

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

TRANSCRIPT BRIEF
(Motion Returnable October 13, 2016)

Date: October 6, 2016

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

Sanjeev P.R. Mitra (LSUC # 37934U)
Tel: 416.865.3085
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.*

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TAB 1



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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

JL/jlk

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

- - - - -

This is the Cross-Examination of CUONG TRAN, on his affidavit sworn the 8th day of September, 2016, taken at the offices of VICTORY VERBATIM REPORTING SERVICES INC., Suite 900, Ernst & Young Tower, 222 Bay Street, Toronto, Ontario, on the 9th day of September, 2016.

- - - - -

APPEARANCES:

JEREMY NEMERS

-- for MSI Spergel inc.,
Court Appointed
Receiver for
Respondent, 2292319
Ontario Inc.

FELICE FERRI

-- for Green Island
Trading Company



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1 CUONG TRAN, affirmed

2 CROSS-EXAMINATION BY MR. NEMERS:

3 1. Q. Good morning, Mr. Tran.

4 A. Good morning.

5 2. Q. May I ask you to please state and
6 spell your name for the record?

7 A. C-U-O-N-G. The last name, Tran,
8 T-R-A-N.

9 3. Q. Thank you. My name is Jeremy
10 Nemers. I'm counsel to msi Spergel inc. in it's
11 capacity as the court appointed receiver of 2292319
12 Ontario Inc. I'm here today to cross-examine you on
13 your affidavit found at tab 4 of Green Island
14 Trading Company's motion record dated August the
15 19th, 2016. Do you have a copy of your affidavit in
16 front of you?

17 A. This one, yes.

18 4. Q. Sorry. You'll have to speak up for
19 the reporter.

20 A. Yes, I have.

21 5. Q. Thank you. And did you have an
22 opportunity to review your affidavit before
23 attending today?

24 A. M'hmm.

25 6. Q. Is that a yes?



1 A. Yes.

2 7. Q. Again, just if you wouldn't mind
3 speaking up so the court reporter can hear. And
4 your counsel, just before we started this morning,
5 presented to me an amended version of the affidavit.
6 And apart from the title, "Amended Affidavit", and
7 the change with respect to the year in paragraph 2
8 to correct the incorrect year 2015 in two
9 locations...

10 A. M'hmm.

11 8. Q. ...first line of paragraph 2 and the
12 very last line of paragraph 2. And also to correct
13 the spelling of Mr. Battiston's name in paragraph
14 12.

15 And apart from...

16 A. M'hmm.

17 9. Q. ...the affidavit now being sworn and
18 now being dated September the 8th, 2016, which was
19 yesterday, I believe, as opposed to the original
20 date of the affidavit which was simply August 2016,
21 as I said, was enclosed in the motion record dated
22 August 19th, 2016, are there any other corrections
23 that you would like to make to your affidavit?

24 A. No.

25 10. Q. No. Okay. Thank you. So I'll be



1 using the term, "affidavit", interchangeably,
2 because essentially there really is, in terms of the
3 facts that you put forward, no difference
4 substantively between the two versions.

5 So if we turn to your affidavit at
6 paragraph 1, you state that you are the general
7 manager of Green Island Trading Company, is that
8 correct?

9 A. Yes.

10 11. Q. And for approximately how long have
11 you been the general manager of Green Island Trading
12 Company?

13 A. Approximately, two years.

14 12. Q. Two years?

15 A. Not more than two years. Less than
16 two years.

17 13. Q. But more than one year, less than
18 two years?

19 A. More than one year.

20 14. Q. And were you involved with Green
21 Island Trading Company prior to becoming its general
22 manager?

23 A. What mean?

24 15. Q. You say now that you are the general
25 manager...



1 A. Yes.

2 16. Q. ...of Green Island Trading Company
3 and you've been the general manager for between one
4 and two years?

5 A. Yes.

6 17. Q. Prior to that time...

7 A. Prior?

8 18. Q. ...did you have any other
9 involvement with Green Island...

10 A. No.

11 19. Q. ...Trading Company? No? Okay.

12 Thank you. You state at paragraph 5 of your
13 affidavit that the Receiver served Green Island with
14 a 270 page motion electronically on June 19th, 2016,
15 is that correct?

16 MR. FERRI: Paragraph 6.

17
18 BY MR. NEMERS:

19 20. Q. I'm sorry. Paragraph 6. You state
20 in paragraph 6 of your affidavit that the Receiver
21 served Green Island with a...

22 A. I don't receive. Did they leave it
23 to me? They just...I think they e-mailed to me.

24 21. Q. They e-mailed it to you on June the
25 19th, 2016?



1 A. Yes. I didn't pay attention.

2 22. Q. You didn't pay attention. Okay.

3 Would you agree with me that when you say here June
4 the 19th, 2016...

5 A. June 19th...

6 23. Q. ...it was really July the 19th,
7 2016?

8 A. July 19th, 2016. M'hmm.

9 24. MR. NEMERS: Counsel, do you agree with
10 that?

11 MR. FERRI: Yes. Yes, this is another
12 typographical error.

13 25. MR. NEMERS: Okay. So it should read...

14 THE DEPONENT: Yes.

15 26. MR. NEMERS: ...July 19th...

16 THE DEPONENT: Yes.

17 27. MR. NEMERS: ...2016. Thank you.

18
19 BY MR. NEMERS:

20 28. Q. So I'll be referring to those
21 materials today as the July motion record...

22 A. M'hmm.

23 29. Q. ...okay?

24 A. Yes.

25 30. Q. Do you have a copy of the July



1 motion record in front of you? I have a copy if
2 it's helpful, or your counsel may have a copy.

3 MR. FERRI: Do you have an additional
4 copy for us?

5 31. MR. NEMERS: Yes.

6 MR. FERRI: That would be helpful, thank
7 you.

8 THE DEPONENT: Motion Record, m'hmm.

9
10 BY MR. NEMERS:

11 32. Q. Did you review this July motion
12 record prior to...I guess there are two questions to
13 ask. The first, prior to the unsworn affidavit
14 being...

15 A. I don't read it.

16 33. Q. You didn't read it?

17 A. No.

18 34. Q. Did you read the July motion record
19 prior to swearing your affidavit?

20 A. I don't read it.

21 35. Q. You didn't read it? So you swore
22 your affidavit yesterday. Have you reviewed at all
23 the motion record that was served by the Receiver in
24 July?

25 A. I told you I never get this, so I



1 never read it.

2 36. Q. Okay. So I just want to
3 understand...

4 A. Okay.

5 37. Q. ...so that it's clear. You swore
6 your affidavit...

7 A. Yes.

8 38. Q. ...and you did not review the
9 Receiver's Motion Record.

10 A. No.

11 39. Q. Is that correct?

12 A. Yes.

13 40. Q. Okay. Thank you. Would you like to
14 take an opportunity to review the motion record? I
15 don't have any particular questions about it per se,
16 but I think there are some links, obviously, between
17 our original motion and your requested relief to
18 have the order that we obtained struck. Would you
19 like to take a few moments to review the motion
20 record now?

21 A. No.

22 41. Q. No? Okay. Thank you. I would ask
23 that we please mark the July motion record as
24 Exhibit A to this cross-examination. And I don't
25 think I have any more questions for you on that.



1 Let me just take it back. Thank you.

2 If you wouldn't mind I might just ask that
3 you put your cell phone on silent.

4 So I've marked the July motion record as
5 Exhibit A to this cross-examination.
6

7 --- EXHIBIT NO. A: July Motion Record
8

9 BY MR. NEMERS:

10 42. Q. You state at paragraph 6 of your
11 affidavit that an order was made by Justice Wilton-
12 Siegel on July 28th, 2016. Do you see that?

13 A. M'hmm.

14 43. Q. That's a yes?

15 A. On July 28th?

16 44. Q. Yes.

17 A. But I didn't see. I didn't take
18 any...

19 45. Q. I'm just asking if you stated in
20 your affidavit...

21 A. Okay.

22 46. Q. ...that Justice
23 Wilton-Siegel...there was an order by Justice
24 Wilton-Siegel that was made on July 28th, 2016.
25 That's what your affidavit says. So you're aware of



1 that, correct?

2 A. I don't know what question you ask.

3 MR. FERRI: You're aware that there was
4 an order made by this judge on July 18th,
5 2016?

6 47. MR. NEMERS: July 28th.

7 MR. FERRI: July 28th, 2016.

8 THE DEPONENT: If I didn't take a look
9 at it, how can aware...

10 MR. FERRI: Are you aware of the
11 existence...

12 THE DEPONENT: Yes.

13 MR. FERRI: ...of the order?

14 THE DEPONENT: Yes.

15
16 BY MR. NEMERS:

17 Q. Okay. Thank you. And you didn't
18 appear in court on July the 28th at the hearing, is
19 that correct?

20 A. I didn't appear because I didn't
21 take a look at the motion. Right?

22 48. Q. I understand that.

23 A. I don't know that.

24 49. Q. So you didn't appear and...

25 A. I didn't.



1 50. Q. ...no one from Green Island
2 appeared, is that correct? Is that a yes?

3 A. Yes.

4 51. Q. Okay. No one appeared. Okay. Have
5 you reviewed the second report of the Receiver dated
6 August 30th, 2016?

7 A. Uh.

8 52. Q. Sorry. Is that a yes?

9 A. How you say?

10 53. Q. Have you reviewed the second report
11 of the Receiver...

12 A. The Receiver report?

13 54. Q. Yes. It was served in response to
14 your affidavit.

15 A. No.

16 55. Q. You have not. Okay. If you can
17 please turn to Exhibit A of your affidavit.

18 A. A. Number A, right?

19 56. Q. Yes.

20 A. Okay. Yes. This one? M'hmm.

21 57. Q. So this is an agreement to lease,
22 right? At the top it's dated July 20th, 2015. It
23 describes the tenant as Green Island Trading
24 Company, the landlord as 2292319 Ontario Inc. And
25 the premises in question, a certain space on the



1 second floor of the building at 38 Metropolitan in
2 Toronto. Do you see that?

3 A. Yes.

4 58. Q. Okay. And it's a relatively short
5 lease. On the first page a little further down it
6 provides the length of the lease, the term of the
7 lease. Then it provides the amount of minimum rent
8 plus HST. Near the bottom it says that the rent
9 payments are due on the 1st day of each month. Do
10 you see all that?

11 A. Yes.

12 59. Q. Okay. If we turn the page to the
13 second page under Section 6, Services, it says,
14 "Check one box only". There's a box checked next to
15 the line that reads, "The tenant shall pay the cost
16 of hydro, gas, water, heating, air conditioning,
17 et-cetera". Do you see that?

18 A. Yes.

19 60. Q. Okay. I think if you turn the page,
20 I think you may have included the same page twice,
21 at least it was on my copy. I don't know if that's
22 in your copy.

