.	5.50	\$180.00	\$990.00
Wed	07/06/2016	First report and appendices.	7.00	\$180.00	\$1,260.00
Fri	07/08/2016	First report and appendices.	5.30	\$180.00	\$954.00
Mon	07/11/2016	Revisions to court report. Prepare deficiency analysis re: rent collection and building carrying costs to date. Draft response to SK foods re: demand for hydro payment. Discussion with counsel and PG re: court report and deficiency analysis.	4.80	\$180.00	\$864.00
Tues	07/12/2016	Discussions with legal counsel and PG re: response to recent SK response to demand for hydro payment. Finalize response to SK foods. Review cases provided by counsel re: eviction of tenants and termination of leases. Conference call with counsel to address issues and court report.	1.30	\$180.00	\$234.00
Wed	07/13/2016	Meeting with Green Island representative re: notice received from Alrd & Berlis, additional payments on hydro arrears and outstanding insurance issues. Discussion with Green Island insurance broker re: defaults under lease w.r.t. insurance documentation. Review of Green Island commercial policy and endorsements provided by broker. Deposit of Green Island hydro payments. Discussions with legal counsel and PG re: Green Island hydro payments and insurance documentation.	3.30	\$180.00	\$594.00
Thur	07/14/2016	Matters re: finalizing court report and appendices to report.	7.00	\$180.00	\$1,260.00
Mon	07/18/2016	Matters re: finalizing court report and appendices to report.	7.70	\$180.00	\$1,386.00
Fri	07/22/2016	Tenant matters w.r.t. rent collection, hydro, gas. Notices to Enbridge gas.	3.70	\$180.00	\$666.00
Mon	07/25/2016	Tenant matters, address hydro matters consumption matters at building, tenant insurance issues	2.20	\$180.00	\$396.00
Tues	07/26/2016	Tenant matters, address hydro matters consumption matters at building, tenant insurance issues	3.10	\$180.00	\$558.00
Thur	07/28/2016	Attend commercial court to assist counsel with motion. Travel back to office.	6.40	\$180.00	\$1,152.00
Fri	07/29/2016	Attend premises. Meet with SK and sub-tenants to conduct meter readings. Inspection of entire property in anticipation for upcoming building inspection. Travel back to office.	5.70	\$180.00	\$1,026.00

Filters Used:

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File Name (ID): 2292319 Ontario Inc. (AAMETR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Daniel Battiston (DBA)					
Tues	08/02/2016	Correspondence with SK re: Scrap to Go Insurance matters. Hydro reconciliation for usage at building to date. Discussions with counsel re: ongoing tenant issues/matters.	4.20	\$180.00	\$756.00
Wed	08/03/2016	Attend premises. Assistance with building condition inspection. Walk through of entire premises. Deal with tenant matters.	7.10	\$180.00	\$1,278.00
Thur	08/04/2016	Prepare and finalize notices of termination re: Lobster tenant and Green Island Trading Co. Attend premises, serve termination notices and court order.	1.30	\$180.00	\$234.00
Mon	08/08/2016	Assistance with ongoing building matters and tenant issues(hydro, insurance, inspections).	2.40	\$180.00	\$432.00
Tues	08/09/2016	Review of SK insurance documentation and responses. Revised hydro reconciliation. Discussions with counsel w.r.t. issues to date.	4.80	\$180.00	\$864.00
Wed	08/10/2016	Review of Metropolitan building condition report. Conference call with counsel re: Green Island issues and condition report. Scheduling of conference call with building inspectors.	1.70	\$180.00	\$306.00
Thur	08/11/2016	Further hydro reconciliations. Assist with Enbridge gas issues. Further issues related to Scrap to Go insurance. Assist counsel with Green Island Trading issues.	3.40	\$180.00	\$612.00
Mon	08/15/2016	Attend premises. Supervise change of locks re: lobster unit. Post notices. Travel to office. Discussions with tenant re: change of locks. Call from realtor re: timeline for lobster tenant to find new premises. Discussions with PG and Rocco re: providing access to unit.	3.30	\$180.00	\$594.00
Wed	08/17/2016	Prep for meeting with Ray Young. Meeting with Ray Young (SK), PG and counsel re: outstanding issues to date: hydro arrears, Green Island occupancy of ground floor, insurance matters, etc.	3.30	\$180.00	\$594.00
Thur	08/18/2016	Attend premises. Walkthrough and inspection of vacant premises with Rocco. Onsite meeting with Ray Young and Joe Chen re: Green Island ground floor occupancy issues and hydro arrears. Travel back to office.	3.10	\$180.00	\$558.00
Mon	08/22/2016	Attend property to take measurements of Green Island ground floor space. Onsite meeting with Raymond Young and Joe Chen. Return to office. Continue draft of Second report.	5.90	\$180.00	\$1,062.00
Tues	08/23/2016	Second report and appendices.	3.20	\$180.00	\$576.00
Wed	08/24/2016	Attend premises. Supervise measurements of Green Island ground floor and upstairs premises. Meter readings at property. Discussions with tenants re: outstanding issues. Return to office. Continue with second report and appendices.	7.30	\$180.00	\$1,314.00
Thur	08/25/2016	Second report matters. Meeting with Johnson Choy and updated reconciliation of hydro usage at property. Attend property with Choy to clarify outstanding sub-meter matters.	7.10	\$180.00	\$1,278.00
Fri	08/26/2016	Discussions with consultants re: condition assessment report. Respond to emails from counsel re: status of reports.	1.30	\$180.00	\$234.00
Mon	08/29/2016	Assistance with Second report and appendices. Review and discussions re: Property Condition Assessment.	8.40	\$180.00	\$1,512.00
Tues	08/30/2016	Attend property to deal with Lobster Town International. Return to office. Assistance with report and appendix finalization.	7.20	\$180.00	\$1,296.00
Thur	09/01/2016	Assistance with matters re: lobster tenant at property. Second report matters.	5.10	\$180.00	\$918.00
Fri	09/02/2016	Assistance with matters re: lobster tenant at property.	2.20	\$180.00	\$396.00
Mon	09/05/2016	Hydro issues. Court reporting matters.	3.10	\$180.00	\$558.00

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File Name (ID): 2292319 Ontario Inc. (AAMETR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Daniel Battiston (DBA)					
Tues	09/06/2016	Assistance with issues re: lobster tenant. Discussion with legal counsel, PG, locksmith re: strategy for removal of inventory and chattels. Assistance with tenant hydro issues. Respond to emails from tenants re: hydro matters. Revises hydro reconciliation. Court report matters.	7.40	\$180.00	\$1,332.00
Fri	09/09/2016	Green Island and SK Food hydro matters. Drafting of third report to court.	4.60	\$180.00	\$828.00
Tues	09/13/2016	Third Report to Court.	3.30	\$180.00	\$594.00
Wed	09/14/2016	Third Report to Court. Notice of default to SK re: Hydro arrears.	7.80	\$180.00	\$1,404.00
Thur	09/15/2016	Assistance with issues re: Lobster tenant, Third Report to Court matters.	4.30	\$180.00	\$774.00
Mon	09/19/2016	Further assistance with Third Report to Court, compilation of appendices to third report, correspondence with legal counsel. Discussions with counsel re: receipt of Green Island hydro cheques. Discussions with Toronto Hydro re: safety inspection. Correspondence with engineers re: revised condition report.	2.80	\$180.00	\$504.00
Tues	09/20/2016	Further assistance with Third Report to Court, compilation of appendices to third report, correspondence with legal counsel.	3.70	\$180.00	\$666.00
Thur	09/22/2016	Review CCI revised report, revise Third Report to Court, emails to counsel re: revised reports.	5.10	\$180.00	\$918.00
Fri	09/23/2016	Further assistance with court reporting matters and CCI report.	2.10	\$180.00	\$378.00
Mon	09/26/2016	Third report matters, hydro matters, lobster tenant matters.	4.10	\$180.00	\$738.00
Tues	09/27/2016	Third report matters, hydro matters, lobster tenant matters.	5.30	\$180.00	\$954.00
Wed	09/28/2016	Third report matters, hydro matters, lobster tenant matters.	1.20	\$180.00	\$216.00
Thur	09/29/2016	Third report matters, hydro matters, lobster tenant matters.	1.00	\$180.00	\$180.00
Fri	09/30/2016	Third report matters, hydro matters, lobster tenant matters.	2.10	\$180.00	\$378.00
Mon	10/03/2016	Scheduling of meter readings with tenants. Review of hydro charges to date.	0.80	\$180.00	\$144.00
Tues	10/04/2016	Attend premises. Inspection of Lobster unit and vacate premises with Lockit. Conduct meter readings at property. Return travel to office. Reconciliation of hydro proportionate usage subsequent to July 21. Reconciliation of utility payments received from Green Island Trading. Update to court report.	5.10	\$180.00	\$918.00
Wed	10/05/2016	Utility arrears issues, tenant insurance matters, building condition issues, Lobster tenant issues	2.10	\$180.00	\$378.00
Fri	10/07/2016	Utility arrears issues, tenant insurance matters, building condition issues, Lobster tenant issues	4.90	\$180.00	\$882.00
Thur	10/13/2016	Court attendance re: SK and Green Island motion. Return travel to office. Address outstanding hydro matters. Preparations for access and possession of ground floor premises.	7.60	\$180.00	\$1,368.00
Fri	10/14/2016	Attend property. Take possession of ground floor grow-op premises. Contact and assist Toronto Police re: marijuana operations. Conference call with Toronto Hydro re: hydro arrears and upcoming payments. Change locks of ground floor premises. Arrangements re: shutoff of electrical and utilities for ground floor premises. Attend to other matters while on site. Return travel to office.	7.40	\$180.00	\$1,332.00
Tues	10/18/2016	Correspondence with legal counsel, tenants, Toronto Hydro	0.60	\$180.00	\$108.00
Wed	10/19/2016	Correspondence with legal counsel, tenants, Toronto Hydro	0.70	\$180.00	\$126.00
Thur	10/20/2016	Correspondence with legal counsel, tenants, Toronto Hydro	1.00	\$180.00	\$180.00
Fri	10/21/2016	Correspondence with legal counsel, tenants, Toronto Hydro	1.20	\$180.00	\$216.00
Mon	10/24/2016	Correspondence re: ongoing utility and tenant matters.	1.00	\$180.00	\$180.00
Tues	10/25/2016	Correspondence re: ongoing utility and tenant matters.	1.00	\$180.00	\$180.00
Mon	10/31/2016	Further assistance with hydro and tenant matters at property.	2.10	\$180.00	\$378.00