23 A. Yes.

24 61. Q. Okay. So we'll just flip pass that.

25 A. M'hmm.



1 MR. FERRI: Flip past.

2 THE DEPONENT: Past?

3 MR. FERRI: Okay. It's the same.

4 THE DEPONENT: How come the same page?

5
6 BY MR. NEMERS:

7 62. Q. Now we're on page 3. And under
8 Section 13 called, "Insurance"...

9 A. M'hmm.

10 63. Q. ...it says that, "The tenant agrees
11 to insure the property and operations of the tenant,
12 including insurance for fire, and such additional
13 perils as are normally insured against liability
14 insurance, and any other insurance as may be
15 reasonably requested by the landlord". Do you see
16 that?

17 A. Yes.

18 64. Q. Okay. And if we turn to the last
19 page, page 4...

20 A. M'hmm.

21 65. Q. ...we see the various signatures and
22 we see that they all appear to be dated July 29th,
23 2015. Do you see that?

24 A. M'hmm.

25 66. Q. Do you recognize the signature on



1 behalf of Green Island?

2 A. Why did they block it? The
3 signature of Green Island there.

4 MR. FERRI: Well, it's just dark on this
5 copy.

6
7 BY MR. NEMERS:

8 67. Q. You said you were the general
9 manager at the time. Do you either recognize the
10 signature or know who signed, or who dealt with
11 obtaining this lease for Green Island?

12 A. They signed the lease. I'm not
13 there. How can I...

14 68. Q. Okay. You weren't there, so you
15 don't...

16 A. I'm not there.

17 69. Q. And you don't know who....

18 A. I don't know who...

19 70. Q. ...was involved in getting a lease
20 agreement?

21 A. No.

22 71. Q. Okay. I take it you are aware that
23 there is a mortgage in favour of Royal Bank of
24 Canada in respect of the address at 38 Metropolitan?

25 A. A mortgage?



1 72. Q. A mortgage, yes.

2 A. I know nothing about the mortgage of
3 the property.

4 73. Q. You know nothing about a mortgage on
5 the property?

6 A. No. I just work for them, but not
7 for the mortgage.

8 74. Q. Okay. So at paragraph 3 of your
9 affidavit you say that there was an order.

10 A. Number 3 of my affidavit?

11 75. Q. Yes.

12 A. Number 3. An order dated March 31st
13 of 2016?

14 76. Q. That's right.

15 A. M'hmm.

16 77. Q. Did you review that?

17 A. Yes.

18 78. Q. You did review that?

19 A. I did.

20 79. Q. You did?

21 A. Yes.

22 80. Q. But you're not aware of there being
23 a mortgage in favour of Royal Bank of Canada?

24 A. No.

25 81. Q. Okay. Did Green Island obtain Royal



1 Bank's written consent to the lease?

2 A. What you say?

3 82. Q. Before Green Island entered into the
4 lease, did it obtain the consent of Royal Bank of
5 Canada?

6 A. I don't know.

7 83. Q. You don't know. Okay. Can I ask
8 you to give an undertaking to find out?

9 A. Find out what?

10 84. Q. Find out if prior to entering into
11 the lease...

12 A. I know nothing about the lease.

13 85. Q. You know nothing about the lease.

14 A. I'm not the landlord. I am not the
15 tenant.

16 86. Q. Well...

17 A. So I don't know...

18 87. Q. ...you are the general manager of
19 Green Island...

20 A. After working there, after few month
21 the lease...

22 88. Q. Sir, I didn't understand any of
23 that.

24 A. I said I'm not starting from the
25 beginning when they lease the premises.



1 89. Q. Okay. So the lease was dated July
2 of 2015.

3 A. Yes.

4 90. Q. And you testified earlier that
5 you've been the general manager of...

6 A. After they move in.

7 91. Q. ...Green Island Trading Company...

8 A. M'hmm.

9 92. Q. ...for between one and two years.

10 It might have been a little closer to two. So that
11 was within the period when you were the general
12 manager.

13 A. So I never take a look about the
14 lease between the tenant and the landlord.

15 93. Q. I see. You never took a look at it.
16 I see. So when you state at paragraph 5...

17 A. M'hmm.

18 94. Q. ...Green Island is in complete
19 compliance with all terms of the lease, you have no
20 basis for saying that. Isn't that correct? No,
21 that's not right?

22 A. No.

23 95. Q. You have no basis for saying that.
24 Okay. So you would have no way of knowing whether
25 the lease was assigned to anyone by Green Island?



1 A. No.

2 96. Q. Okay. And you would have no way of
3 knowing if there's a sublease that Green Island
4 entered into?

5 A. I know nothing about that.

6 97. Q. You know nothing about that. Okay.
7 And you're not aware then, I take it, of any other
8 lease agreements, apart from this one, not that
9 you've said you know anything about this lease other
10 than it exists. You're not aware of any other lease
11 existing...

12 A. No.

13 98. Q. ...between Green Island and the
14 landlord for 38 Metropolitan, is that correct?

15 A. Yes.

16 99. Q. Okay. Thank you. So at paragraph 8
17 of your affidavit you state that the Receiver is
18 alleging, "trivial and technical non-compliance
19 breaches", of the lease. Do you see that?

20 A. Paragraph 8?

21 100. Q. Paragraph 8.

22 A. "The Receiver is alleging trivial
23 and technical non-compliance breaches".

24 101. Q. Do you see that?

25 A. No.



1 102. Q. You don't see that in paragraph 8 of
2 your affidavit?

3 A. No.

4 103. Q. So I'm going to read paragraph 8 of
5 your...

6 MR. FERRI: I'm sorry. I don't know
7 that you understand the question.

8 THE DEPONENT: I don't know what to say.
9 "The Receiver alleging..."

10 MR. FERRI: He's asking you if you can
11 see that sentence written on that page. I
12 guess maybe a more appropriate question is,
13 do you understand this?

14 THE DEPONENT: I don't understand what
15 they are asking.

16
17 BY MR. NEMERS:

18 104. Q. Well, let me ask you this question.
19 Did you write your affidavit?

20 A. What say?

21 105. Q. Did you write this affidavit?

22 A. I write this?

23 106. Q. Did you write it?

24 A. No.

25 107. Q. You didn't write it? Did your



1 lawyer write your affidavit?

2 A. Yes.

3 108. Q. Did your lawyer...let me ask you
4 this first. Do you consider the non-payment of rent
5 to be trivial?

6 A. Non-payment of what?

7 109. Q. Rent.

8 A. No. We pay every month.

9 110. Q. I'm not asking whether you pay every
10 month. I'm asking you whether you consider the
11 concept of non-payment of rent to be trivial.

12 A. I don't understand your question.

13 111. Q. If there's a tenant that doesn't pay
14 it's rent, is that...

15 A. If the tenant doesn't pay rent...

16 112. Q. Yes.

17 A. ...they make a default.

18 113. Q. Okay. It makes a default. Okay.

19 A. But we don't.

20 114. Q. That's in dispute. But you said
21 here...

22 A. Okay.

23 115. Q. ...in paragraph 8 that the Receiver
24 is alleging trivial and technical non-compliance...

25 A. I see. Okay.



1 116. Q. But the Receiver is alleging...

2 A. Yes, okay.

3 117. Q. ...amongst other things, rent has
4 not been paid. So that is a non-trivial...

5 A. Oh, I see.

6 118. Q. ...point, is it not?

7 A. M'hmm.

8 119. Q. Okay. What about hydro? If there
9 are outstanding hydro arrears, is that trivial?

10 A. I see.

11 120. Q. Is it?

12 A. The hydro?

13 121. Q. Yes.

14 A. It's outstanding.

15 122. Q. Yes, it's outstanding. And is that
16 trivial?

17 A. Meaning trivial? Yes.

18 123. Q. Are hydro arrears outstanding a
19 trivial breach, is my question.

20 A. You mean if they don't pay the
21 hydro, that's mean they got a default.

22 124. Q. That does mean there is a default?

23 A. Yes.

24 125. Q. So you agree with there was a
25 default?



1 A. If they don't pay the hydro, yes.

2 126. Q. Okay.

3 A. Because the lease, that they agreed
4 to pay the hydro.

5 127. Q. Okay.

6 A. Yes.

7 128. Q. Under the lease you said they agreed
8 to pay the hydro?

9 A. Yes.

10 129. Q. Okay.

11 A. So they must pay. If they don't
12 pay, they make a default.

13 130. Q. Okay. Do you consider the absence
14 of adequate insurance to be trivial?

15 A. M'hmm.

16 131. Q. You do?

17 A. We got the insurance.

18 132. Q. I'm asking you have any insurance.
19 I'm asking...

20 A. If they don't have insurance, they
21 make a default.

22 133. Q. Okay. So if you don't have proper
23 insurance, that's not trivial, that's important?

24 A. Yes. M'hmm.

25 134. Q. How many marijuana plants are being



1 cultivated at any one time by Green Island?

2 MR. FERRI: I wouldn't answer that. /R

3 135. MR. NEMERS: What's the basis of the
4 objection?

5 MR. FERRI: Relevance.

6 136. MR. NEMERS: Well, the evidence is there
7 are certain licences...

8 MR. FERRI: Okay.

9 137. MR. NEMERS: ...that purportedly allow
10 for the production of marijuana at that
11 site.

12 MR. FERRI: Okay.

13 138. MR. NEMERS: And those licences are
14 limited to personal use...

15 MR. FERRI: Okay.

16 139. MR. NEMERS: ...is our understanding.
17 Correct me if I'm wrong.

18 MR. FERRI: Okay.

19 140. MR. NEMERS: And therefore, the
20 relevance is whether the number of plants
21 being produced at that site exceeds or
22 falls within the permitted number.

23 MR. FERRI: Okay. Is there evidence to
24 suggest that it doesn't?

25 141. MR. NEMERS: Well, I'm asking for



1 evidence because there's no evidence that's
2 been provided. Approximate. I'm not
3 holding you to an exact number.

4 THE DEPONENT: We already got the
5 licences to show you.

6 142. MR. NEMERS: Okay. We'll get to that in
7 a minute.

8 THE DEPONENT: M'hmm.

9 143. MR. NEMERS: We'll get to that in a
10 minute.

11 MR. FERRI: I think a more fairer
12 question would be, first of all, does he
13 know how many plants are there.

14 144. MR. NEMERS: Well, I'm happy with that
15 question.

16 MR. FERRI: To the number.

17 145. MR. NEMERS: I'm happy to ask that
18 question.

19
20 BY MR. NEMERS:

21 146. Q. Are you aware of how many plants are
22 there? Sir?

23 A. Yes.

24 147. Q. Are you aware of how many marijuana
25 plants...



1 A. Yes.

2 148. Q. ...are being cultivated by Green
3 Island at 38 Metropolitan?

4 A. Yes.

5 149. Q. You are? How many?

6 A. How many plants?

7 150. Q. Approximately.

8 A. Approximately 500 plants.

9 151. Q. 500 plants. Okay. Would you agree
10 with me that the cultivation of approximately 500
11 marijuana plants involves a fair amount of
12 electricity?

13 A. Amount of electricity?

14 152. Q. Yes. In order to grow 500 marijuana
15 plants you need a material amount of electricity?

16 A. Material? Meaning...I don't
17 understand that.

18 MR. FERRI: A lot. It means a lot.

19 THE DEPONENT: A lot, yes.

20
21 BY MR. NEMERS:

22 153. Q. Yes, you agree with me?

23 A. Yes.

24 154. Q. And would you agree with me that the
25 growth of 500 marijuana plants requires a lot of



1 water?

2 A. What's mean...

3 MR. FERRI: Water.

4 THE DEPONENT: Water? Yes, they need
5 the water.

6
7 BY MR. NEMERS:

8 155. Q. They need water. Okay. So you
9 earlier said that you didn't really know much
10 about...you did not know anything about the lease
11 other than there was a lease. And you said that you
12 weren't aware of any other leases.

13 A. The lease is signed between the
14 landlord, and the company, and them.

15 156. Q. Okay.

16 A. Okay.

17 157. Q. So there's no...

18 A. I didn't sign any documents, so I
19 don't pay attention about the lease.

20 158. Q. Okay. So to the best of your
21 knowledge then, there's no lease between any of the
22 individuals and the landlord? No? That's a no.

23 A. No.

24 159. Q. Okay. How many different people
25 hold marijuana personal use licences?



1 A. About four.

2 160. Q. Four? Only four?

3 A. Yes.

4 161. Q. Only four.

5 A. Four to five.

6 162. Q. Okay. Four to five. Now I think
7 you said a minute ago that you have a copy of the
8 licences?

9 A. Yes. A copy of the licence.

10 163. Q. Could you check now whether it's
11 four or five?

12 A. Let me see. One, three, four, five.
13 Five.

14 164. Q. You don't want to take a look at the
15 envelope to confirm that it's five?

16 A. No.

17 165. Q. You don't want to take a look. Can
18 I ask you to please undertake to provide us with the
19 five licences?

20 A. Yes. If you want it.

21 166. Q. I do want it. You don't have to
22 give it to me this second, but I would like it in
23 the next few days, please.

24 A. I did bring it.

25 167. Q. If you give it to me now, I'm happy



1 to take it now, as well.

2 A. Okay. If you want it.

3 MR. FERRI: How many copies do you have?

4 THE DEPONENT: I have two copies now.

5 MR. FERRI: Do you have two copies of
6 everything?

7 THE DEPONENT: M'hmm.

8 168. MR. NEMERS: I just need one copy.

9 MR. FERRI: No, I know, but I don't want
10 him to give you his own copy.

11 THE DEPONENT: Do you want it?

12 MR. FERRI: Yes. There's just one. Do
13 you have more?

14 THE DEPONENT: Yes.

15 MR. FERRI: All right.

16 169. MR. NEMERS: So if I'm understanding
17 correctly, there are two pieces of paper,
18 and between those two pieces of paper it
19 covers five people. Is that...

20 MR. FERRI: This is two people so far.

21 170. MR. NEMERS: Two people so far. So you
22 don't have all five with you today?

23 THE DEPONENT: I don't have time to make
24 a copy of the rest.

25 171. MR. NEMERS: So why don't we do this



1 then. Why don't you undertake to provide
2 all five copies to me.

3 THE DEPONENT: I don't know you need the
4 copy of them.

5 172. MR. NEMERS: Yes. So if you take a look
6 at the notice of this examination, it
7 instructs you to bring all documents that
8 are relevant.

9 MR. FERRI: To be fair, it's on quite
10 short notice too.

11 173. MR. NEMERS: It is short notice, and as
12 I say, I'm more than happy to take an
13 undertaking from you to provide it over the
14 course of the next few days.

15 MR. FERRI: Okay.

U/T

16 174. MR. NEMERS: As you know, three days
17 were scheduled on the timetable for
18 cross-examinations. But I'm happy to take
19 the undertaking from you for all five.
20 Just to be clear what the undertaking is,
21 it's all five licences, which you're
22 telling me are the only five licences for
23 marijuana, correct?

24 THE DEPONENT: M'hmm.

25 175. MR. NEMERS: Okay. Thank you.



1
2 BY MR. NEMERS:

3 176. Q. So just to clarify, at paragraph 4
4 of your affidavit, when you say that Green Island is
5 a duly authorized holder of a Health Canada licence
6 permitting the cultivation of marijuana for medical
7 purposes, wouldn't it be fair to say that it's not
8 Green Island that is the holder of the licence, but
9 it is certain individuals that hold the licence?

10 A. Individuals.

11 177. Q. Individuals, correct?

12 A. Yes.

13 178. Q. Okay. Thank you.

14 MR. FERRI: I don't think that's a
15 complete answer.

16 179. MR. NEMERS: Well, I'm more than happy
17 to hear the complete answer.

18 THE DEPONENT: That's a what?

19 MR. FERRI: About the individuals who
20 hold licence and the relationship to Green
21 Island Trading Company.

22 180. MR. NEMERS: I think that's a leading
23 remark, Counsel, but...

24 MR. FERRI: Well, I'm trying to help
25 out.



1 181. MR. NEMERS: I understand that, but...
2 MR. FERRI: It's not...
3 182. MR. NEMERS: I understand the position
4 that you are likely to take at the hearing,
5 which is fine, you can take that position.
6 But I just want to make sure that I
7 understand.

8
9 BY MR. NEMERS:

10 183. Q. There is no licence with respect to
11 marijuana production whereby Green Island Trading
12 Company is the holder of that licence. Is that
13 correct?

14 A. Green Island...

15 184. Q. Trading Company...

16 A. Trading Company...

17 185. Q. ...does not have its own licence?

18 A. The partner have the licence.

19 186. Q. The partners have the licences?

20 A. Partner of the Green Island.

21 187. Q. I see. The partners. Okay. So
22 when you send me the four to...well, you said five
23 licences...

24 A. M'hmm. If you need...

25 188. Q. ...it's in the names of the partners



1 that are going to appear on those licences?

2 A. M'hmm.

3 189. Q. Okay. See at paragraph 11 of your
4 affidavit...

5 A. M'hmm.

6 190. Q. ...that Green Island has a valid
7 liability insurance policy that clearly states the
8 nature of its business as a medical marijuana grow
9 operation, that the Certificate of Liability
10 insurance, if you turn the page, was provided to the
11 Receiver on May the 6th, 2016, and that the
12 certificate is attached as Exhibit E to your
13 affidavit. Do you see those statements?

14 A. Yes.

15 191. Q. Okay. So the certificate that
16 appears at Tab E, were you involved at all in
17 getting this insurance? You said you weren't
18 involved at all with respect to the lease. Were you
19 involved at all with respect to the insurance?

20 A. The insurance is between the tenant
21 and the landlord, how can I be involved?

22 192. Q. Okay. So you weren't involved in
23 this?

24 A. No.

25 193. Q. Okay. There's no insurance policy



1 at Tab E, correct, it's just two pages? There's a
2 Certificate of Liability insurance on one page...

3 A. No, no. They get. They get
4 insurance policy.

5 194. Q. Can you please undertake to provide
6 me with a copy of that policy?

7 A. The insurance booklet.

8 195. Q. Yes. That's what I want.

9 A. I've already sent it to...

10 196. Q. I would like to see a copy because
11 I...

12 A. I don't have the copy in my hand.

13 197. Q. Listen, I don't need it right now,
14 but I would like it over the next few days.

15 A. I did have, but I don't hold it.

16 198. Q. You don't hold it. You don't have a
17 copy of the policy?

18 A. The msi...the Receiver get it.

19 199. Q. Does Green Island not have a copy of
20 its own insurance policy?

21 A. No.

22 200. Q. It does not have a copy of its own
23 insurance policy. Okay.

24 A. The policy has been sent to the
25 Receiver directly from the insurance...



201. Q. Green Island did not keep a copy...

A. ...we don't...

202. Q. ...of its own insurance policy?

A. I forgot to ask them to keep a copy
because the Receiver have it.

MR. FERRI: So you can contact the
insurance company and...

THE DEPONENT: Yes.

MR. FERRI: ...request a copy?

THE DEPONENT: Yes.

MR. FERRI: So we can make an
undertaking to provide?

THE DEPONENT: Okay.

MR. FERRI: Okay.

U/T

203. MR. NEMERS: Thank you, Counsel. I
appreciate that.

THE DEPONENT: But Receiver have copy.

MR. FERRI: That's fine. We'll give
them another one.

BY MR. NEMERS:

204. Q. And just one question on what's at
Exhibit E of your affidavit. Just a confirmation.
If you go to the first page in the chart under the
heading that says, "Effective Date", that says,



1 "April 28th, 2016", correct?

2 A. Mmmm?

3 205. Q. Under the heading that says,
4 "Effective Date".

5 A. Effective date, yes.

6 206. Q. That's April 28th, 2016, correct?

7 A. Yes.

8 207. Q. Okay. Thank you. So apart from the
9 policy that you've undertaken to provide, is there
10 any other insurance that Green Island has?

11 A. No.

12 208. Q. No. Okay. Thank you. So, as of
13 right now, Green Island does not have any insurance
14 in place in respect of the portion of the first
15 floor of the premises that it's occupying at 38
16 Metropolitan, is that correct?

17 A. What say?

18 209. Q. So...

19 A. We got the insurance. How come it
20 says no insurance?

21 210. Q. Well, this insurance is in respect
22 of the second floor. So...

23 A. Yes.

24 211. Q. But Green Island is also occupying
25 space on the first floor.



1 A. Yes.

2 212. Q. So if this is the only insurance
3 policy Green Island has...

4 A. The main floor...

5 213. Q. Yes.

6 A. ...is not under the Green Island.

7 214. Q. It's not under Green Island. So
8 there's a motion that you've brought, Green Island
9 has brought to essentially strike out the order to
10 the extent it affects Green Island, that Justice
11 Wilton-Siegel made on July the 28th.

12 A. M'hmm.

13 215. Q. If you're telling me Green Island is
14 not occupying any space on the first floor, then are
15 you comfortable saying now that your motion is only
16 now limited to the second floor? You have no issues
17 of the Receiver leasing a space on the first floor,
18 or selling the space on the first floor to someone
19 else?

20 A. Someone else?

21 216. Q. Yes. Is Green Island...

22 A. Green Island...

23 217. Q. ...no longer has any interest on the
24 first floor?

25 A. Green Island only on the second



1 floor occupy.

2 218. Q. Okay. So Green Island is not
3 occupying on the first floor?