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Daniel Battiston (DBA)					
Tues	11/01/2016	Correspondence re: enquiries from Toronto Police Drug Squad unit re: Green Island Trading Co. Prepare and send correspondence to tenants re: unpaid hydro to date. Discussions with SK re: unpaid hydro arrears and letter of intent re: purchase of property.	3.60	\$180.00	\$648.00
Thur	11/03/2016	Review of CCI Group recommendations re: remediation of property. Draft notice to tenants demanding remediation of building. Review of notices by counsel. Delivery of notices to tenants.	4.80	\$180.00	\$864.00
Fri	11/04/2016	Review letter of intent from SK Foods and discussion with PG and legal counsel. Review release and settlement documents re: Universal. Further discussions with SK re: payment of hydro arrears and November 2016 rent.	3.60	\$180.00	\$648.00
Tues	11/08/2016	Attend premises for preliminary ESA inspection. Assistance with settlement re: Universal Trading ground floor premises.	4.40	\$180.00	\$792.00
Wed	11/09/2016	Second attendance at property re: follow-up ESA inspection of premises. Inspections of property. Address tenant matters while onsite.	3.80	\$180.00	\$684.00
Thur	11/10/2016	Correspondence with SK re: initial letter of intent on purchase of building, hydro matters, etc.	1.30	\$180.00	\$234.00
Fri	11/11/2016	Review SK amended letter of intent. Discussions with counsel re: settlement of costs with SK and Green Island.	1.50	\$180.00	\$270.00
Mon	11/14/2016	Attend premises re: meeting with former lobster tenant. On site discussion of hydro arrears owing and strategy re: removal of contents. Walk through of vacant premises. Address tenant matters while on site.	2.80	\$180.00	\$504.00
Tues	11/15/2016	Further reconciliation of October hydro costs based on recent meter readings.	1.20	\$180.00	\$216.00
Thur	11/17/2016	Review of ESA notice re: electrical deficiencies at property. Correspondence with counsel and PG re: ESA notice.	1.80	\$180.00	\$324.00
Fri	11/18/2016	Further review and discussion with counsel re: ESA notice. Correspondence with prospective purchaser re: building details and scheduling for walkthrough of premises. Reconciliation of October hydro costs per billings received.	3.10	\$180.00	\$558.00
Mon	11/21/2016	Draft response to ESA re: notice of electrical deficiencies at property. Discussion and review with PG and counsel. Further revisions to response based on counsel recommendation. Finalize response and delivery to ESA. Draft additional notices to SK and Green Island re: ESA notice and delivery to tenants.	4.10	\$180.00	\$738.00
Wed	11/23/2016	Draft additional notices to SK/Green Island re: electrical and other building deficiency matters. Notices re: upcoming hydro readings.	1.40	\$180.00	\$252.00
Thur	11/24/2016	Reconciliation of former lobster tenant hydro since date of appointment.	1.20	\$180.00	\$216.00
Fri	11/25/2016	Attend premises. Walk through/tour of property with prospective purchaser. Take reading of all sub-meters. Inspections of vacant premises. On site meeting with Universal staff re: removal of items from ground floor premises and cleanup of space. Conference call with Richard Crawford re: SK letters of intent. Delivery of notice of remediation to SK. Follow up with Green Island re: remediation notices. Follow up correspondence with ESA re: receipt of response to initial notice. Discussion with ESA representative re: response to initial notice.	5.20	\$180.00	\$936.00

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Daniel Battiston (DBA)					
Tues	11/29/2016	Attend premises. On site meeting with sub contractor re: heating of building. Travel back to office. Various calls with Lockit re: Universal removal of goods from premises. Return to premises. Execution of Universal Settlement Agreement and Release. Obtain funds re: Settlement Agreement. Travel back to office. Deposit of settlement funds.	4.30	\$180.00	\$774.00
Wed	11/30/2016	Reconciliation of insurance invoices to date and payment of November insurance premium.	0.60	\$180.00	\$108.00
Thur	12/01/2016	Discussions with Lockit re: Universal removal of goods from premises.	0.30	\$180.00	\$54.00
Fri	12/02/2016	Meeting with Lobster Town International re: hydro arrears, access to premises to obtain chattels and equipment, settlement of arrears, settlement and release agreement, scheduling removal of goods, etc. Rent collection re: Green Island and SK Foods. Deposit of December rents into estate account.	2.70	\$180.00	\$486.00
Mon	12/05/2016	Discussions re: cleanup of vacant unit and tenant matters with Lockit.	1.20	\$180.00	\$216.00
Wed	12/07/2016	Assistance with sprinkler systems matters. Further discussions and preparation of correspondence to Enbridge re: restoration of gas supply to property. Review recent hydro billing and prepare reconciliation of hydro usage based on recent hydro readings. Discussion of hydro usage with tenants and forward reconciliation for payment.	3.30	\$180.00	\$594.00
Mon	12/12/2016	Assistance with building sprinkler issues. Attend premises to meet with sprinkler inspector. Obtain quotes for repair. Review quotes received. Discussion and review of quotes with DH. Approval of quotes and scheduling with contractor. Arrange payment to contractor. All matters related to arranging for snow removal and salting at premises.	5.30	\$180.00	\$954.00
Tues	12/13/2016	Hydro reconciliation. Resolve billing issue with Toronto Hydro.	3.70	\$180.00	\$666.00
Wed	12/14/2016	Further assistance with court report.	1.20	\$180.00	\$216.00
Thur	12/15/2016	Attended premises. Onsite meeting with SK re: purchase of property. Walkthrough re: heating and sprinkler issues. Meet with plumber re: inspection of piping throughout premises. Payment of invoices from estate account.	4.60	\$180.00	\$828.00
Fri	12/16/2016	Meetings with SK and Green Island re: hydro reconciliation. Revisions to hydro reconciliation. Prepare and send notices to tenants re: building deficiencies and ESA matters.	6.30	\$180.00	\$1,134.00
Mon	12/19/2016	Draft projected R&D for report to court. Discussions with DH re: status of issues at property. Various discussions with Lockit re: building matters.	3.20	\$180.00	\$576.00
Tues	12/20/2016	Attend premises and meet with sprinkler contractors. Key delegation and return travel to office.	1.20	\$180.00	\$216.00
Fri	12/23/2016	Collection of utility payments from SK and Green Island. Arrange for deposit into estate account. Issue payments to Toronto Hydro.	2.30	\$180.00	\$414.00
Mon	01/09/2017	Coordination of rent payment from tenants, payment of Toronto Hydro billings, access to premises for sprinkler repair, quotes for heat tracing on main water line, cleanup of former Lobster tenant premises.	3.50	\$180.00	\$630.00
Mon	01/16/2017	Review contractor quote re: heat tracing on main water pipe and water supply. Correspondence with potential purchaser re: purchase of property and sales process. Call with SK re: interest in purchasing building. Respond to requests re: tenant notices.	2.60	\$180.00	\$468.00
Tues	01/17/2017	Assistance with building and tenant matters.	2.30	\$180.00	\$414.00
Wed	01/18/2017	Assistance with building and tenant matters.	1.80	\$180.00	\$324.00

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Daniel Battiston (DBA)					
Thur	01/19/2017	Assistance with building and tenant matters. Review and invoices and process payments.	1.00	\$180.00	\$180.00
Mon	01/23/2017	Meet with SK representative re: hydro usage. Deposit of hydro payment. Email correspondence with lawyers to schedule conference call re: next steps. Quick meeting with PG re: status of issues. Calls with Lockit re: recent inspections. Review of Lockit quotes for cleanup work and provide approval to commence work on site.	2.40	\$180.00	\$432.00
Tues	01/24/2017	Conference call with solicitors re: potential sale of property, potential court motion, tenant issues at property, hydro matters, remediation matters.	1.00	\$180.00	\$180.00
Wed	01/25/2017	Follow up with RBC re: additional \$140k advance. Correspondence with sprinkler contractor re: payment of remaining contract amount. Prepare payment of outstanding sprinkler contract balance.	1.20	\$180.00	\$216.00
Tues	01/31/2017	Review of insurance invoice and arrange for payment. Arrange for payment of remaining sprinkler repair costs. Discussion with SK re: sale of building.	0.80	\$180.00	\$144.00
Mon	02/06/2017	Travel to building. Onsite meeting re: sprinkler monitoring and review/inspection of recently completed work. Conduct sub-meter readings at premises. Prepare hydro reconciliation and deliver to tenants for review and payment.	4.30	\$180.00	\$774.00
Wed	02/08/2017	Reconciliation of RBC buy-out position, professional fees and realty taxes. Meeting with SK re: purchase of property or potential assignment of RBC's security.	2.00	\$180.00	\$360.00
Fri	02/10/2017	Review and payment of supplier invoices. Discussions with Lockit re: results of weekly inspections. Discussions with SK re: hydro reconciliation and issues raised by tenant.	2.00	\$180.00	\$360.00
Tues	02/14/2017	Preliminary review of draft agreement of purchase and sale.	1.70	\$180.00	\$306.00
Wed	02/15/2017	Additional review of draft purchase and sale agreement for delivery to SK Foods.	2.90	\$180.00	\$522.00
Thur	02/23/2017	Meeting with SK group re: recent hydro reconciliation, payment of outstanding hydro charges and potential purchase of property. Deposit of SK hydro payment and payment of Toronto Hydro invoice. Correspondence with Rayment Young re: forgoing.	2.60	\$180.00	\$468.00
Fri	02/24/2017	Discussions with Lockit re: inspections conducted during the week. Meeting with Green Island re: hydro payment.	1.20	\$180.00	\$216.00
Tues	02/28/2017	Review and process various invoices. Discussions with Lockit re: recent inspections and sprinkler monitoring emergency call listing. Arrange and schedule Toronto Hydro access to property to conduct meter reading. Further review and changes to P&S agreement. Forward P&S agreement to SK for review and execution.	2.70	\$180.00	\$486.00
Mon	03/06/2017	Discussion with Lockit re: inspection and Toronto Hydro meter reading. Discussion with A&B re: SK potential assignment of mortgage. Discussion with SK re: building purchase/mortgage assignment matters and rent collection.	1.20	\$180.00	\$216.00
Wed	03/08/2017	Discussion with SK's lawyer re: potential transaction.	0.70	\$180.00	\$126.00
Tues	03/14/2017	Discussion with Lockit re: onsite inspection. Arrangements re: meter readings. Follow-up with SK legal counsel re: assignment of mortgage.	1.90	\$180.00	\$342.00
Thur	03/16/2017	Review meter readings taken of sub-meters at building. Reconciliation of hydro usage.	1.80	\$180.00	\$324.00
Tues	03/28/2017	Discussions with SK, legal counsel for SK and RBC re: SK offer to purchase property. Draft memo to file.	1.60	\$180.00	\$288.00

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Daniel Battiston (DBA)					
Tues	04/04/2017	Assistance with matters re: SK purchase of property, ESA issues, and building remediation issues. Various discussions with the following parties: the ESA, SK, SK legal counsel, receiver's legal counsel, building inspectors, etc.	2.00	\$180.00	\$360.00
Thur	04/06/2017	Further assistance with matters re: SK purchase of property, ESA issues, and building remediation issues. Various discussions with the following parties: the ESA, SK, SK legal counsel, receiver's legal counsel, building inspectors, etc. Rent collection and deposit of rent cheques. Meter readings at property.	2.80	\$180.00	\$504.00
Thur	04/13/2017	Onsite inspection with building inspector and discussion of garbage pile-up at property.	1.00	\$180.00	\$180.00
Tues	04/18/2017	Attend premises re: hydro readings and other tenant matters. Discussions re: upcoming fire inspection with city inspectors. Additional follow up with ESA re: past notices to comply.	3.70	\$180.00	\$666.00
Fri	04/21/2017	Attend premises re: fire inspection, on-site meeting with fire inspector, conference call with PG and SM re: inspection and action plan, emails to fire inspector, RBC, Minden Gross, tenants re: inspection and action plan, arrange contractors to attend and address inspector concerns, arrange for fire watch services.	4.90	\$180.00	\$882.00
Mon	04/24/2017	Assist with second onsite meeting with fire inspector. Discussions with tenants present at meeting. Discussions with building inspector. Travel back to office.	2.60	\$180.00	\$468.00
Wed	05/03/2017	Review of notices of violations from City of Toronto and Toronto Fire Services. Draft memo re: contents of violations and distribute to counsel and RBC. Assistance with arranging quotes to address outstanding matters. Draft and distribute notices to tenants re: current violations. Supervision of matters and action plan.	4.90	\$180.00	\$882.00
Fri	05/05/2017	Further assistance with arranging quotes to address outstanding building violations. Supervision of action plan.	3.60	\$180.00	\$648.00
Tues	05/09/2017	Discussions with building inspector re: garbage removal at site. Reconciliation of hydro usage for March-April 24th as per receipt of Toronto Hydro billing. Issues hydro reconciliation and demand for payment to SK and Green Island. Discussions with tenants re: hydro usage and payment. Process payment of contractor invoices re: fire/sprinkler matters, site inspections, garbage collection etc. Begin drafting fifth report to court.	5.40	\$180.00	\$972.00
Wed	05/10/2017	Further discussions with tenants re: hydro usage and payment. Further assistance with garbage matters. Discussions with fire/sprinkler contractor re: status of fire code violations and quotes provided. Forward contractor quotes to RBC for review and approval. Continue drafting fifth report to court.	4.90	\$180.00	\$882.00
Thur	05/11/2017	Finalize first draft of receiver's fifth report.	4.20	\$180.00	\$756.00
Daniel Battiston (DBA)			423.60		\$76,248.00
Deborah Hornbostel (DHO)					
Fri	07/08/2016	Review and sign cheque	0.10	\$445.00	\$44.50
Wed	07/13/2016	review and sign cheque	0.10	\$445.00	\$44.50
Wed	08/03/2016	review and sign cheque	0.10	\$445.00	\$44.50
Wed	08/10/2016	review and sign cheques	0.10	\$445.00	\$44.50
Wed	08/24/2016	Review and sign cheques	0.10	\$445.00	\$44.50
Fri	09/30/2016	Review and approve cheque requisitions	0.10	\$445.00	\$44.50
Fri	10/14/2016	Review and sign cheque	0.10	\$445.00	\$44.50
Tues	11/08/2016	Review and sign cheques	0.10	\$445.00	\$44.50