4 A. No.

5 219. Q. Okay. Thank you. So you said
6 earlier that you've been the general manager of
7 Green Island Trading Company for close to two years,
8 not quite two years. Are you aware that there are
9 two Green Island trading companies?

10 A. What you say?

11 220. Q. There are two Green Island trading
12 companies?

13 A. Two Green Island?

14 221. Q. Yes.

15 A. No, only one.

16 222. Q. Okay. Well, let's take a look. So
17 we've conducted some searches, which I will share
18 with you and your counsel. I have a copy for both
19 of you. I'll give your counsel a minute to view.

20 A. There is only one.

21 223. Q. Okay. I'm going to do them one at a
22 time, but we'll start with the first one.

23 MR. FERRI: Yes.

24
25 BY MR. NEMERS:



1 224. Q. So this first Business Names Report
2 is in respect of Green Island Trading Company, you
3 see, near the top. It's listed as a sole
4 proprietorship.

5 A. M'hmm.

6 225. Q. You see that?

7 A. Yes.

8 226. Q. The activity listed being carried
9 out is, "Import and export merchandise"?

10 A. M'hmm.

11 227. Q. The registration date is listed as
12 April 16th, 2012?

13 A. M'hmm.

14 228. Q. And the renewal date is fairly
15 recent, May 17th, 2016. Do you see that?

16 A. M'hmm.

17 229. Q. Yes, sir? That's a yes?

18 A. Yes.

19 230. Q. Okay. The address, principle place
20 of business in Ontario is 38 Metropolitan Road. And
21 if we turn the page we see the name of the
22 registrant, and I'll apologize if I mis-pronounce,
23 which I'm sure I will, Lei Deng. Do you see that?

24 A. Yes.

25 231. MR. NEMERS: Okay. I ask that this



1 Business Names Report of the Green Island
2 Trading Company as a sole proprietorship be
3 entered as Exhibit B to this
4 cross-examination.

5
6 --- EXHIBIT NO. B: Business Names Report for Green
7 Island Trading Company, number one,
8 in regard to a sole proprietorship
9

10 BY MR. NEMERS:

11 232. Q. Okay. Now I will give you and your
12 counsel the second Business Names Report, a copy for
13 each. I'll give you and your counsel a moment to
14 review.

15 MR. FERRI: Okay. I'm ready.

16 233. MR. NEMERS: Thank you.

17
18 BY MR. NEMERS:

19 234. Q. So the second Business Names Report
20 in respect of also a Green Island Trading Company.
21 This one is listed as a general partnership, do you
22 see that?

23 A. Yes.

24 235. Q. Okay. And the activity carried out
25 is, "Production marijuana", do you see that?



1 A. Yes.

2 236. Q. Registration date is May the 19th,
3 2016?

4 A. Yes.

5 237. Q. That's two days after the sole
6 proprietorship was renewed, correct?

7 A. Yes.

8 238. Q. Okay. The address, principle place
9 of business, is also 38 Metropolitan Road?

10 A. M'hmm.

11 239. Q. And then if we flip the pages we see
12 the names of the partners, and again, I apologize
13 for mis-pronunciation. There's a Zhen Hai Hou.
14 There is a Tung Mei Ao.

15 A. M'hmm.

16 240. Q. There's a Mee Theng Chong?

17 A. Yes.

18 241. Q. And there's a Yitpau Sai (phon.).

19 A. M'hmm.

20 242. Q. That's a yes?

21 A. Yes.

22 243. Q. Okay. And if we turn to the last
23 page, we see again it's the same Lei Deng mentioned
24 here as the registrant, who also registered the sole
25 proprietorship that we looked at a few moments ago.



1 MR. FERRI: Well, to be fair, it's a Lei
2 Deng.

3 244. MR. NEMERS: I'm sorry?

4 MR. FERRI: It's a Lei Deng. It's the
5 same name.

6 245. MR. NEMERS: It's the same name. Yes,
7 it's the same name. And it's registered
8 two days after the sole proprietorship was
9 renewed. I'm going to ask that...I'm going
10 to ask actually for one of your copies back
11 if you don't mind. I don't have a clean
12 copy to mark as an exhibit. Note the Court
13 Reporter accidentally stamped my only copy
14 with notes as Exhibit B earlier on, so I
15 will destroy that and stamp the clean copy.

16 So the sole proprietorship Business
17 Names Report has been entered as Exhibit B
18 to this cross-examination, and the general
19 partnership Business Names Report has been
20 entered as Exhibit C to this
21 cross-examination.

22
23 --- EXHIBIT NO. C: Business Names Report for Green
24 Island Trading Company, number two,
25 in regard to a general partnership



1
2 BY MR. NEMERS:

3 246. Q. So you said a moment ago that you've
4 been general manager of Green Island Trading Company
5 for close to two years. Would you agree with me
6 that at the time, based on the materials we just
7 looked at, there was no Green Island Trading Company
8 general partnership, only Green Island Trading
9 Company sole proprietorship?

10 A. What mean? You ask me the two
11 companies, right?

12 247. Q. Yes.

13 A. Is all under the same company, so...

14 248. Q. But that's not what the records
15 show. The records show that there's a sole
16 proprietorship that's been...

17 A. Okay.

18 249. Q. ...around for several years...

19 A. You know why...

20 250. Q. ...and a general...

21 A. I can answer?

22 251. Q. You can answer. Go ahead.

23 A. The Receiver company, the gentleman
24 there, the name is Daniel, they say, "According to
25 the lease, the trading company Green Island, must be



1 have the people get the licence to join to the
2 company".

3 252. Q. Sorry. I don't understand that.

4 A. Okay. They said before is a sole
5 proprietorship.

6 253. Q. Sole proprietorship?

7 A. Partnership. No partner.

8 254. Q. Yes.

9 A. So he say I must put all the guy,
10 get the licence into the company, become a
11 partnership company.

12 255. Q. But that's not what happened, right,
13 because right now there's a sole proprietorship and
14 there's a general partnership, together.

15 A. So...

16 256. Q. So they're both active.

17 A. So I go to apply a new master
18 licence with the people with the licence in the
19 company and provide it to the Receiver company. Do
20 you understand what I say?

21 257. Q. I don't really understand what you
22 said, no.

23 A. Okay. On the day, the gentleman
24 there say, because he checked the Green Island
25 Company, right? You believe then? He have no



1 license. So he asked me, must be insured. And
2 other people give a licence into the company
3 portion, must be the partner of the company. So we
4 have to renew to make a new company name so add all
5 the people with the licence in.

6 258. Q. So what you're telling me is, the
7 four people...

8 A. Yes.

9 259. Q. ...that are...

10 A. Okay.

11 260. Q. ...partners...

12 A. Yes.

13 261. Q. ...with the names I just read out...

14 A. Yes.

15 262. Q. ...of the general partnership...

16 A. Yes. All the...

17 263. Q. ...are the licence holders?

18 A. Yes.

19 264. Q. Okay. So I'll see that when you
20 provide me with the licences. But I just want to be
21 clear. When you started as general manager...

22 A. Yes.

23 265. Q. ...you were general manager of the
24 sole proprietorship, because that's all that existed
25 at the time.



1 A. Okay.

2 266. Q. Okay? And when Green Island Trading
3 Company entered into the lease, it was the sole
4 proprietorship that entered into the lease because
5 only the sole proprietorship was around at the time,
6 correct?

7 A. Yes, but...

8 267. Q. Okay?

9 A. M'hmm.

10 268. Q. And if we go back to Exhibit E in
11 your affidavit, if we take a look at that
12 insurance...well, we don't even have to do it
13 because I asked you the question earlier. You
14 confirmed the effective date of the insurance policy
15 was April 28th, 2016.

16 We just looked at the Business Names Report
17 that says that the general partnership was not
18 registered until May 19, 2016. So when Green Island
19 went out and got insurance, it was a sole
20 proprietorship that got insurance...

21 A. M'hmm.

22 269. Q. ...correct?

23 A. Yes.

24 270. Q. Okay. Take a look at paragraph 4 of



1 your affidavit, please. You state that:

2 "...In accordance with a Federal Court
3 injunction, *Allard v. Canada* [2014] F.C.J.
4 No. 412, all licences which were valid as
5 of March 21st, 2014 will remain valid until
6 the Court rules otherwise..."

7 Do you see that?

8 A. Yes.

9 271. Q. Have you reviewed the Allard
10 Decision?

11 A. Does mean...

12 272. Q. In your affidavit you reference this
13 Allard Decision...

14 A. Yes.

15 273. Q. ...and you state what it stands for.
16 Have you actually read the Allard Decision?

17 A. What's mean?

18 274. Q. Did you read this case?

19 A. I read this case, yes.

20 275. Q. You read the Allard case?

21 A. Yes.

22 276. Q. Can you tell me what the facts are
23 of the Allard case?

24 A. I don't know the fact.

25 277. Q. You don't know the facts?



1 A. No.

2 278. Q. But you read it?

3 A. But still will remain valid until
4 the Court rule otherwise.

5 279. Q. I'm not asking if you've read what's
6 written on your affidavit. I'm asking if you read
7 the Allard case that you talk about in your
8 affidavit.

9 A. I don't know how to answer this
10 question.

11 MR. FERRI: Just yes or no. Do you know
12 the facts from Allard?

13 THE DEPONENT: Yes.

14 MR. FERRI: You know the facts?

15 THE DEPONENT: I...
16

17 BY MR. NEMERS:

18 280. Q. What are the facts?

19 A. I don't know.

20 281. Q. Sorry.

21 A. No.

22 282. Q. You don't know the facts. That's
23 the final answer?

24 A. No.

25 283. Q. Okay. You don't know the facts. So



1 how is it that you came to the conclusion that the
2 Allard Decision stands for the idea that, as you say
3 in your affidavit, "all licences which were valid as
4 of March 21st, 2014 will remain valid until the
5 Court rules otherwise"?

6 A. The...

7 284. Q. Where did you get that information
8 from?

9 A. I heard from the news.

10 285. Q. You heard from the news?

11 A. Yes.

12 286. Q. Okay. You don't mention that in
13 your affidavit though, right?

14 A. No.

15 287. Q. Okay. And how are you supposed to
16 talk about how you obtained information if you don't
17 know it personally in your affidavit? I'm sorry?

18 A. No.

19 288. Q. You didn't know that?

20 A. I didn't know that.

21 289. Q. Okay. Paragraph 6 of your affidavit
22 you refer to an ex-parte Order.

23 A. Number 6?

24 290. Q. Yes. Do you see that?

25 A. Yes.



1 291. Q. Do you know what an ex-parte Order
2 is?

3 A. Ex-parte Order?

4 292. Q. Ex-parte Order.

5 A. I don't know what...

6 293. Q. You don't know what it is?

7 A. No.

8 294. Q. So you have no way of knowing...