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Deborah Hornbostel (DHO)					
Thur	11/17/2016	Respond to enquiry from prospective purchaser, discussion with DB re status of building	0.40	\$445.00	\$178.00
Fri	11/18/2016	Obtain further info from DB to provide to prospective purchaser, review and sign cheque, f/u with Steve Charest re potential purchase and tour	0.60	\$445.00	\$267.00
Fri	11/25/2016	Attend at site with Steve Charest potential purchaser	1.00	\$445.00	\$445.00
Mon	12/12/2016	Email from S.Charest re potential acquisition, discussion with DB re gas installation, sprinkler concerns and borrowing issues, provide instructions	0.30	\$445.00	\$133.50
Tues	12/13/2016	Update from D.Battiston re building inspection, status of funding and obligations, email to Sanj to seek court date to increase borrowing limit	0.40	\$445.00	\$178.00
Wed	12/14/2016	Review emails from Sanj re borrowing base court motion and tenant response to ESA issues and respond, tc to Richard Crawford for consent to borrowing limit increase, update Sanj, draft court report 4, review quotes for heating and sprinkler repairs and draft SRD and projections, instructions to DB	3.50	\$445.00	\$1,557.50
Thur	12/15/2016	review projected SRD, amend and email to Richard Crawford to request higher borrowing amount	0.60	\$445.00	\$267.00
Fri	12/16/2016	Review of email from Richard Crawford, update from DB re discussions with SK re letter of intent, discussion with Sanj Mitra re court approval issues	0.40	\$445.00	\$178.00
Tues	12/20/2016	Follow up with Richard Crawford RBC re approval for borrowing limit increase, review amendments to report by A&B, motion and draft order, revise projected SRD and report, compile report appendices and issue, cover ltr to A&B re signature page, review status of ESA issues with DB, review and amend draft letters to tenants regarding outstanding deficiencies	3.60	\$445.00	\$1,602.00
Wed	12/21/2016	Receipt, review and filing of motion record re Jan.4.17, vm from Steve Leonhard of CRA re payment of HST liability and removal of CRA lien from property	0.40	\$445.00	\$178.00
Thur	12/22/2016	Discussion with DB re site inspection by plumber and ramifications, provide instructions	0.40	\$445.00	\$178.00
Fri	12/23/2016	Review and approve payables	0.10	\$445.00	\$44.50
Wed	01/04/2017	Update from Jeremy Nemers re approval of court order this morning, review and sign cheque	0.20	\$445.00	\$89.00
Tues	01/10/2017	Review and approve accounts payable, discussion DB re o/s issues, sign cheques	0.30	\$445.00	\$133.50
Tues	01/17/2017	Review and approve payment re sprinkler, update from DB re tenant issues and potential sale to Steve, review cash position and email request to Richard Crawford for further funding pursuant to court order approval	0.40	\$445.00	\$178.00
Tues	01/24/2017	Review and sign cheques	0.10	\$445.00	\$44.50
Mon	01/30/2017	Review and sign cheques	0.10	\$445.00	\$44.50
Wed	02/01/2017	Review and sign cheques	0.10	\$445.00	\$44.50
Mon	02/06/2017	Review and sign cheque	0.10	\$445.00	\$44.50
Deborah Hornbostel (DHO)			13.80		\$6,141.00
Harvey S. Lipman (HLI)					
Wed	07/13/2016	To cheque review and sign	0.10	\$445.00	\$44.50
Wed	08/17/2016	To cheque review and sign	0.10	\$445.00	\$44.50
Wed	08/31/2016	General	0.20	\$445.00	\$89.00

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Harvey S. Lipman (HLI)					
Fri	10/14/2016	General	0.10	\$445.00	\$44.50
Tues	11/01/2016	To cheque review and sign	0.10	\$445.00	\$44.50
Fri	11/04/2016	To cheque review and sign	0.10	\$445.00	\$44.50
Tues	11/15/2016	To cheque review and sign	0.10	\$445.00	\$44.50
Fri	11/18/2016	To cheque review and sign	0.10	\$445.00	\$44.50
Wed	12/07/2016	To cheque review and sign	0.10	\$445.00	\$44.50
Wed	02/15/2017	To cheque review and sign	0.20	\$445.00	\$89.00
Mon	03/27/2017	To cheque review and sign	0.20	\$445.00	\$89.00
Harvey S. Lipman (HLI)			1.40		\$623.00
Haran Sivanathan (HSI)					
Thur	08/18/2016	Deposit, Cheque, Pre-Authorized payment, Review Files, GIC's and Bank reconciliation	0.60	\$75.00	\$45.00
Wed	05/03/2017	General	0.20	\$75.00	\$15.00
Haran Sivanathan (HSI)			0.80		\$60.00
Inga Friptuleac (IFR)					
Mon	07/04/2016	Deposits; Prepare cheque	0.60	\$50.00	\$30.00
Mon	07/11/2016	Prepare cheque	0.20	\$50.00	\$10.00
Mon	07/18/2016	Deposits	0.40	\$50.00	\$20.00
Mon	07/25/2016	Term Investment	0.20	\$50.00	\$10.00
Tues	08/02/2016	Prepare cheque; Deposit	0.40	\$50.00	\$20.00
Mon	08/08/2016	Collapsing GIC; prepare cheques	0.60	\$50.00	\$30.00
Tues	08/23/2016	Deposit; issue cheques	0.60	\$50.00	\$30.00
Mon	08/29/2016	deposits;prepare cheques	0.80	\$50.00	\$40.00
Tues	09/06/2016	Deposit	0.20	\$50.00	\$10.00
Mon	09/19/2016	Issue cheques;	0.40	\$50.00	\$20.00
Mon	09/26/2016	Term Investment	0.20	\$50.00	\$10.00
Mon	10/03/2016	Deposit; issue cheques	0.80	\$50.00	\$40.00
Wed	10/12/2016	Deposits; Prepare cheques	0.80	\$50.00	\$40.00
Mon	10/17/2016	Collapse GIC, Deposits; Issue cheques	1.60	\$50.00	\$80.00
Mon	10/31/2016	Deposits; Issue cheques	0.80	\$50.00	\$40.00
Mon	11/07/2016	Issue cheques	0.60	\$50.00	\$30.00
Mon	11/07/2016	Collapse Term Deposit	0.20	\$50.00	\$10.00
Mon	11/14/2016	Collapse GIC; prepare cheque	0.40	\$50.00	\$20.00
Tues	11/29/2016	Deposits	0.40	\$50.00	\$20.00
Mon	12/05/2016	Issue cheques, Deposit,	0.40	\$50.00	\$20.00
Mon	12/12/2016	Issue cheques; Deposit	0.40	\$50.00	\$20.00
Mon	12/19/2016	Deposit	0.20	\$50.00	\$10.00
Wed	12/28/2016	Deposit	0.20	\$50.00	\$10.00
Wed	01/04/2017	Issue cheque; Deposit	0.40	\$50.00	\$20.00
Mon	01/09/2017	Issue cheques; Deposit	1.00	\$50.00	\$50.00
Mon	01/23/2017	Deposits; Issue cheques	1.20	\$50.00	\$60.00
Mon	01/30/2017	Deposits, Issue cheques	1.00	\$50.00	\$50.00
Tues	02/07/2017	Issue cheques	0.80	\$50.00	\$40.00
Mon	02/13/2017	Issue cheques	0.40	\$50.00	\$20.00

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File Name (ID): 2292319 Ontario Inc. (AAMETR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Inga Friptuleac (IFR)					
Tues	02/21/2017	Issue cheque; Deposits	0.60	\$50.00	\$30.00
Mon	02/27/2017	Issue cheques	0.40	\$50.00	\$20.00
Mon	03/06/2017	Issue cheques	0.40	\$50.00	\$20.00
Mon	03/27/2017	Prepare cheques; Term Investment	0.60	\$50.00	\$30.00
Mon	04/03/2017	Deposits; Prepare cheque	0.60	\$50.00	\$30.00
Mon	04/10/2017	Prepare cheque	0.20	\$50.00	\$10.00
Mon	05/08/2017	Deposits; Prepare cheques	0.60	\$50.00	\$30.00
Inga Friptuleac (IFR)			19.60		\$980.00
Jeff Adiken (JAD)					
Tues	01/31/2017	Apr 22/16 - cheques May 5/16 - cheques Dec 15/16 - cheques	0.20	\$250.00	\$50.00
Jeff Adiken (JAD)			0.20		\$50.00
Phillip H. Gennis (PGE)					
Tues	07/05/2016	Email exchange with Counsel regarding issues which are the subject matter of impending motion;	0.75	\$445.00	\$333.75
Thur	07/07/2016	Review draft First report to Court;	1.75	\$445.00	\$778.75
Mon	07/11/2016	Review of draft report prior to submission to Counsel; telephone discussion with RBC; email exchanges with DB and Counsel;	2.50	\$445.00	\$1,112.50
Tues	07/12/2016	Numerous emails regarding upcoming motion; review of responses from SK and Green Island; liaising with Daniel Battiston.	1.50	\$445.00	\$667.50
Thur	07/14/2016	On-going revisions to Court Report; telephone discussions with Counsel.	1.25	\$445.00	\$556.25
Mon	07/18/2016	Further revisions to Court Report.	0.75	\$445.00	\$333.75
Mon	07/18/2016	Final revisions to First Report to Court	1.25	\$445.00	\$556.25
Wed	07/20/2016	Telephone discussion with Counsel; email from Counsel regarding typo in Motion Style of Cause.	0.10	\$445.00	\$44.50
Thur	07/21/2016	Telephone discussion with Kelly Avison.	0.50	\$445.00	\$222.50
Wed	07/27/2016	Review report for court attendance on the 28th.	1.00	\$445.00	\$445.00
Thur	07/28/2016	Attendance before HHJ Wilton-Siegel on motion regarding leases.	5.00	\$445.00	\$2,225.00
Fri	07/29/2016	Review engineering proposal.	1.00	\$445.00	\$445.00
Tues	08/02/2016	Telephone discussions with Counsel; meeting with DB; organizing site inspection by engineers and finalizing service contract.	1.50	\$445.00	\$667.50
Wed	08/03/2016	Email exchange and discussion with DB regarding site attendance.	1.00	\$445.00	\$445.00
Thur	08/04/2016	On-going dealings with tenant issues; instructing building engineers; generally managing engagement.	1.00	\$445.00	\$445.00
Fri	08/05/2016	Email exchange with Counsel	0.50	\$445.00	\$222.50
Mon	08/08/2016	Telephone discussion with Counsel; meetings with internal staff regarding tenant issues; email exchanges with Counsel and with tenants; telephone discussion and email with building engineer;	1.25	\$445.00	\$556.25
Tues	08/09/2016	Meeting with Counsel and RBC.	1.50	\$445.00	\$667.50
Wed	08/10/2016	Review draft report from Engineer; telephone discussions with Counsel regarding Green Island potential dispute; telephone discussion with Bank	1.25	\$445.00	\$556.25
Thur	08/11/2016	Conf call with Counsel and engineer.	0.50	\$445.00	\$222.50
Fri	08/12/2016	Email exchange with SK; conference call with Counsel for Receiver and RBC and Counsel	1.25	\$445.00	\$556.25
Mon	08/15/2016	Discussion with DB regarding Lobster Guy.	0.50	\$445.00	\$222.50