9 A. No.

10 295. Q. ...the accuracy of paragraph 6 in
11 your affidavit. Paragraph 8, you refer to an
12 ex-parte motion. Do you see that?

13 A. Number 8?

14 296. Q. Yes.

15 A. M'hmm.

16 297. Q. Is that a yes, you see...

17 A. Yes, I see it.

18 298. Q. ...that you refer to an ex-parte
19 motion? Okay.

20 A. Yes.

21 299. Q. Do you know what an ex-parte motion
22 is?

23 A. I know the power of motion?

24 300. Q. Do you know what an ex-parte motion
25 is?



1 A. I didn't see. How can I know it?

2 301. Q. I'm not asking you if you know
3 about...

4 A. No.

5 302. Q. ...this particular motion. I'm
6 asking you if you know what an ex-parte motion is.
7 Because you describe our motion as an ex-parte
8 motion.

9 A. What you say?

10 MR. FERRI: I can't answer for you.

11 THE DEPONENT: What?

12
13 BY MR. NEMERS:

14 303. Q. It's very simple. Do you know what
15 an ex-parte motion is?

16 A. I don't know.

17 304. Q. You don't know what an ex-parte
18 motion is. Okay. Thank you.

19 You state at paragraph 12 of your
20 affidavit:

21 "...As early as June 18th, 2016, I was
22 actively negotiating in good faith with Mr.
23 Daniel Battiston, corporate estate
24 administrator employed by the Receiver. Up
25 until I received Justice Wilton-Siegel's



1 Order dated July 28th, 2016, I reasonably
2 believe that all of the issues related to
3 Green Island's tenancy were resolved. And
4 attached hereto and marked as Exhibit "F"
5 to this, my affidavit, is a copy of the
6 e-mail correspondence between myself and
7 Daniel Battiston, corporate estate
8 administrator for the Receiver..."

9 Do you see that?

10 A. Yes.

11 305. Q. Okay. So if you turn to Exhibit F
12 of your affidavit...

13 MR. FERRI: What tab?

14 306. MR. NEMERS: Sorry. Well, it's Exhibit
15 F, but it's tab F, as well. Yes.

16 MR. FERRI: Okay.

17
18 BY MR. NEMERS:

19 307. Q. There's this e-mail chain that you
20 refer to. Apart from you forwarding...it appears
21 that you forwarded this e-mail chain to Mr.
22 Sederoff, and Mr. Sederoff then forwarded it to
23 someone named Jenefer Wilcox. So apart from you
24 forwarding it to your lawyer, am I correct in saying
25 the last e-mail here between you and Mr. Battiston



1 is dated July 12th, 2016? Is that correct?

2 A. Yes.

3 308. Q. Okay. And you stated earlier that,
4 and it's in your affidavit, as well, so I don't
5 think there's any disagreement, that Green Island
6 was served with the motion record 7 days later on
7 July the 19th, is that correct?

8 A. M'hmm. Yes.

9 309. Q. Okay. Thank you.

10 MR. FERRI: He said it was e-mailed to
11 him.

12 THE DEPONENT: Just e-mail.

13 310. MR. NEMERS: Yes, it was e-mailed.

14 THE DEPONENT: It was all e-mail.

15 MR. FERRI: Not served, e-mailed.

16 THE DEPONENT: Not served.

17 311. MR. NEMERS: Well, I think...

18 THE DEPONENT: I never receive nothing,
19 only e-mail...it was only e-mailed to me.

20
21 BY MR. NEMERS:

22 312. Q. I understand. It was e-mailed to
23 you?

24 A. Yes.

25 313. Q. Okay. Thank you, I think. That



1 point has been made. Only served?

2 A. What?

3 314. Q. Only served?

4 A. Only served?

5 315. Q. The Motion Record was only served on
6 you by e-mail, no other method?

7 A. Only by e-mail.

8 316. Q. Did you receive a letter dated July
9 11th, 2016?

10 A. I received nothing.

11 317. Q. You received nothing. You said
12 earlier that you hadn't reviewed the second report
13 of the Receiver and that you didn't wish to do so.

14 A. I received nothing. Only thing I
15 get is from my e-mail.

16 318. Q. Only thing you got is from your
17 e-mail. What contact information did you provide
18 the Receiver?

19 A. What?

20 319. Q. What contact information did you
21 provide the Receiver?

22 A. Contact information?

23 320. Q. Yes.

24 A. To Receiver?

25 321. Q. Yes.



1 A. My phone and my e-mail.

2 322. Q. Okay. Thank you. What steps, if
3 any, have you taken, or has Green Island taken to
4 look for alternative premises?

5 A. What's the question?

6 323. Q. Right now, Green Island is at 38
7 Metropolitan?

8 A. Yes.

9 324. Q. And it's asking the Court not to be
10 evicted, right?

11 A. M'hmm.

12 325. Q. If Green Island is evicted...

13 A. If Green Island...

14 326. Q. ...is evicted, it will need to move.

15 A. Move?

16 327. Q. Will need to move if Green Island...

17 A. We don't want to move.

18 328. Q. I understand you don't want to move,
19 but if Green Island is evicted, you will need to
20 move. Do you understand that?

21 A. If we need to move?

22 329. Q. Yes. Do you understand you may need
23 to move, Green Island may...

24 A. Yes.

25 330. Q. ...need to move?



1 A. Yes.

2 331. Q. What steps, if any, has Green Island
3 taken to see where else it can go?

4 A. I don't know why we need to move.
5 We have the lease.

6 332. Q. I'm not asking you about that. I'm
7 asking you, do you understand there's a risk you may
8 need to move?

9 A. Yes. We may need to move, right.

10 333. Q. Okay. Have you...

11 A. How we need to do? I don't know.
12 I'm the owner...I just working there.

13 334. Q. You're just working there. Okay.
14 So you don't know if there have been any steps
15 taken...

16 A. No.

17 335. Q. Okay.

18 A. I have no idea.

19 336. Q. Working there, do you have any idea
20 how long you think it would take to move?

21 A. How long?

22 337. Q. It would take to move.

23 A. Okay. I just can say, I think,
24 because the company want to move first they need to
25 find the place.



1 338. Q. Yes, they do need to find a place.

2 A. They need time...

3 339. Q. That's why I asked you if they...

4 A. Yes.

5 340. Q. ...started making efforts.

6 A. They didn't find a place to lease.

7 Two to three months to find a place. No place....

8 341. Q. So...

9 A. ...no place allow them to do that
10 kind of business first of all, second, the place too
11 small, not fittable to them, right?

12 342. Q. So...

13 A. And the third, they need the
14 price...the price is okay.

15 343. Q. So the price is important for you?

16 A. The price important.

17 344. Q. The price is important.

18 A. And the place they can find, and the
19 landlord agree to let them do that kind of business.

20 345. Q. Okay.

21 A. Three important things. So not easy
22 to find within 10 day, or...

23 346. Q. But you haven't started? Green
24 Island hasn't started to look, even though it's not
25 easy to find and it takes, I think you estimated...



1 A. They...

2 347. Q. Sorry, excuse me. Let me finish. I
3 think you said, two to three months you said in your
4 answer somewhere. Green Island has not started to
5 look, is that correct?

6 A. What is start to look?

7 348. Q. Start to look for another place to
8 operate.

9 A. I don't know.

10 349. Q. You don't know.

11 MR. FERRI: Okay. There's a couple of
12 things here. My client is missing part of
13 the answer to how long it will take to
14 move. One of the factors, anyway, at least
15 not that he's identified yet, which is
16 relevant.

17 And the other thing is, I'm not
18 exactly sure how to raise it, but by virtue
19 of how the Allard Decision operates, they
20 were not under that decision able...not
21 able to change the address. But that has
22 changed recently. I don't know if you know
23 this. So as of August 24th there's a new
24 licensing scheme that permits a framework
25 under which they could apply for a new



1 licence and thereby move.

2 So there's two kind of issues that
3 are important here, that being one of them.
4 They couldn't have moved before August...

5 350. MR. NEMERS: So just to be clear, what
6 you're telling me, and I take your point,
7 that it's somewhat delicate to raise at
8 this examination...

9 MR. FERRI: Correct.

10 351. MR. NEMERS: ...granted between the two
11 of us, it is really more of a submission.
12 If I understand you correctly, what you're
13 saying is that as of August 24th, 2016, the
14 prohibition of moving elsewhere has been
15 lifted?

16 MR. FERRI: In lack of better terms,
17 it's not quite that. I wouldn't use those
18 terms. There is an injunction. The
19 injunction permitted the licences to...

20 352. MR. NEMERS: We won't go into the legal
21 details.

22 MR. FERRI: Okay.

23 353. MR. NEMERS: Is it fair to say that
24 after August 24th, if Green Island wants to
25 move...



1 MR. FERRI: There is a legal framework
2 that permits them to do so.

3 354. MR. NEMERS: Okay.

4 MR. FERRI: Now there is another factor
5 though with respect to how long...or them
6 being able to move. And this is largely
7 why we have had to submit this motion.
8 There's crops that are involved here,
9 right, and the crops have a value, and the
10 crops have a lifetime. So it takes a
11 certain period of time for them to grow, to
12 be harvested, and that sort of thing. So
13 were that to be interrupted in mid cycle,
14 that costs Green Island Trading Company
15 potentially tens, if not hundreds of
16 thousands of dollars. So that is also a
17 factor.

18
19 BY MR. NEMERS:

20 355. Q. Has that cycle been commenced? I
21 don't know if...how involved, I guess, is a
22 preliminary question I should ask you, Mr. Tran.
23 How involved are you with the actual marijuana
24 plants in terms of the growing of the plants...

25 A. I'm not involved.



1 356. Q. I'm sorry?

2 A. I'm not involved.

3 357. Q. You're not involved. Do you know if
4 since Justice Wilton-Siegel's Order in July, have
5 there been new plants that have started to be
6 cultivated, started to be grown on the site by Green
7 Island?

8 A. I have no idea.

9 358. Q. You have no idea. Okay. So if we
10 could go off the record for a minute?

11
12 --- DISCUSSION OFF THE RECORD
13

14 359. MR. NEMERS: So we're back after a brief
15 break and I don't have...subject to
16 questions that may arise from your delivery
17 of your undertakings, I don't have any
18 further questions.

19 MR. FERRI: No, I don't have any.

INDEX OF EXHIBITS

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>	<u>PAGE NUMBER</u>
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B	Business Names Report for Green Island Trading Company, number one, in regard to a sole proprietorship	40
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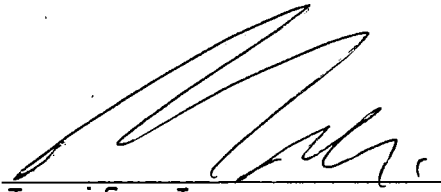


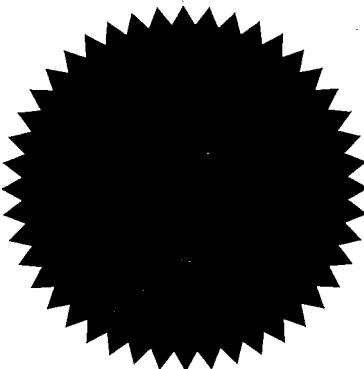
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I hereby certify the foregoing to be a true and accurate transcription of the above-noted proceedings held before me on the **9th DAY OF SEPTEMBER, 2016**, and taken to the best of my skill, ability and understanding.