Filters Used:

- Time Entry Date: 7/01/16 to 5/12/17
- File ID: AAMETR-R: to AAMETR-R:

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File Name (ID): 2292319 Ontario Inc. (AAMETR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Philip H. Gennis (PGE)					
Tues	08/16/2016	Email exchange with DB and with Counsel regarding Lobster Distributor; emails from representative of SK; internal meeting with staff.	0.75	\$445.00	\$333.75
Wed	08/17/2016	Meeting with Counsel and representative for SK.	1.50	\$445.00	\$667.50
Thur	08/18/2016	Email exchange with representative of SK; telephone discussion with Counsel; email request to DB regarding Green Island Square Footage.	0.75	\$445.00	\$333.75
Fri	08/19/2016	Receipt and review of motion materials served by Green Island	1.25	\$445.00	\$556.25
Mon	08/22/2016	Conference call with Counsel.	0.75	\$445.00	\$333.75
Tues	08/23/2016	On-going discussions regarding Green Island occupation of building.	0.75	\$445.00	\$333.75
Wed	08/24/2016	Review emails from DB; review issue regarding trespass by Lobster Guy.	0.75	\$445.00	\$333.75
Thur	08/25/2016	Dealing with break-in by Lobster Guy; telephone discussions with DB and Counsel; review of initial draft of report to court	1.75	\$445.00	\$778.75
Fri	08/26/2016	On-going possessory issues; communication with consulting engineers.	1.00	\$445.00	\$445.00
Mon	08/29/2016	Review of email exchange with Counsel; review of Receiver's report to court; telephone discussion with Lobster Guy.	2.00	\$445.00	\$890.00
Tues	08/30/2016	On-going review of draft reports; review of amended engineers report; review of final draft and execution of report.	2.50	\$445.00	\$1,112.50
Wed	08/31/2016	Finalize responding report to court.	1.75	\$445.00	\$778.75
Thur	09/01/2016	On-going dealings with defaulting occupants.	1.25	\$445.00	\$556.25
Tues	09/06/2016	Conference call with Counsel; telephone discussion with RBC; email exchange with Counsel regarding hydro arrears and SK insurance.	1.75	\$445.00	\$778.75
Wed	09/07/2016	On-going dealings with tenant issues; discussions with internal staff and Counsel	1.25	\$445.00	\$556.25
Thur	09/08/2016	Conference call with Counsel and Toronto Hydro.	0.75	\$445.00	\$333.75
Fri	09/09/2016	On-going tenant issues; emails and telephone calls with DB and Counsel	2.00	\$445.00	\$890.00
Mon	09/12/2016	Email exchange with SK and Counsel; meeting with DB to discuss next report to court.	1.25	\$445.00	\$556.25
Tues	09/13/2016	Review and revise draft report to court; email exchange with Counsel	1.50	\$445.00	\$667.50
Thur	09/15/2016	On-going dealing with tenant issues; email exchanges with Counsel.	1.25	\$445.00	\$556.25
Mon	09/19/2016	On-going issues with tenants; on-going discussions with Counsel; internal discussions DB/PG	1.25	\$445.00	\$556.25
Mon	09/26/2016	Review email exchanges with DB and Counsel; telephone discussion with Counsel.	1.25	\$445.00	\$556.25
Tues	09/27/2016	Telephone discussion with RBC; discussion with DB regarding lobsters.	0.75	\$445.00	\$333.75
Wed	09/28/2016	Review draft report to court	1.75	\$445.00	\$778.75
Thur	09/29/2016	Internal Meeting to discuss report to court; email exchange with Counsel.	0.50	\$445.00	\$222.50
Fri	09/30/2016	Final review of draft report to Court.	0.75	\$445.00	\$333.75
Wed	10/05/2016	Review Supp. Motion Re3cord; internal discussions with DB regarding tenant issues.	0.50	\$445.00	\$222.50
Tues	10/11/2016	Meeting with DB regarding Lobster Guy; review of email regarding police involvement in expediting removal of squatter; telephone discussion with Counsel.	0.75	\$445.00	\$333.75
Thur	10/13/2016	Attendance before HHJ Wilton-Siegel; meeting and telephone discussion with Counsel	4.25	\$445.00	\$1,891.25

Filters Used:

- Time Entry Date: 7/01/16 to 5/12/17
 - File ID: AAMETR-R: to AAMETR-R:

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File Name (ID): 2292319 Ontario Inc. (AAMETR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Philip H. Gennis (PGE)					
Mon	10/17/2016	Conference call with Counsel; conference call with Counsel and RBC; telephone discussion with Richard Crawford; telephone discussion with Kelly Avison.	1.50	\$445.00	\$667.50
Tues	10/18/2016	Conference call with Counsel and Toronto Hydro.	0.50	\$445.00	\$222.50
Wed	10/19/2016	Email exchange with Counsel, DB and tenant regarding water leakage.	0.50	\$445.00	\$222.50
Mon	10/24/2016	On-going dealings with Counsel and tenants; oversight of property management function.	1.50	\$445.00	\$667.50
Fri	10/28/2016	On-going email exchange with Counsel regarding tenant issues.	1.25	\$445.00	\$556.25
Mon	10/31/2016	On-going tenant issues; review of costs submissions.	0.50	\$445.00	\$222.50
Wed	11/16/2016	Email exchanges regarding outstanding tenant issues; receipt and review of ESA Report	2.00	\$445.00	\$890.00
Mon	11/21/2016	On-going discussions with Counsel regarding tenant issues;	1.25	\$445.00	\$556.25
Wed	11/23/2016	Email exchange with Counsel regarding tenant issues; review of ESA report.	0.75	\$445.00	\$333.75
Fri	11/25/2016	Email exchange with RBC; review of email communication of SM to KK; teleconference with Counsel and RBC;	1.00	\$445.00	\$445.00
Mon	11/28/2016	Review of email exchange with Counsel for Receiver and Counsel for Universal Trading	0.75	\$445.00	\$333.75
Tues	11/29/2016	Telephone discussion with Counsel for Receiver.	0.50	\$445.00	\$222.50
Tues	11/29/2016	Telephone discussion with prospective purchaser; email exchange with property manager; telephone discussion with Counsel regarding Universal Trading asset extraction; internal discussion with DB regarding Universal Trading.	1.00	\$445.00	\$445.00
Thur	12/08/2016	Status meeting with DB.	0.50	\$445.00	\$222.50
Mon	12/12/2016	Email exchange with property manager	0.25	\$445.00	\$111.25
Wed	12/14/2016	Email exchanges with DB and Counsel.	0.25	\$445.00	\$111.25
Thur	12/15/2016	Review Motion Record with respect to approval of fourth report.	0.50	\$445.00	\$222.50
Fri	12/16/2016	Email exchange regarding tenant issues; telcon with realtor.	0.20	\$445.00	\$89.00
Mon	12/19/2016	Email exchange regarding tenant issues.	0.25	\$445.00	\$111.25
Tues	12/20/2016	Review email exchange with DB.	0.10	\$445.00	\$44.50
Tues	01/03/2017	Approve payables.	0.25	\$445.00	\$111.25
Wed	01/04/2017	Review Endorsement and Order of Justice Hainey.	0.25	\$445.00	\$111.25
Mon	01/09/2017	Receipt and review emails	0.25	\$445.00	\$111.25
Tues	01/10/2017	Emails;	0.25	\$445.00	\$111.25
Mon	01/23/2017	Email exchange.	0.25	\$445.00	\$111.25
Wed	02/01/2017	Review payables.	0.20	\$445.00	\$89.00
Mon	02/06/2017	Review payables.	0.10	\$445.00	\$44.50
Wed	02/08/2017	t/c with Richard Crawford (RBC) regarding SK intention to take an assignment of the bank's debt and security.	0.20	\$445.00	\$89.00
Thur	02/23/2017	Meeting with DB; telephone discussion with RBC; revisions to APS.	0.50	\$445.00	\$222.50
Mon	03/20/2017	Telephone discussion with Ken Kallish.	0.25	\$445.00	\$111.25
Mon	03/27/2017	Series of emails regarding SK's proposed purchase of building.	0.50	\$445.00	\$222.50
Tues	03/28/2017	Email to DB regarding accelerating discussions with SK.	0.10	\$445.00	\$44.50
Wed	03/29/2017	Email from DB regarding discussions with Counsel for SK on its proposed purchase of building.	0.10	\$445.00	\$44.50
Tues	04/04/2017	Email exchange with RBC and KK; telephone discussion with RBC	0.50	\$445.00	\$222.50
Wed	04/05/2017	Email exchanges with Counsel and DB; telephone discussion with Counsel.	1.00	\$445.00	\$445.00

Filters Used:

- Time Entry Date: 7/01/16 to 5/12/17
 - File ID: AAMETR-R: to AAMETR-R:

MSGG - Detailed Time Dockets

Printed on: 5/16/17

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File Name (ID): 2292319 Ontario Inc. (AAMETR-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Philip H. Gennis (PGE)					
Mon	04/10/2017	Review Memorandum of Lw from Counsel; email to RBC; responding to email from RBC regarding proposed conference call.	1.25	\$445.00	\$556.25
Tues	04/11/2017	Conference call regarding proposed course of action relative to the property at 38 Metropolitan Road, Toronto.	1.00	\$445.00	\$445.00
Tues	04/11/2017	Conference Call with Receiver's Counsel, RBC and Counsel for RBC.	0.50	\$445.00	\$222.50
Thur	04/20/2017	On-going dealings with Fire Inspection Report.	1.25	\$445.00	\$556.25
Fri	05/05/2017	General	0.75	\$445.00	\$333.75
Fri	05/12/2017	Review and processing of payables	0.10	\$445.00	\$44.50
Philip H. Gennis (PGE)			90.45		\$40,250.25
Shenaz Tolat (STO)					
Tues	01/10/2017	Corporate Profile Search as on August 29, 2016: Lobster Town International Limited- requested by Daniel Battiston - 0.1 hours Corporate Profile Search as on August 9, 2016: Scrap 2 Go/Scrap To Go - requested by Daniel Battiston - 0.1 hours Corporate Profile & PPSA as on June 27, 2016: R.P. & M.G. Investments Ltd. - requested by Daniel Battiston - 0.2 hours Corporate Profile as on May 4, 2016: Green Island Trading Co. - requested by Daniel Battiston - 0.1 hours	0.50	\$50.00	\$25.00
Mon	01/16/2017	Corporate Profile Searches as on April 15, 2016: Universal Trading Company, 1880628 Ontario Inc., 2338595 Ontario Inc. - requested by Gillian Goldblatt	0.30	\$50.00	\$15.00
Tues	01/17/2017	Corporate Profile Search as on April 1, 2016: 2292319 Ontario Inc. - requested by Daniel Battiston	0.10	\$50.00	\$5.00
Shenaz Tolat (STO)			0.90		\$45.00
Total for File ID AAMETR-R:			551.15		\$124,575.25
Grand Total:			551.15		\$124,575.25

TAB 21

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

**AFFIDAVIT OF KYLE PLUNKETT
(sworn May 15th, 2017)**

I, **KYLE PLUNKETT**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

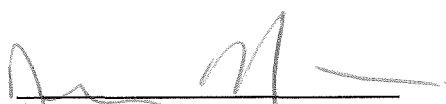
1. I am a lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP is acting as counsel for msi Spergel inc. (“**Spergel**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties (collectively, the “**Property**”) of 2292319 Ontario Inc. (the “**Debtor**”) and continues to do so.
2. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the Receiver, detailing its services rendered and disbursements incurred, namely:
 - (a) an account dated August 25, 2016 in the amount of \$28,971.16 in respect of the period from April 22, 2016 to July 31, 2016;
 - (b) an account dated September 30, 2016 in the amount of \$21,146.75 in respect of the period from July 12, 2016 to August 31, 2016;

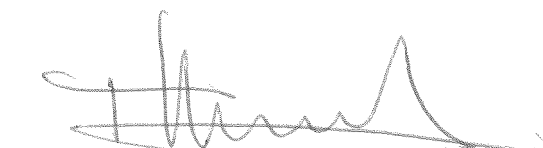
- (c) an account dated October 24, 2016 in the amount of \$22,509.04 in respect of the period from August 4, 2016 to September 30, 2016;
- (d) an account dated November 21, 2016 in the amount of \$21,038.62 in respect of the period from October 2, 2016 to October 31, 2016;
- (e) an account dated December 21, 2016 in the amount of \$5,784.62 in respect of the period from October 23, 2016 to November 30, 2016;
- (f) an account dated January 27, 2017 in the amount of \$3,291.52 in respect of the period from December 2, 2016 to December 31, 2016;
- (g) an account dated February 21, 2017 in the amount of \$1,076.61 in respect of the period from January 3, 2017 to January 31, 2017; and
- (h) an account dated May 12, 2017 in the amount of \$8,766.91 in respect of the period from February 10, 2017 to May 11, 2017,

(collectively, the “**Statements of Account**”). Attached hereto and marked as **Exhibit “A”** to this Affidavit are copies of the Statements of Account. The average hourly rate of Aird & Berlis LLP is \$419.00.

3. Attached hereto and marked as **Exhibit “B”** to this Affidavit is a chart detailing the lawyers, law clerks and articling students who have worked on this matter.
4. This Affidavit is made in support of a motion to, *inter alia*, approve the attached Statements of Account and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me at the City of)
 Toronto, in the Province of Ontario)
 this 15th day of May, 2017)


 A commissioner, etc.
 JEREMY HEMER


 KYLE PLUNKETT

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF KYLE PLUNKETT

Sworn before me

this 15th day of May, 2017

A handwritten signature in dark ink, appearing to read 'Jeremy Nemers', is written over a horizontal line.

Commissioner for taking Affidavits, etc

JEREMY NEMERS

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

568

msi Spergel Inc.
200-505 Consumers Road
North York, ON
Canada M2J 4V8

Attention: Mr. Philip H. Gennis

Account No.: 541701

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13225/132187

August 25, 2016

Re: 2292319 Ontario Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended July 31, 2016

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	22/04/16	0.20	\$115.00	Email exchange to schedule meeting
SPM	23/04/16	0.10	\$57.50	Email exchange re scheduling of meeting
SPM	12/05/16	0.70	\$402.50	Telephone call D. Battiston and P. Gennis and email exchange with client re strategy
SPM	13/05/16	2.30	\$1,322.50	Email exchange with client; Telephone call P. Gennis; Telephone call R. Crawford; Arrange for notice of termination; Review and revise draft notices to tenants and telephone calls to client
SPM	20/05/16	0.20	\$115.00	Email exchange with client
SPM	04/07/16	0.60	\$345.00	Telephone call P. Gennis strategy; Telephone call D. Battiston re status and strategy; Email client
SPM	07/07/16	2.40	\$1,380.00	Review insurance policy for S.K. Foods; Email to client with draft letters to tenants; Telephone call K. Kallish; Email exchange with client
SRM	07/07/16	0.10	\$34.00	Conduct preliminary; Order and report on business name report
SPM	08/07/16	0.20	\$115.00	Telephone call R. Crawford

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	08/07/16	0.60	\$345.00	Attend to finalize letter to SK Food Equipment; Email exchange with client; Draft letter to Green island Trading Company
SPM	11/07/16	0.30	\$172.50	Email exchange with client and finalize letter to Green Island; Email exchange with client re status of report; Arrange for fee affidavit
SPM	11/07/16	0.40	\$230.00	Review letter from debtor and email to client
SPM	11/07/16	0.20	\$115.00	Telephone call client re email from SK
JTN	11/07/16	1.90	\$579.50	Meeting with S. Mitra to discuss background and strategy re upcoming motion; Engaged with research re same; Instruct M. McCann re further research; Email research findings to S. Mitra
JTN	12/07/16	2.60	\$793.00	Receipt and review of draft report; Discussion with S. Mitra re same; Engaged with drafting of form of Order and Notice of Motion
SPM	14/07/16	1.80	\$1,035.00	Telephone call client; Email K. Kallish; Provide comments on draft notice of motion and order; Commence drafting of Report
SPM	14/07/16	0.30	\$172.50	Email to RBC with leases
JTN	14/07/16	3.20	\$976.00	Engaged with revisions to and finalization of draft security opinion; Discussions with S. Mitra re tenancy issues; Telephone call with client re same; Engaged with revisions to draft notice of motion and form of Order; Attend to related tasks as needed
SPM	15/07/16	2.50	\$1,437.50	Review and provide comments on draft report
JTN	15/07/16	2.60	\$793.00	Engaged with drafting of factum and related research
SPM	18/07/16	0.20	\$115.00	Email exchange with client re discussion with broker
JTN	18/07/16	4.40	\$1,342.00	Engaged with continued drafting of factum; Engaged with review of and revisions to several drafts of report, notice of motion and Order
SPM	19/07/16	1.00	\$575.00	Email exchange with client to provide final comments on report and record

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	19/07/16	0.50	\$287.50	Attend to finalize RBC security opinion and email client
SPM	19/07/16	0.30	\$172.50	[A108] Communicate/Other External - telephone call K. Kallish re motion record
SPM	19/07/16	0.10	\$57.50	Email exchange with K. Kallish re letter to service list
JTN	21/07/16	1.60	\$488.00	Engaged with further drafting of factum
PW	21/07/16	0.60	\$102.00	Filed Motion Record for July 28, 2016
SPM	22/07/16	0.60	\$345.00	Review and finalize factum and arrange letter to occupants
SPM	22/07/16	0.20	\$115.00	Review and provide comments on revised report and discharge motion
JTN	22/07/16	3.10	\$945.50	Engaged with further drafting and finalization of factum; Prepare brief of authorities; Engaged with service of factum and brief of authorities; Letter to C. Tran and S. Chen re same
JTN	23/07/16	0.10	\$30.50	Email to C. Tran and S. Chen reattaching motion record
PW	26/07/16	0.60	\$102.00	Filed Factum and Brief of Authorities for July 28, 2016
SPM	27/07/16	2.50	\$1,437.50	Prepare for hearing; Email exchange with R. Moses
SPM	28/07/16	6.00	\$3,450.00	Attend hearing; Telephone call client
JTN	28/07/16	5.40	\$1,647.00	Attend at court re lease termination motion; Engaged with negotiation of interim Order and circulation of draft of same to R. Young; Telephone calls with client; Attend to related matters as needed
SPM	29/07/16	0.20	\$115.00	Telephone call client
JTN	29/07/16	4.40	\$1,342.00	Attend at follow-up hearing to take-out Order
TOTAL:		55.00	\$23,204.50	

OUR FEE
HST at 13%

\$23,204.50
\$3,016.59

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Filing Fee \$127.00

Subject to HST

Name Search \$23.00
Quicklaw Search \$1,310.00
Long Distance Charges \$12.88
Photocopies/Scanning \$667.50
Binding and Tabs \$133.50
Deliveries \$174.42

Total Disbursements \$2,321.30
HST at 13% \$301.77

AMOUNT NOW DUE

\$28,971.16

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

572

msi Spergel Inc.
200-505 Consumers Road
North York, ON
Canada M2J 4V8

Attention: Mr. Philip H. Gennis

Account No.: 544232

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13225/132187

September 30, 2016

Re: 2292319 Ontario Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended August 31, 2016

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	12/07/16	0.50	\$287.50	Email exchange with client re research on ability of receiver to terminate contracts; Email exchange re SK Foods
SPM	02/08/16	0.30	\$172.50	Email exchange with client re indemnity and inspection
SPM	02/08/16	0.30	\$172.50	Email exchange with R. Young; Telephone call client
SPM	04/08/16	0.80	\$460.00	Review RBC change and emails exchange with client; Telephone call D. Balliston re service of termination notices
SPM	04/08/16	0.70	\$402.50	Telephone call client re result of attendance at property; Provide comments on draft notice of termination for Green Island
JTN	04/08/16	0.20	\$61.00	Email exchange with D. Battiston re Green Island insurance
SPM	05/08/16	0.40	\$230.00	Email exchange re Green Island; Review certificate of income and email client

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	07/08/16	0.50	\$287.50	Review email from counsel to Green Island and email exchange with client re strategy; Review email from J. Nemers re message and email exchange re strategy
JTN	07/08/16	0.60	\$183.00	Email exchanges with D. Sederoff, S. Mitra and client re Green Island; Receipt and review of voicemail from "Felix" re Scrap to Go and review of associated videos
SPM	08/08/16	0.50	\$287.50	Review exchange with J. Nemers and telephone all J. Nemers re discussions with counsel for Green Island
SPM	08/08/16	2.20	\$1,265.00	Telephone call client re client and bank re status; Email exchange with client re strategy; Telephone call counsel for Green Island and report to client
JTN	08/08/16	1.70	\$518.50	Telephone call with and email to D. Sederoff re Green Island; Discussion with S. Mitra re same; Voicemail to "Felix" re Scrap to Go; Email chain with client re Green Island, Scrap to Go, SK and lobster business
SPM	09/08/16	1.00	\$575.00	Review draft report and telephone call client
SPM	09/08/16	2.20	\$1,265.00	Telephone call client; Meet client and bank re status; Email exchange with client re strategy; Telephone all counsel for Green Island and report to client
JTN	09/08/16	1.10	\$335.50	Email exchanges with D. Sederoff and consider strategy re same; Attend on conference call with D. Sederoff and S. Mitra re next steps re Green Island; Attend to related tasks as needed
TSJ	10/08/16	0.10	\$24.50	Receive instruction from J. Nemers
SPM	10/08/16	0.80	\$460.00	Telephone call D. Sederoff and telephone call P. Gennis and D. Battiston
JTN	10/08/16	1.40	\$427.00	Receipt and review of preliminary property condition assessment; Discussion with S. Mitra re same; Attend on conference call with client; Instruct T. Jones re eviction research for certain violations
TSJ	11/08/16	1.00	\$245.00	Research Commercial Tenancies Act and related caselaw