Certified Correct:


Jennifer Law
Verbatim Reporter



TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

MOTION RECORD
(returnable July 28, 2016)

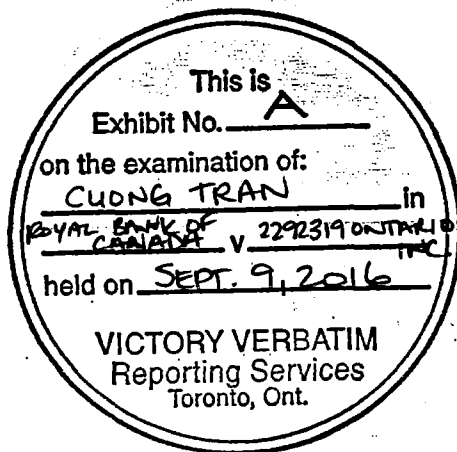
Date: July 19, 2016

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

Sanjeev P.R. Mitra (LSUC # 37934U)
Tel: (416) 865-3082
Fax: (416) 863-1515
E-mail: smitra@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
E-mail: jnemers@airdberlis.com

Lawyers for msi Spergel Inc.



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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

**MOTION RECORD
INDEX**

Tab	<u>Document</u>
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A.	Draft Order
2.	First Report of msi Spergel Inc., dated July 19, 2016
	APPENDICES TO THE FIRST REPORT
1.	Order of the Honourable Justice Wilton-Siegel dated March 31, 2016
2.	Receivership Notice dated March 31, 2016
3.	Notices to Marijuana Production License Holders dated April 13, 2016
4.	Green Island Lease dated July 20, 2015
5.	Cool Ocean Impex Leases (SK) dated August 17, 2012 and February 18, 2014
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 19. Letter from Kelly Avison of Avison Young Commercial Real Estate (Ontario) Inc., Brokerage dated July 11, 2016
 20. Summary of the operational deficit at the Property
 21. Fee Affidavit of Philip Gennis, sworn July 18, 2016
 22. Fee Affidavit of Sam Babe, sworn July 18, 2016
 23. Receiver's Statement of Receipts and Disbursements as at July 18, 2016
3. Service List

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

**NOTICE OF MOTION
(returnable July 28, 2016)**

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**"), will make a motion to a judge presiding over the Commercial List on Thursday, July 28, 2016 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR an Order, including, among other things:

- (a) if necessary, abridging the time for service and filing of this notice of motion and the motion record or, in the alternative, dispensing with same;
- (b) approving the First Report of the Receiver dated July 18, 2016 (the "**First Report**") and approving the actions of the Receiver described therein;
- (c) approving the fees and disbursements of the Receiver and its counsel;

- (d) 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;
- (e) 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
- (f) such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- (a) pursuant to the Order of the Honourable Justice Wilton-Siegel dated March 31, 2016 (the "**Receivership Order**"), Spergel was appointed as the Receiver of the Property;
- (b) the entirety of the Property consists essentially of the Premises, which is an 87,000 square foot commercial building;
- (c) at the time of the Receiver's appointment, units in the Premises were purportedly occupied by: (i) Green Island Trading Co. ("**Green Island**"); (ii) Universal Trading Company ("**Universal**"); and (iii) a business operating under the name S.K. Food Equipment ("**SK**");
- (d) both Green Island and Universal operate or operated marijuana growing facilities from the Premises, and, as further outlined in the First Report, it appears that any licenses that Green Island or Universal may have held for such operations, if any, have expired;

- (e) SK has purportedly subleased part of the Premises to: (i) a business operating under the name Cool Ocean Impex, which appears to operate a frozen seafood and lobster distribution business; and (ii) a business operating under the name Scrap to Go, which appears to operate a scrap metal recycling business, and which purportedly further subleased part of the Premises;
- (f) as further outlined in the First Report, the occupants at the Premises defaulted in respect of one or more terms of their purported leases and/or sub-leases, as applicable, which defaults included, without limitation and in addition to the above, the failure to provide evidence of adequate insurance coverage (or any insurance coverage at all) and the accumulation of significant hydro arrears, which hydro arrears remain outstanding from SK;
- (g) the Receiver issued notices of default, and, later, notices of termination, in respect of the Leases;
- (h) only Universal has abandoned the Premises, despite the notices of termination sent to all the purported tenants and sub-tenants;
- (i) the Debtor's general secured creditor, Royal Bank of Canada, which was owed approximately \$4 million in principal as of the date of the Receivership Order, has confirmed that it did not consent to any of the Leases;
- (j) the continuing occupation of the Premises has restricted the Receiver's ability to market the Premises for sale due to multiple concerns with the physical state of the Premises, the operations of the occupants (and, in certain cases, questions as to their legality) and the uneconomical nature of the Leases, all as further outlined in the First Report;
- (k) the continued occupancy of the Premises essentially precludes the Receiver from running a meaningful sale process for the Property, which, in turn, precludes the Receiver from any meaningful execution of its mandate under the Receivership Order;

- (l) the Receiver has filed with the Court its First Report outlining, amongst other things, the actions of the Receiver since its appointment under the Receivership Order;
- (m) the Receiver and its counsel, Aird & Berlis LLP, have accrued fees and expenses in their capacity as the Receiver and counsel thereto, respectively, which fees and expenses require the approval of this Court pursuant to the Receivership Order;
- (n) the Receivership Order authorizes the Receiver to pass its accounts from time to time, and to include any necessary solicitor fees and disbursements in the passing of the accounts;
- (o) the other grounds set out in the First Report;
- (p) the inherent and equitable jurisdiction of this Court;
- (q) section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (r) section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (s) section 19 of the *Commercial Tenancies Act*, R.S.O. 1990, c. L.7, as amended;
- (t) rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (u) such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the First Report; and
- (b) such further and other material as counsel may submit and this Court may permit.

Date: July 19, 2016

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

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.*

TO: ATTACHED SERVICE LIST

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

NOTICE OF MOTION

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
Email: smitra@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

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

Tab A

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

THURSDAY, THE 28TH DAY

JUSTICE

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 15, 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 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 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 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.

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

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

Email: smitra@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)

Tel: (416) 865-7724

Fax: (416) 863-1515

Email: jnemersairdberlis.com

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

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

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

July 18, 2016

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3.0	ACTIONS OF THE RECEIVER UPON APPOINTMENT	Page 2
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APPENDICES

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3. Notices to Marijuana Production License Holders dated April 13, 2016
4. Green Island Lease dated July 20, 2015
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22. Fee Affidavit of Sam Babe, sworn July 18, 2016
23. Receiver's Statement of Receipts and Disbursements as at July 18, 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 At the time of the Receiver's appointment, the Property was occupied by three parties: S.K. Food Equipment ("**SK**"), Green Island Trading Co. ("**Green Island**") and Universal Trading Company ("**Universal**") based on the lease documents supplied to the Receiver. 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.

2.0 PURPOSE OF THE FIRST REPORT

2.0.1 The purpose of this report (the “**First Report**”) is to seek an Order of the Court:

- (a) approving the First Report and the actions of the Receiver described herein;
- (b) approving the Receiver’s request for an order terminating any lease agreements with SK and Green Island;
- (c) for possession of any portions of the Property that SK and Green Island occupy or any parties which occupy their premises;
- (d) for a declaration that any interest that SK and Green Island have in the Property may be vested out on the sale of the Property;
- (e) approving the fees and disbursements of the Receiver and Receiver’s Counsel to June 30, 2016;
- (f) approving the Receiver’s Statement of Receipts and Disbursements as at July 18, 2016;
- (g) such further and other relief as counsel may advise and this Court may permit.

3.0 ACTIONS OF THE RECEIVER UPON APPOINTMENT

3.0.1 The Receiver issued a written request to the Directors for delivery of the books and records applicable to the Property. As of the date hereof, the Receiver has not received a response to its request.

3.0.2 The Receiver prepared its statutory Notice and Statement in accordance with sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act (Canada)* and mailed a copy to all known creditors of the Debtors. A copy, along with the Appointment Order, was also sent to the Office of the Superintendent of Bankruptcy.

3.0.3 As 229 did not have insurance coverage in respect of the Property, the Receiver arranged for insurance coverage with respect to the Property through Firstbrook, Cassie & Anderson Ltd. (“**FCA**”). Initially, the Receiver was only able to obtain third-party

liability coverage due to the nature of Green Island's business which is described in greater detail below. The Receiver's insurer then conducted a site inspection and has provided broader insurance coverage to cover certain property losses. The Receiver's insurer has also made a number of recommendations which are also described in greater detail below.

- 3.0.4 The Receiver retained Aird & Berlis LLP ("**Aird & Berlis**") as independent Counsel in this matter. The Appointment Order was registered on title to the Property on April 6, 2016.
- 3.0.5 The Receiver retained LockIt Security ("**LockIt**") to conduct regular inspections of the Property which are completed on a bi-weekly basis.

4.0 THE RECEIVER'S DEALINGS WITH THE OCCUPANTS OF THE PROPERTY

- 4.0.1 Immediately upon its appointment, the Receiver issued notice (the "**Receivership Notice**") to all known occupants of the Property of the receivership appointment. The Receivership Notice required all occupants to provide copies of their respective lease agreements and directed monthly payments of rent be paid to the Receiver in trust for the estate. The Receiver initially attended the Property to inspect and secure the building and to deliver the Receivership Notice to all occupants on March 31, 2016 but certain of the interior demises were locked up and others appeared to be occupied by parties who did not allow access to the Receiver. As a result, the Receiver posted copies of the Receivership Notice throughout the exterior of Property. Attached hereto as **Appendix "2"** is a copy of the Receivership Notice dated March 31, 2016.
- 4.0.2 On April 1, 2016, the Receiver re-attended the Property and was provided limited access by two occupants who informed the Receiver that they were sub-tenants of SK. The Receiver served these occupants with a copy of the Receivership Notice along with a copy of the Appointment Order.
- 4.0.3 During the week of April 4, 2016, the Receiver attended the Property on a daily basis to conduct inspections, attempt to identify the remaining occupants of the Property and

gain access to the remaining occupied premises but was not provided access on any of these visits.

4.0.4 On April 8, 2016, the Receiver notified all occupants that a Property inspection was to occur on April 11, 2016 and requested that all occupants be present to allow the Receiver full access to each of their respective premises. Copies of the notice were hand delivered to occupants to the extent possible and also posted throughout the exterior of Property.