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	11/08/16	2.00	\$1,150.00	Prepare for and attend urgent 9.30 hearing from Green Island
SPM	11/08/16	1.00	\$575.00	Telephone calls with engineer and client re condition of tenant spaces
JTN	11/08/16	0.80	\$244.00	Receipt and review of research from T. Jones; Attend on conference calls with client re same and related matters; Emails with client re next steps
JTN	12/08/16	0.50	\$152.50	Attend on conference call with working group
SPM	15/08/16	0.50	\$287.50	Telephone call client re request for access and risk; email exchange to arrange meeting with R. Young
SPM	16/08/16	0.20	\$115.00	Email exchange with client re lobster
SPM	16/08/16	2.20	\$1,265.00	Prepare for and attend meeting with representative of SK Foods
SPM	18/08/16	0.20	\$115.00	Review emails from R. Young and telephone call client
AM	19/08/16	1.70	\$416.50	Engaged with review of the law re the test for relief from forfeiture
AM	19/08/16	0.20	\$49.00	Receiving instructions from J. Nemers re preparation of responding materials
SPM	19/08/16	0.30	\$172.50	Arrange for research; follow up for reports
SPM	19/08/16	0.20	\$115.00	Email exchange with J. Nemers re motion record
JTN	19/08/16	0.90	\$274.50	Discussion with S. Mitra re next steps; Instruct A. Marcen-Gaudaur re same; Engaged with preliminary review of motion record; Emails to S. Mitra and client re same
SPM	20/08/16	0.20	\$115.00	Email to client re Green Island report
AM	22/08/16	0.80	\$196.00	Engaged with review of opposing party's motion record; Subsequent research re same
SPM	22/08/16	0.30	\$172.50	Review responding motion record
SPM	22/08/16	0.50	\$287.50	Telephone call client re motion record of Green Island and strategy

LAWYER	DATE	TIME	VALUE	DESCRIPTION
AM	23/08/16	0.40	\$98.00	Reviewing materials cited in motion record
SPM	25/08/16	0.20	\$115.00	Telephone call client re status of report and strategy with lobster tenant
SPM	26/08/16	0.20	\$115.00	Email exchange with client
SPM	27/08/16	2.00	\$1,150.00	Revise second report and emails to client and K. Kallish
AM	29/08/16	0.50	\$122.50	Preparing responding motion record materials
SPM	29/08/16	1.50	\$862.50	Review report from engineer and provide comments; Email exchange with client; Provide comments on second report; Email exchange with K. Kallish
SPM	29/08/16	0.50	\$287.50	Telephone call client re status of report and strategy; Telephone call client re strategy with tenant who deposited lobsters and arrange for research
JTN	29/08/16	2.80	\$854.00	Engaged with review of and revisions to draft Second Report; Email to and discussion with S. Mitra re same; Instruct A. Marcen-Gaudaur re preparation of record and related issues; Emails with client re same; Engaged with review of draft report from B. MacDonald; Telephone call with S. Mitra re same; Conference call with S. Mitra and client re same; Further emails re same and further review of draft Second Report
SPM	30/08/16	0.50	\$287.50	Telephone call J. Nemers and arrange to finalize and serve responding motion record on Green Island
JTN	30/08/16	2.90	\$884.50	Engaged with review of and revisions to further draft Second Report; Emails and telephone calls with client re same; Engaged with review of inspection report; Discussions with S. Mitra re all the above; Engaged with finalization and service of responding motion record
JTN	31/08/16	0.30	\$91.50	Email exchange with R. Young re email service; Discussion with C. Doyle re same
TOTAL:		40.60	\$18,230.00	

OUR FEE
HST at 13%

\$18,230.00
\$2,369.90

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Filing Fee	\$127.00
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Subject to HST

Taxi	\$7.05
Binding and Tabs	\$51.50
Photocopies/Scanning	\$313.00

Total Disbursements	\$371.55
HST at 13%	\$48.30

AMOUNT NOW DUE

\$21,146.75

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

27322391.1

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

577

msi Spergel Inc.
200-505 Consumers Road
North York, ON
Canada M2J 4V8

Attention: Mr. Philip H. Gennis

Account No.: 546913

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13225/132187

October 24, 2016

Re: 2292319 Ontario Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended September 30, 2016

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	04/08/16	0.80	\$460.00	Review RBC change and email exchange with client; Telephone call D. Battisto re service of termination notices
JTN	01/09/16	0.20	\$61.00	Follow-up email exchange with R. Young re service
AM	06/09/16	0.90	\$220.50	Preparing cross-examination questions for Mr. Cuong Tran
SPM	06/09/16	1.00	\$575.00	Conference call with client and arrange for cross examination; Provide comments on draft email to S/C insurance broker; Provide comments to R. Young on hydro emails
JTN	06/09/16	1.70	\$518.50	Discussion with S. Mitra re next steps; Conference call with client re same; Engaged with drafting and issuance of notice of examination re Green Island motion; Instruct A. Marcen-Gaudaur re initial drafting of questions for examination; Attend to related tasks as needed
PW	06/09/16	0.60	\$102.00	Filed Motion Record for September 28, 2016
AM	07/09/16	0.60	\$147.00	Preparing cross-examination questions for Mr. Cuong Tran

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	07/09/16	0.30	\$172.50	Telephone call telephone call D. Battiston re lease issues
SRM	07/09/16	0.10	\$34.00	Conduct prelim for Green Island Trading Company
JTN	07/09/16	1.90	\$579.50	Engaged with review of, revisions to and further drafting of questions for Friday's cross-examination; Email to S. Mitra re same
SPM	08/09/16	2.00	\$1,150.00	Telephone call with Toronto Hydro re arrears; Meet with J. Nemers to prepare for cross of Green Island representative
SRM	08/09/16	0.20	\$68.00	Order Business Name Report for Green Island Trading Company; Review sole proprietorship and general partnership reports and report on same
JTN	08/09/16	3.10	\$945.50	Engaged with preparation for tomorrow' cross-examination; Receipt and review of corresponding searches; Discussions with S. Mitra and client re same
JTN	09/09/16	2.70	\$823.50	Attend at and conduct cross-examination of C. Tran; Discussions with S. Mitra re same
AM	12/09/16	0.60	\$147.00	Research re applicability of RSLA to certain inventory
SPM	12/09/16	0.20	\$115.00	Email exchange with client re status and strategy re SK defaults
SPM	12/09/16	0.60	\$345.00	Attend to provide comments on draft default notice; "Email exchange with client re 3rd report"
JTN	12/09/16	0.30	\$91.50	Engaged with booking of 9:30 Court appearance for September 19 and related emails re same; Receipt and review of email chain between client and R. Young re hydro issue
AM	13/09/16	0.70	\$171.50	Research re applicability of RSLA to certain inventory
SPM	13/09/16	0.50	\$287.50	Attend to provide comments and emails for third report

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	13/09/16	1.80	\$549.00	Receipt and review of transcript from Friday's cross-examination; Engaged with drafting of undertakings and refusals chart; Email to D. Sederoff re same and 9:30 court attendance; Email chain with R. Young re 9:30 court attendance and related matters; Discussion with S. Mitra re same
SPM	14/09/16	0.30	\$172.50	Email exchange with D. Battiston re email to bank
JTN	14/09/16	0.30	\$91.50	Follow-up email chain with R. Young
SPM	15/09/16	0.50	\$287.50	Email exchange with P. Gennis re strategy with Lobster occupant
JTN	15/09/16	0.20	\$61.00	Receipt and review of voicemail from court office; Email to same, enclosing moving party's materials
AM	16/09/16	0.50	\$122.50	Preparing copies of cases to be included in factum; Sending same to J. Nemers
SPM	16/09/16	0.50	\$287.50	Review and revise draft third report
JTN	16/09/16	5.40	\$1,647.00	Engaged with drafting of and research for factum re Green Island; Prepare materials for Monday's 9:30 court attendance
SPM	17/09/16	0.80	\$460.00	Review engineer report re S/C and telephone call J. Nemers re strategy on report and Green Island factum; Email exchange with client
JTN	17/09/16	2.40	\$732.00	Engaged with continued drafting of factum and associated research re Green Island; Telephone call with S. Mitra re same and 9:30 court attendance re SK
JTN	18/09/16	2.00	\$610.00	Engaged with continued drafting of factum re Green Island
AM	19/09/16	0.40	\$98.00	Preparing copies of cases to be included in factum; Sending same to J. Nemers
SPM	19/09/16	0.20	\$115.00	Telephone call client re strategy with Green Island cheques and timing of motion
JTN	19/09/16	1.90	\$579.50	Attend at 9:30 scheduling appointment; Email exchanges with opposing counsel and court re rescheduling of motion date; Discussion with S. Mitra and telephone call with client re same and next steps;

LAWYER	DATE	TIME	VALUE	DESCRIPTION
				Email to R. Young re related matters; Engaged with review of case law for Green Island factum
JTN	20/09/16	0.10	\$30.50	Email exchange with R. Young
SPM	21/09/16	0.60	\$345.00	Review draft report from engineer re SK and email client
JTN	22/09/16	2.50	\$762.50	Engaged with further drafting of Green Island factum; Instruct A. Marcen-Gaudaur re completion of draft of same
AM	23/09/16	1.70	\$416.50	Engaged with preparation of factum; Telephone calls with J. Nemers re same
SPM	23/09/16	0.70	\$402.50	Review and revise draft G1 factum; Review engineers draft report and provide comments to client
JTN	23/09/16	0.70	\$213.50	Discussion with S. Mitra re status and next steps re SK; Telephone call with client re same; Engaged with proofreading of draft factum re Green Island; Email to S. Mitra re same
JTN	24/09/16	1.50	\$457.50	Engaged with review of and revisions to and drafting of Third Report re SK
JTN	25/09/16	1.50	\$457.50	Email exchange with S. Mitra re status and next steps; Begin drafting supplementary factum re SK
SPM	26/09/16	0.60	\$345.00	Email exchange with client re strategy with lobster occupant; Exchange messages with client; Telephone call client re strategy with lobster occupant
SPM	27/09/16	0.70	\$402.50	[A103] Draft/Revise draft 3rd report
SPM	28/09/16	0.80	\$460.00	[A103] Draft/Revise - finalize comments on draft third report and building condition report and email to client
JTN	28/09/16	0.40	\$122.00	Engaged with review of updated draft third report; Email to S. Mitra re same
SPM	29/09/16	0.40	\$230.00	Email exchange with client re third report
JTN	29/09/16	0.80	\$244.00	Engaged with further drafting of supplementary factum re SK

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	30/09/16	0.50	\$287.50	Email exchange with client re final comments on third report and arrange for service

TOTAL:	<hr/>	49.70	\$18,004.00
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OUR FEE	\$18,004.00
HST at 13%	\$2,340.52

DISBURSEMENTS

Subject to HST

Taxi	\$8.85
Photocopies/Scanning	\$568.00
Binding and Tabs	\$70.25
Name Search	\$46.00
Quicklaw Search	\$253.55
Searches	\$57.00
Court Reporting Services	\$856.75
Postage	\$55.10
 Total Disbursements	 \$1,915.50
HST at 13%	\$249.02

AMOUNT NOW DUE	<hr/> \$22,509.04 <hr/>
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THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

582

msi Spergel Inc.
200-505 Consumers Road
North York, ON
Canada M2J 4V8

Attention: Mr. Philip H. Gennis

Account No.: 548791

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13225/132187

November 21, 2016

Re: 2292319 Ontario Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended
October 31, 2016