4.0.5 On April 11, 2016, the Receiver attended the Property and conducted its inspection. The Receiver was accompanied by a locksmith, a general contractor and a team of real estate professionals (collectively referred to as the "**Inspectors**") who assisted with the inspection. During the course of its inspection, the Receiver and the Inspectors identified the following:

- a. The Property was primarily occupied by two sub-tenants of SK: Cool Ocean Impex ("**Cool Ocean**"), which operated a frozen seafood and lobster distribution business and Scrap to Go ("**Scrap to Go**"), which operated a scrap metal recycling business within the building. The Receiver and the Inspectors were introduced to the principals of SK who identified themselves as Joe and Sherry Chen. They confirmed the sub-tenancies of Cool Ocean and Scrap to Go.
- b. Scrap to Go further sub-leased a small portion of its space to a sheet metal fabrication business within the building. The Proprietor of this operation was not present on the date of the inspection and therefore, the Receiver and the Inspectors could not gain access to the area occupied by the sheet metal fabricator.
- c. There were significant concerns with the areas occupied by Cool Ocean and Scrap to Go; specifically, improperly-constructed demising walls, deficient fire alarm and fire suppression systems, poorly-constructed tenant improvements and poorly-installed and exposed electrical wiring.

- d. An area consisting of a portion of the Property's office space and rear warehouse space was vacant. The Receiver secured these premises with the assistance of the locksmith who was in attendance.
- e. The existence of a marijuana growing facility within a portion of the Property's office space. The Receiver gained access to the space and identified that the occupant was Universal. The Receiver noted the existence of four Health Canada Personal-Use Production Licenses (the "**Universal Licenses**") posted within the space which permitted the growing of marijuana plants at the Property. The Receiver also noted that each of the Universal Licenses listed a unique individual license holder and reported an expiry date of March 31, 2014. The individuals present at the premises did not identify themselves to the Receiver as any of the license holders listed on the Universal Licenses and did not provide a response when questioned by the Receiver and the Inspectors as to how Universal was operating despite the presumed expiry of the Universal Licenses.
- f. Further inspection of Universal's premises yielded additional concerns such as improperly-constructed interior demising walls, damage inflicted on the roof of the Property due to poorly-constructed ventilation systems and poorly-installed and exposed electrical wiring.
- g. A second marijuana growing facility operating within the Property's second floor mezzanine. The Receiver gained limited access to this space and identified that the occupant was Green Island. The Receiver noted the existence of four Health Canada Personal-Use Production Licenses (the "**Green Island Licenses**") posted within the space that permitted the growing of marijuana plants at the Property. Similar to the content of the Universal Licenses, the Green Island Licenses listed a unique individual license holder and also reported an expiry date of March 31, 2014. The individuals present at the Green Island space did not identify themselves to the Receiver as any of the license holders listed on the Green Island Licenses and did not provide a response when questioned by the Receiver and the Inspectors as to how

Green Island was operating despite the presumed expiry of the Green Island Licenses.

- h. A pungent aroma of marijuana emanated throughout the Property both within and throughout the exterior portions of the Property occupied by Green Island and Universal.

- 4.0.6 On April 13, 2016, the Receiver issued notices to the eight license holders identified on the Universal Licenses and Green Island Licenses (collectively referred to as the "Production Licenses") requesting a copy of their respective lease agreement, a current copy of their marijuana production licenses and proof of insurance coverage with respect to their occupied premises'. To date, the Receiver has not received a direct response from the license holders. Attached hereto as **Appendix "3"** are copies of the notices issued to the license holders with respect to the Production Licenses dated April 13, 2016.
- 4.0.7 On April 14, 2016, the Receiver contacted Health Canada to determine the legal status of the Production Licenses but was not provided with any assistance as Health Canada refused to recognize the authority of the Receiver and the receivership proceeding. The Receiver subsequently contacted the local division of the Toronto Police Service (the "Toronto Police") to report the existence of the Universal and Green Island operations and obtain direction with respect to the Production Licenses. In response, the Toronto Police attended the Property with the Receiver and forcefully gained access to the Universal and Green Island premises. The portion of the Property occupied by Green Island contained approximately one thousand marijuana plants. After further investigation and discussion between Health Canada and the Toronto Police, the Receiver was informed by the Toronto Police representative that the law regarding the production of marijuana plants was in a state of flux and it was unclear whether the production was an illegal activity, despite the apparent expiry of the certificates.
- 4.0.8 On April 18, 2016, Green Island partially responded to the Receiver's Receivership Notice and provided copies of the lease documentation it was relying upon with respect

to its occupancy of the second floor mezzanine (the "**Green Island Lease**"). That day, the Receiver also obtained copies of the three documents which SK was relying upon for its occupation of its portions of the Property. Two of the documents were in respect of the portion of the Property occupied by Cool Ocean (the "**Cool Ocean Leases**"). The remaining lease pertained to the portion of the Property occupied by Scrap to Go (the "**Scrap to Go Lease**"). Attached hereto as **Appendices "4", "5" and "6"** are copies of the Green Island Lease, the Cool Ocean Leases and the Scrap to Go Lease.

- 4.0.9 Given the activities being carried on within the Property and the state of same, the Receiver requested proof of insurance coverage from SK and Green Island in accordance with the Green Island Lease, the Cool Ocean Leases and the Scrap to Go Lease.
- 4.0.10 On May 5, 2016, SK provided the Receiver with a certificate of insurance (the "**SK Certificate**") purporting to substantiate insurance coverage with respect to the leased premises occupied by Cool Ocean. The Receiver reviewed the SK Certificate and noted multiple deficiencies between the types and limits of insurance coverage and the terms stipulated in the Cool Ocean Leases. It was evident that neither SK nor Green Island had existing insurance coverage in place at the time of the Receiver's appointment and that the Occupants were now working to put this in place.
- 4.0.11 The Receiver issued notices of default in respect of the Cool Ocean Leases on May 5, 2016. The Receiver detailed the deficiencies of the SK Insurance Certificate and requested evidence of insurance in accordance with the Scrap to Go Lease since SK did not provide evidence of adequate insurance coverage pertaining to the premises occupied by Scrap to Go. Attached hereto as **Appendix "7"** are copies of the notices of default issued to SK on May 5, 2016.
- 4.0.12 Further, on May 5, 2016, the Receiver issued notice of termination in respect of Universal (the "**Universal Termination**") due to Universal's refusal to provide the Receiver with a copy of its lease agreement as well as proof of adequate insurance coverage. The Receiver attended the Property to deliver the Universal Termination but was not provided access. As a result, the Receiver posted a copy of the Universal

Termination on the exterior door of the premises. Attached hereto as **Appendix "8"** is a copy of the Universal Termination.

- 4.0.13 On May 6, 2016, SK provided the Receiver with a revised certificate of insurance (the "**Revised SK Certificate**") rather than a copy of the actual insurance policy in response to the notice of default served on May 5, 2016.
- 4.0.14 On May 10, 2016, after multiple failed attempts to personally serve the Universal Notice of Termination upon the license holders identified on the Universal Licenses, the Receiver attended the Property and gained access to the Universal premises. Unbeknownst to the Receiver, Universal had previously vacated and removed all contents associated with its previous operating activities. The Receiver secured the vacant premise and subsequently remediated the roof and electrical damage caused by Universal when it vacated the premises.
- 4.0.15 On May 13, 2016, the Receiver issued notice of termination in respect of Scrap to Go (the "**Scrap to Go Termination**") in response to SK's failure to provide the Receiver with proof of insurance in a timely manner. Attached hereto as **Appendix "9"** is a copy of the Scrap to Go Termination. To date, SK has failed to provide the Receiver with vacant possession of the Scrap to Go premises and Scrap to Go continues to operate at the Property despite non-existent insurance coverage.
- 4.0.16 The Receiver reviewed the Revised SK Certificate and on May 16, 2016, issued a second notice of default to SK with respect to the deficiencies identified on the Revised SK Certificate, specifically, the fact that the Revised SK Certificate did not refer to SK, but rather another entity. In addition, the insurance coverage types outlined on the Revised SK Certificate were unsatisfactory as they did not provide full coverage with respect to commercial general liability and did not address additional risk areas such as fire coverage and coverage of fixtures and chattels as required by the Cool Ocean Leases. The Receiver also extended the deadline for SK to correct the deficiencies to May 23, 2016.

- 4.0.17 SK responded to the Receiver by providing another copy of the Revised SK Certificate previously provided on May 6, 2016 rather than a copy of an insurance policy. The Receiver immediately contacted Sherry Chen and requested that SK provide a full copy of its commercial insurance policy to ensure that the coverage types and amounts attested on the Revised SK Certificate were in fact in place and the limits of any of its exclusions. Attached hereto as **Appendix "10"** is a copy of the SK notice of default dated May 16, 2016.
- 4.0.18 On May 18, 2016, SK provided the Receiver with a third copy of the Revised SK Certificate previously sent to the Receiver on May 6, 2016 and May 16, 2016. The Receiver immediately contacted Sherry Chen and advised her again that the form and content of the Revised SK Certificate did not comply with the terms of the Cool Ocean Leases.
- 4.0.19 On May 25, 2016, the Receiver issued notice to SK and Green Island of an inspection of the Property (the "**Insurance Notice**") to be performed by Chubb Insurance Company of Canada ("**Chubb**") on May 31, 2016 and requested full access to the entire Property. The inspection was required by FCA in response to the Receiver's request to expand the Property's insurance coverage from third-party liability to full building coverage.
- 4.0.20 On May 26, 2016, the Receiver issued notice of termination in respect of Cool Ocean (the "**Cool Ocean Termination**") due to SK's failure to adequately respond to the notices of default issued by the Receiver on May 5th and May 16th as well as its failure to provide a copy of its commercial insurance policy to the Receiver. SK has failed to provide the Receiver with vacant possession of the Cool Ocean space and Cool Ocean continues to operate at the Property to date. Attached hereto as **Appendix "11"** is a copy of the Cool Ocean Termination dated May 26, 2016.
- 4.0.21 On May 31, 2016, the Receiver and Chubb attended the Property to conduct their inspection of the Property; however, the efforts of the Receiver and Chubb were limited due to Scrap to Go's refusal to provide access to its premises. During the course of its inspection, Chubb identified several hazards and deficiencies related to the fire safety

and electrical systems of the Property as well as general issues with the overall state of the Property. Attached hereto as **Appendix "12"** is a copy of the Chubb Inspection Report dated May 31, 2016 which contains a number of recommendations. The Receiver is proceeding to obtain inspections by the City of Toronto Building Department to determine if the items identified by Chubb are in violation of current building code.