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	02/10/16	1.00	\$305.00	Engaged with further drafting of supplementary factum re SK
PW	04/10/16	0.60	\$102.00	Filed Supplementary Motion Record for October 13, 2016
AEG	05/10/16	0.90	\$265.50	Prepare brief of authority re supplementary factum; Prepare brief of authority re supplementary factum re SK Food Equipment
SPM	05/10/16	0.40	\$230.00	Review and finalize draft supplementary factum and email opposing counsel
JTN	05/10/16	2.20	\$671.00	Engaged with finalization and physical packaging of supplementary factum re SK, responding factum re Green Island, two corresponding briefs of authorities and transcript brief
JTN	06/10/16	0.20	\$61.00	Email exchange with R. Young re Green Island materials
SPM	07/10/16	0.60	\$345.00	Review responding record and email exchange with client

LAWYER	DATE	TIME	VALUE	DESCRIPTION
PW	07/10/16	0.60	\$102.00	Filed responding motion materials for October 13, 2016
AM	11/10/16	0.80	\$196.00	Engaged with follow-up in preparation for court appearance on October 13, 2016; Reviewing email correspondence with R. Young and printing same
SPM	11/10/16	0.20	\$115.00	Telephone call - R. Moses
SPM	11/10/16	0.60	\$345.00	Email exchange and telephone call D. Battiston re strategy with Toronto Hydro
JTN	11/10/16	1.30	\$396.50	Engaged with drafting of form of Order for Thursday's court attendance; Prepare for same
AM	12/10/16	0.70	\$171.50	Engaged with follow-up in preparation for court appearance on October 13, 2016; Reviewing email correspondence with R. Young; Preparing research re test for relief from forfeiture and associated cases; Arranging to have copies of all materials printed for J. Nemers
SPM	12/10/16	0.20	\$115.00	Telephone call D. Battiston re hydro email
SPM	12/10/16	6.00	\$3,450.00	Prepare for hearing; Telephone calls D. Battiston
SPM	13/10/16	0.50	\$287.50	Telephone call client re taking possession of first floor; Email counsel for Green Island
SPM	13/10/16	4.80	\$2,760.00	Telephone call Toronto Hydro and email client; Attend hearing and arrange for release of endorsements; Telephone call client re strategy
JTN	13/10/16	4.00	\$1,220.00	Attend at court hearing; Email exchange with internal working group re same
DH	14/10/16	4.50	\$855.00	Telephone call with J. Nemers; Review dockets re separate out which dockets belong to Green Island and which belong to SK Foods and which are to be shared time; Draft and review two costs outlines to reflect materials prepared for attendance on July 28, 2016 and October 13, 2016; Reporting email to J. Nemers re same

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	14/10/16	0.90	\$517.50	[A108] Communicate/Other External - telephone call with Toronto Hydro and client; Telephone calls client and email exchange with client
JTN	14/10/16	1.10	\$335.50	Attend on conference call with client, S. Mitra and hydro representative; Follow-up telephone calls and emails with client; Discussion with S. Mitra re next steps; Engaged with review of His Honour's endorsements
JTN	15/10/16	0.90	\$274.50	Engaged with drafting of form of Orders re SK and Green Island
SPM	17/10/16	1.20	\$690.00	Telephone call client re call with RBC; Telephone call RBC; Email exchange with R. Young
SPM	17/10/16	0.40	\$230.00	Telephone call - telephone call L. Hotzberg and report to client
JTN	17/10/16	0.20	\$61.00	Engaged with proofreading of draft forms of Orders; Email to S. Mitra re same; Email typed copies of endorsements to R. Young
SPM	18/10/16	0.20	\$115.00	Email exchange with client re email from counsel for Universal Trading
SPM	18/10/16	0.50	\$287.50	Telephone call client; Revise draft orders and email to D. Sederoff and R. Young for approval
SPM	18/10/16	0.60	\$345.00	Prepare and attend call with Toronto Hydro; Telephone call counsel to Universal and telephone calls client
JTN	18/10/16	0.30	\$91.50	Engaged with review of and suggestions re draft forms of Orders with S. Mitra; Receipt and review of email exchanges re Universal, SK and Green Island
DH	19/10/16	0.40	\$76.00	Email from J. Nemers; Revisions to costs outline; Email same to J. Nemers and S. Mitra
SPM	19/10/16	0.20	\$115.00	Email exchange with client re GI flood
JTN	19/10/16	0.20	\$61.00	Engaged with review of cost outlines
SPM	20/10/16	0.30	\$172.50	Email exchange with client and R. Young re letter from broker

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	20/10/16	0.70	\$402.50	Email exchange with client; Email exchange with counsel for Universal
SPM	21/10/16	0.40	\$230.00	Email -exchange with client and L. Hochberg; Telephone call L. Hochberg
JTN	21/10/16	0.20	\$61.00	Email to D. Sederoff re costs outline; Discussion with S. Mitra re same
JTN	22/10/16	2.60	\$793.00	Engaged with drafting of written cost submissions re SK; Email to S. Mitra re same
NH	24/10/16	0.60	\$147.00	Filed Written submissions to Honourable Justice Wilton-Siegel for J. Nemers
JTN	24/10/16	0.40	\$122.00	Engaged with finalization and issuance of written cost submissions
SPM	25/10/16	0.50	\$287.50	Telephone call client and email exchange with client and opposing counsel re settlement with Universal; Review email from R. Young and email to client
JTN	25/10/16	0.10	\$30.50	Follow-up email to D. Sederoff re draft form of Order and costs outline
JTN	26/10/16	0.20	\$61.00	Discussion with S. Mitra re next steps; Follow-up email to D. Sederoff re costs outline
SPM	27/10/16	0.30	\$172.50	Telephone call client and email client re settlement of costs
SPM	27/10/16	0.20	\$115.00	Email exchange with counsel for Universal
JTN	27/10/16	0.20	\$61.00	Receipt and review of emails re costs re D. Sederoff and R. Young; Discussion with S. Mitra re same
SPM	28/10/16	0.30	\$172.50	[A108] Communicate/Other External - telephone call D. Sederoff
JTN	28/10/16	0.80	\$244.00	Engaged with drafting of Universal release
TOTAL:		45.00	\$18,264.50	

OUR FEE
HST at 13%

\$18,264.50
\$2,374.39

DISBURSEMENTS

Subject to HST

Photocopies/Scanning	\$301.75	
Binding and Tabs	\$17.00	
Postage	\$11.52	
Taxi	\$23.47	
Total Disbursements		\$353.74
HST at 13%		\$45.99

AMOUNT NOW DUE

\$21,038.62

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

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27645724.1

IN ACCOUNT WITH:

AIRD & BERLIS LLP

587

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
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www.airdberlis.com

msi Spergel Inc.
200-505 Consumers Road
North York, ON
Canada M2J 4V8

Attention: Mr. Philip H. Gennis

Account No.: 551975

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13225/132187

December 21, 2016

Re: 2292319 Ontario Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended
November 30, 2016.

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	23/10/16	0.30	\$172.50	[A104] Review/Analyze - review and provide comments on 5K cost submissions
SPM	27/10/16	0.30	\$172.50	Telephone call client and email re settlement of costs
SPM	31/10/16	0.20	\$115.00	Telephone call client re discussion with counsel for Green Island
SPM	01/11/16	0.40	\$230.00	Email exchange with client re request from police; Email to D. Sederoff
JTN	01/11/16	0.70	\$213.50	Engaged with drafting of removal procedures and related matters re Universal release
SPM	03/11/16	0.20	\$115.00	Telephone call client
SPM	04/11/16	0.70	\$402.50	Email exchange with counsel for Universal; Review and revise draft Universal documents and email to client
SPM	04/11/16	0.50	\$287.50	Review LOI and notices to tenants; Email exchange with client
SPM	04/11/16	0.50	\$287.50	Review LOI and notices to tenants; Email exchange with client

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SRM	04/11/16	0.10	\$34.00	Conduct preliminary search for Universal Trading Company
JTN	04/11/16	0.90	\$274.50	Engaged with drafting of release re Green Island; Instruct S. Morris re Universal corporate profile search; Discussion with S. Mitra re implications of same
SPM	07/11/16	0.40	\$230.00	Telephone call Felix Tapia and report to client
SPM	11/11/16	0.40	\$230.00	[A104] Review/Analyze - review email from counsel for Green Island re settlement and email exchange with client and opposing counsel
JTN	11/11/16	0.10	\$30.50	Email to J. Wilcox and D. Sederoff re 9:30 appointment
JTN	14/11/16	0.20	\$61.00	Email exchange with D. Sederoff re scheduling of 9:30 attendance
JTN	15/11/16	0.20	\$61.00	Engaged with confirmation of 9:30 hearing date with Court; Email exchange to D. Sederoff re same
SPM	16/11/16	0.20	\$115.00	Telephone call L. Hochberg re closing
SPM	18/11/16	0.40	\$230.00	Email to client and counsel for Universal Trading; Email client re ESA notice
SPM	19/11/16	0.50	\$287.50	Review ESA notice and email exchange with client
SPM	21/11/16	0.50	\$287.50	Telephone call client; Provide comments on draft response to ESA and discuss strategy on Green Island 9.30
JTN	21/11/16	0.70	\$213.50	Prepare for tomorrow's court attendance; Attend on conference call with client and S. Mitra re same
JTN	22/11/16	1.10	\$335.50	Attend at 9:30 Court appointment re taking-out of Order re Green Island and scheduling of written submissions re costs re same
SPM	25/11/16	0.60	\$345.00	Email exchange with P. Gennis and K. Kallish; Call with R. Crawford and P. Gennis
SPM	28/11/16	0.40	\$230.00	Telephone call counsel for Universal and email to counsel for Universal and client

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	29/11/16	0.20	\$115.00	Telephone call - telephone calls to P. Gennis and D. Battiston re closure of Universal deal
TOTAL:		10.70	\$5,076.00	

OUR FEE	\$5,076.00
HST at 13%	\$659.88

DISBURSEMENTS

Subject to HST

Long Distance Charges	\$2.94
Photocopies	\$32.00
Taxi	\$8.19
Total Disbursements	\$43.13
HST at 13%	\$5.61

AMOUNT NOW DUE	<u>\$5,784.62</u>
----------------	-------------------

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

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Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

590

msi Spergel Inc.
200-505 Consumers Road
North York, ON
Canada M2J 4V8

Attention: Mr. Philip H. Gennis

Account No.: 554083

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13225/132187

January 27, 2017

Re: 2292319 Ontario Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended December 31, 2016

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	02/12/16	2.50	\$762.50	Engaged with drafting of written costs submissions and related tasks
AM	05/12/16	0.60	\$147.00	Attending Commercial List to file documents
JTN	05/12/16	0.50	\$152.50	Engaged with finalization of written costs submissions re Green Island; Instruct S. Moniz and student re service and filing of same; Email chain with J. Wilcox re same; Receipt and review of Green Island's cost submissions
SPM	13/12/16	0.40	\$230.00	Email exchange with I. Gruber and B. Sachdeva re timing of motion
SPM	14/12/16	0.30	\$172.50	Email exchange with D. Hornbostel re status and steps; Arrange for notice of motion and order to increase borrowing power
JTN	19/12/16	1.50	\$457.50	Engaged with review of and revisions to draft Fourth Report; Engaged with drafting of notice of motion and draft form of Order; Discussion with S. Mitra re same; Email to client re same
JTN	20/12/16	0.30	\$91.50	Email exchange with client re Fourth Report; Engaged with minor revisions to draft court materials; Telephone call with client

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	21/12/16	0.60	\$183.00	Engaged with final review of motion record and arrange for service of same
PW	22/12/16	0.60	\$102.00	Filed motion for January 4, 2017
TOTAL:		7.30	\$2,298.50	

OUR FEE	\$2,298.50
HST at 13%	\$298.81

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Filing Fee	\$160.00
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Subject to HST

Photocopies/Scanning	\$418.00
Binding and Tabs	\$54.75
Total Disbursements	\$472.75
HST at 13%	\$61.46

AMOUNT NOW DUE

\$3,291.52

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

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IN ACCOUNT WITH:

AIRD & BERLIS LLP

592

Barristers and Solicitors

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Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

msi Spergel Inc.
200-505 Consumers Road
North York, ON
Canada M2J 4V8

Attention: Mr. Philip H. Gennis

Account No.: 556409

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13225/132187

February 21, 2017

Re: 2292319 Ontario Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended
January 31, 2017

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	03/01/17	0.30	\$97.50	Prepare for tomorrow's court attendance
JTN	04/01/17	1.10	\$357.50	Attend at hearing; Email to client re same; Instruct C. Doyle re circulation of Order and endorsement; Receipt and review of email from D. Sederoff; Email to C. Doyle re same; Engaged with related tasks
JTN	05/01/17	0.30	\$97.50	Discussion with S. Mitra re email from D. Sederoff; Draft and issue responding email re same
SPM	23/01/17	0.20	\$119.00	Email exchange with client and arrange for dial in
SPM	24/01/17	0.30	\$178.50	Telephone call client re status and strategy
JTN	24/01/17	0.30	\$97.50	Attend on conference call with D. Battiston and S. Mitra re next steps
TOTAL:		<hr/> 2.50	<hr/> \$947.50	

OUR FEE	\$947.50
HST at 13%	\$123.18

DISBURSEMENTS

Subject to HST

Photocopies	\$5.25
HST at 13%	\$0.68

AMOUNT NOW DUE	\$1,076.61
-----------------------	-------------------

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

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IN ACCOUNT WITH:

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www.airdberlis.com

594

msi Spergel Inc.
200-505 Consumers Road
North York, ON
Canada M2J 4V8

Attention: Mr. Philip H. Gennis

Account No.: 564954

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13225/132187

May 12, 2017

Re: 2292319 Ontario Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended May 12, 2017

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	10/02/17	0.20	\$119.00	Email exchange with client re status
SPM	04/04/17	0.30	\$178.50	Review emails from client and K. Kallish and telephone call client
SPM	04/04/17	0.50	\$297.50	Telephone call client and R. Crawford; Email exchange with client
TSJ	05/04/17	4.30	\$1,075.00	Receive instruction from S. Mitra; review caselaw regarding various potentially applicable points of law regarding commercial tenancies; followup discussion with S. Mitra re: same; draft detailed summary email re: same and provide cases for S. Mitra to review
SPM	05/04/17	0.40	\$238.00	Email exchange with client re strategy; Arrange for research
SPM	05/04/17	0.40	\$238.00	Telephone call K. Kallish and report to client
SPM	06/04/17	0.30	\$178.50	Telephone call client re offer and research
SPM	07/04/17	2.80	\$1,666.00	Review research and draft email to client; telephone call client and email exchange with client
SPM	10/04/17	0.10	\$59.50	Email exchange to schedule call with RBC

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	11/04/17	0.50	\$297.50	Prepare and attend telephone call with client and RBC
SPM	12/04/17	0.50	\$297.50	Email exchange with K. Kallish to provide leases; 'Email exchange with client re email for SK; Email exchange re scheduling of motion an arrangements for report
SPM	19/04/17	0.20	\$119.00	Email exchange re booking of Court date and scheduling of materials
SPM	20/04/17	0.70	\$416.50	Telephone call - telephone call client re results of five inspection and strategy; Email exchange with client re communication to Fire Inspector, tenants and RBC
SPM	24/04/17	0.50	\$297.50	Review and revise draft notice of motion and order for discharge
JTN	24/04/17	1.70	\$552.50	Engaged with drafting of and revisions to notice of motion and form of Order re discharge and related matters; Discussion with S. Mitra re same; Email to client re same
SPM	26/04/17	0.50	\$297.50	Review and finalize comments on draft report
SPM	02/05/17	0.30	\$178.50	Email exchange with client re violation notices
JTN	05/05/17	0.50	\$162.50	Email exchange with D. Battiston re Toronto Fire Services; Engaged with review of draft notices to tenants
SPM	08/05/17	0.40	\$238.00	Email exchange with client re fire safety violations
SPM	08/05/17	0.10	\$59.50	Attend to follow up for draft report
JTN	11/05/17	2.40	\$780.00	Engaged with review of, revisions to and further drafting of Fifth Report; Engaged with related revisions to draft form of Order and draft notice of motion; Email to S. Mitra re same
TOTAL:		17.60	\$7,746.50	

OUR FEE	\$7,746.50
HST at 13%	\$1,007.05

DISBURSEMENTS

Subject to HST

Long Distance Charges	\$1.92
Photocopies - Local	\$9.90
Total Disbursements	\$11.82
HST at 13%	\$1.54

AMOUNT NOW DUE

\$8,766.91

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

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GST / HST Registration # 12184 6539 RT0001

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29295615.1

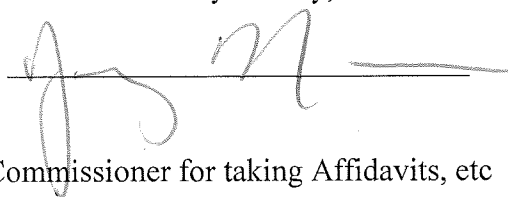
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF KYLE PLUNKETT

Sworn before me

this 15th day of May, 2017

A handwritten signature in dark ink, appearing to read "Jeremy Nemers", is written over a horizontal line.

Commissioner for taking Affidavits, etc

Jeremy Nemers

STATEMENT OF RESPONSIBLE INDIVIDUALS

Aird & Berlis LLP's professional fees herein are made with respect to the following individuals

Lawyer	Call to Bar	Avg. Hrly Rate	Total Time	Value
Sanj Mitra	1996	\$575.00 (2016) \$595.00 (2017)	98.8 9.2	\$56,810.00 \$ 5,474.00
Jeremy Nemers	2014	\$305.00 (2016) \$325.00 (2017)	100.6 6.6	\$30,683.00 \$ 2,145.00
Randy Hooke	1989	\$675.00 (2016)	3.5	\$ 2,362.50
Alyssa Gebert	2016	\$295.00 (2016)	0.9	\$ 265.50
Aaron Silver	2013	\$325.00 (2016)	4.7	\$ 1,527.50
Monty Warsh	1985	\$640.00 (2016)	1.0	\$ 640.00
Clerk/Student	Call to Bar	Avg. Hrly Rate	Total Time	Value
Shannon Morris	N/A	\$340.00 (2016)	0.5	\$ 170.00
Amy Marcen-Gaudaur	N/A	\$245.00 (2016)	11.1	\$ 2,719.50
Timothy Jones	N/A	\$245.00 (2016) \$250.00 (2017)	1.1 4.3	\$ 269.50 \$ 1,075.00
Patrick Williams	N/A	\$170.00 (2016)	3.6	\$ 612.00
Danielle Hower	N/A	\$190.00 (2016)	4.9	\$ 913.00
Nicholas Hung	N/A	\$245.00 (2016)	0.6	\$ 147.00
Kari Connell	N/A	\$295.00 (2016)	0.2	\$ 59.00
Sandra Marki	N/A	\$345.00 (2016)	1.5	\$ 517.50
Anita Purushotham	N/A	\$180.00 (2016)	1.50	\$ 270.00

**Standard hourly rates listed. However, in certain circumstances adjustments to the account were made.*

ROYAL BANK OF CANADA
Applicant

- and - **2392319 ONTARIO INC.**
Respondent

Court File No. CV-16-11474-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

AFFIDAVIT OF KYLE PLUNKETT
(sworn May 15th 2017)

AIRD & BERLIS LLP
Barristers and Solicitors
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181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

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Jeremy Nemers (LSUC # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for the Receiver

TAB E

SERVICE LIST

TO: **MINDEN GROSS LLP**
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Ken Kallish
Tel: 416.369.4137
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Rachel Moses
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Email: rmoses@mindengross.com

Counsel for the Applicant

AND TO: **MSI SPERGEL INC.**
505 Consumers Rd., Suite 200
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Philip H. Gennis
Tel: 416.498.4325
Fax: 416.498.4325
Email: pgennis@spergel.ca

Daniel Battiston
Tel: 647.288.7625
Fax: 647.288.7625
Email: dbattiston@spergel.ca

Court-appointed receiver of 2292319 Ontario Inc.

AND TO: **2292319 ONTARIO INC.**
c/o Allan B. Shusterman
Barrister, Solicitor and Notary
3320 Midland Avenue, Suite 207
Scarborough, ON M1V 5E6

Tel: 416.291.6176
Fax: 416.291.6047
Email: alshus@hotmail.com
Email: [syant1331@gmail.com](mailto:syan1331@gmail.com)

AND TO: **CANADA REVENUE AGENCY**
c/o Department of Justice
Ontario Regional Office
The Exchange Tower
130 King Street West, Suite 3400
Toronto, ON M5X 1K6

Diane Winters
Tel: 416.973.3172
Fax: 416.973.0810
Email: diane.winters@justice.gc.ca

AND TO: **HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF ONTARIO AS REPRESENTED BY
THE MINISTER OF FINANCE**
Legal Services Branch
777 Bay Street, 11th Floor
Toronto, ON M5G 2C8

Kevin J. O'Hara
Tel: 416.327.8463
Fax: 416.325.1460
Email: kevin.ohara@fin.gov.on.ca

AND TO: **DARREN S. SEDEROFF & ASSOCIATES, P.C.**
4789 Yonge Street
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Toronto, ON M2N 0G3

Darren S. Sederoff
Tel: 416.366.9303
Fax: 416.364.2308
Email: dsederoff@rogers.com

Counsel for Green Island Trading

AND TO: **2292319 ONTARIO INC.**
38 Metropolitan Road
Toronto, ON M1R 2T6

AND TO: **2292319 ONTARIO INC.**
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Markham, ON L3R 3T8

AND TO: **SCRAP TO GO**
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Warden Centre PO
Markham, ON L3R 5V1

AND TO: **COOL OCEAN IMPEX**
P.O. BOX 7233
Warden Centre PO
Markham, ON L3R 5V1

AND TO: **SK FOOD EQUIPMENT**
P.O. Box 7233
Warden Centre PO
Markham, ON L3R 5V1

Attention: Raymond Young and Sherri Chen

Sherri Chen
Email: singkong02@yahoo.com

Raymond Young
Email: 888bsc@gmail.com

AND TO: **TORONTO FIRE SERVICES**
Fire Station #116B
255 Esther Shiner Blvd.
Toronto, ON M2K 0A9

Frank Paniccia
Email: fpanicc@toronto.ca

AND TO: **ELECTRICAL SAFETY AUTHORITY**
400 Sheldon Dr., Unit 1
Cambridge, ON N1T 2H9

Alex Zandi
Email: alex.zandi@electricalsafety.on.ca

ROYAL BANK OF CANADA

- and - 2292319 ONTARIO INC.

Applicant

Respondent

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

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

Proceedings commenced at Toronto

MOTION RECORD
Volume 2 of 2
(returnable May 29, 2017)

AIRD & BERLIS LLP
Barristers and Solicitors
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Sanjeev P.R. Mitra (LSUC # 37934U)
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Fax: (416) 863-1515
Email: smitra@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for msi Spergel inc., in its capacity as the Court-appointed receiver of 2292319 Ontario Inc.