4.0.22 On June 16, 2016, SK provided the Receiver with a copy of a commercial insurance policy (the "**SK Policy**"). A subsequent review of the SK Policy by the Receiver, Aird & Berlis and FCA determined that the SK Policy contains exclusion clauses preventing coverage in the event of a loss that is directly or indirectly caused by any activity connected with the growth, manufacturing, storage, production or distribution of illegal substances. The Receiver noted that the SK Policy defines illegal substance to include any controlled substance listed under the Controlled Drugs and Substances Act ("**CDSA**"). Cannabis and marijuana are classified as Schedule II narcotics under the CDSA. As a result, there is a question as to whether there will be coverage in the event of a claim. Attached hereto as **Appendix "13"** is a copy of the SK Policy in respect of the Cool Ocean space.

4.0.23 On July 8, 2016, Aird & Berlis, at the request of the Receiver, issued notice to SK (the "**July 8, 2016 Notice**") addressing the limitations of the insurance coverage identified in the SK Policy to date and the fact that SK has failed to provide the Receiver with vacant possession of the Scrap to Go and Cool Ocean Impex premises in spite of the Scrap to Go Termination and the Cool Ocean Termination previously served on May 13, 2016 and May 26, 2016 respectively. Aird & Berlis also advised SK of the Receiver's intention to seek an order for possession of the Scrap to Go and Cool Ocean Impex premises. Attached hereto as **Appendix "14"** is a copy of the July 8, 2016 Notice.

4.0.24 On May 3, 2016, Green Island provided the Receiver with a certificate of insurance (the "**Green Island Certificate**") purporting to substantiate insurance coverage with respect to its leased premises at the Property. The Receiver reviewed the Green Island Certificate and noted multiple deficiencies between the types and limits of insurance coverage and the terms stipulated in the Green Island Lease.

- 4.0.25 On May 16, 2016, the Receiver issued notice of default to Green Island with respect to the deficiencies identified on the Green Island Certificate as well other defaults that existed with respect to the terms of the Green Island lease. The Receiver set a deadline of May 23, 2016 for Green Island to cure the outstanding defaults. Attached hereto as **Appendix "15"** is a copy of the Green Island notice of default dated May 16, 2016.
- 4.0.26 On May 25, 2016, Green Island provided the Receiver with a revised copy of its certificate of insurance (the **"Revised Green Island Certificate"**) in response to the notice of default served by the Receiver on May 16, 2016. The Receiver reviewed the Revised Green Island Certificate and noted that Green Island had still not provided a copy of its commercial insurance policy.
- 4.0.27 On May 26, 2016, the Receiver served notice of termination in regards to Green Island (the **"Green Island Termination"**) due to Green Island's failure to adequately respond to the notice of default issued by the Receiver on May 16th as well as its failure to provide a copy of its commercial insurance policy to the Receiver. Attached hereto as **Appendix "16"** is a copy of the Green Island Termination.
- 4.0.28 On July 11, 2016, Aird & Berlis, at the request of the Receiver, issued notice to Green Island (the **"July 11, 2016 Notice"**) addressing Green Island's failure to present sufficient evidence of insurance coverage and the fact that Green Island has failed to provide the Receiver with vacant possession of its premises in spite of the Green Island Termination previously served on May 26, 2016. Aird & Berlis also advised Green Island of the Receiver's intention to seek an order for possession of the Green Island premises. Attached hereto as **Appendix "17"** is a copy of the July 11, 2016 Notice.
- 4.0.29 On July 13, 2016, the Receiver was provided with a copy of Green Island's commercial insurance policy as evidence of insurance coverage. The Receiver reviewed the policy and determined that the coverage types and limits imposed by the policy were with respect to the operations of a marijuana dispensary rather than that of a production facility. The Receiver contacted Green Island's insurance broker to determine if coverage would be provided in the event of a claim given the fact that Green Island

operates as a marijuana production facility, rather than a dispensary. The Receiver has not received a response from Green Island's insurance broker as of the date of this First Report.

5.0 THE RECEIVER'S DEALINGS WITH THE TENANTS REGARDING HYDRO USAGE AT THE PROPERTY

5.0.1 Upon review of the Green Island Lease, the Cool Ocean Leases and the Scrap to Go Lease, the Receiver noted the following terms with respect to hydro usage at the Property:

- a. The terms of the Green Island Lease require that the tenant, Green Island, is responsible for arranging their own connection, service and billing with respect to hydro and is responsible for all usage supplied to their premises.
- b. The terms of the Cool Ocean Leases and the Scrap to Go Lease require that the landlord is to arrange and provide hydro services as well as separate meters so that usage can be tracked. The tenant, SK, is to pay the landlord for all charges incurred with respect to hydro usage.

5.0.2 On April 20, 2016, the Receiver issued notice of the receivership proceedings to Toronto Hydro and subsequently obtained access and control of the hydro account assigned to the Property. On April 21, 2016, Toronto Hydro attended the Property to conduct a reading of the main hydro meter.

5.0.3 On May 17, 2016, Toronto Hydro provided the Receiver with a billing for hydro usage at the Property for the period March 31st to April 25th in the amount of \$69,756. The Receiver provided a copy of the Toronto Hydro billing to SK and requested payment of the amount outstanding. SK did not respond to the Receiver's request for payment.

5.0.4 On May 20, 2016, the Receiver sent a second request to SK with respect to payment of the outstanding hydro balance. SK's response to the Receiver denied responsibility for the balance owing as it claimed that all tenants at the Property were separately metered and that SK is responsible for their proportionate share of usage only. The Receiver's

response referred to the terms of the Green Island Lease, the Cool Ocean Leases and the Scrap to Go Lease and requested documentation with respect to how the hydro was paid on a historical basis.

- 5.0.5 On May 26, 2016, the Receiver attended the Property for the purpose of identifying and reading of all hydro sub-meters. The Receiver was not successful in its efforts due to the complexity in how the sub-meters were previously installed; the fact that all sub-meters were marked in Chinese and the fact that the individuals then present on site refused to cooperate with the Receiver.
- 5.0.6 On June 1, 2016, the Receiver advised SK and Green Island that it was to conduct readings of all sub-meters at the Property. SK responded to the Receiver on June 2, 2016 and advised that it could assist and facilitate readings on June 4th. Green Island did not provide a response to the Receiver.
- 5.0.7 On June 4, 2016, the Receiver attend the Property to conduct readings of all sub-meters located within the SK and Green Island premises; however, the Receiver was not successful as it could not properly access all sub-meters located onsite and no assistance was provided by either SK or Green Island.
- 5.0.8 On June 7, 2016, the Receiver issued formal notice to Green Island requesting access to the second floor mezzanine to conduct readings of the three sub-meters assigned to Green Island. The Receiver's view was that if it determined and reconciled the hydro usage of Green Island, it could determine the hydro usage of SK's sub-tenants since Cool Ocean and Scrap to Go were the only other occupants of the Property. On June 9, 2106, the Receiver attended the Property to conduct the sub-meter readings but was not provided access by Green Island.
- 5.0.9 Further, on June 7, 2016, the Receiver received an advance from RBC to pay the initial Toronto Hydro billing in the amount of \$69,756.
- 5.0.10 On June 10, 2016, Toronto Hydro provided the Receiver with a second billing for hydro usage at the Property for the period April 25th to May 19th in the amount of \$61,346. Total costs to date with respect to hydro usage at the Property equaled \$131,102.

- 5.0.11 On June 16, 2016, the Receiver issued a demand for payment to SK and Green Island with respect to the outstanding Toronto Hydro billings. In its demand, the Receiver noted the fact that it had not been provided access to the various sub-meters to conduct proper readings on multiple occasions. Attached hereto as **Appendix "18"** is a copy of the Receiver's demand for payment with respect to the outstanding hydro costs.
- 5.0.12 On June 17, 2016, SK responded to the Receiver's demand for payment by advising that it was not responsible to determine its proportionate usage of the hydro at the Property, that it was unable to determine its proportionate usage of the hydro and that it refused to pay its proportionate share of the hydro costs until a proper reconciliation of usage was provided.
- 5.0.13 On June 20, 2016, SK delivered a cheque to the Receiver in the amount of \$9,839 as a partial payment of its proportionate usage of the hydro to date. As of the date of this Report, the Receiver has not deposited the cheque provided by SK.
- 5.0.14 On June 27, 2016, the Receiver met with a representative of Green Island to reconcile Green Island's hydro usage at the Property. The Receiver reconciled Green Island's proportionate share of the hydro costs for the period March 31st to May 19th based on meter readings supplied by Green Island and verified by the Receiver. Subsequent to the meeting, the Receiver demanded payment in the amount of \$84,037 from Green Island. The Receiver determined that the remaining portion of the outstanding hydro costs is attributed to the hydro usage of Ocean Impex and Scrap to Go.
- 5.0.15 The July 8, 2016 Notice and July 11, 2016 Notice issued by Aird & Berlis to SK and Green Island respectively (collectively referred to as the "**Notices**") addressed SK's and Green Island's failure to remit payment of their proportionate share of hydro consumed at the Property to date. The Notices also advised that failure to remit full payment of the outstanding hydro arrears represented further defaults under the Cool Ocean Leases, the Scrap to Go Lease and the Green Island Lease.
- 5.0.16 On July 13, 2016, Green Island delivered a series of bank drafts to the Receiver to address its proportionate share of the outstanding hydro arrears.

5.0.17 As of the date of this Report, SK appears to be claiming that despite the terms of the leases, it is not responsible for the hydro payable by its sub tenants. Accordingly, the Receiver continues to be owed the sum of \$47,065 for hydro since the time of its appointment based on the leases it has been provided.

6.0 THE RECEIVER'S REQUEST FOR AN ORDER FOR POSSESSION

6.0.1 The Receiver is seeking an order to obtain possession over the portions of the Property occupied by Green Island, SK, Cool Ocean, Scrap to Go and any other occupant of the Property whether known or unknown to the Receiver (collectively referred to as the "Occupants") based on the following:

- a. The Receiver has only been provided with leases for SK and Green Island and the Occupants have not adequately responded to the Receiver's notices of default issued on May 5, 2016 and May 16, 2016 respectively.
- b. SK has not remitted full payment to the Receiver for its proportionate share of hydro for the period March 31st to May 19th. Repeated attempts by the Receiver to conduct meter readings at the Property have been obstructed due to the Occupants not cooperating with the Receiver to facilitate proper readings and refusal to provide the Receiver with full access to the premises.
- c. Green Island has not provided adequate evidence of insurance as required under its lease.
- d. Occupation of the Property by the Occupants and their subtenants is hampering the Receiver's ability to market and sell the Property for the highest price. Attached hereto as **Appendix "19"** is a copy of a letter received from Kelly Avison of Avison Young dated July 11, 2016 in this regard.
- e. RBC has confirmed that it did not consent to any of the leases between the Company and the Occupants.

- f. The Occupants have not provided vacant possession to the Receiver despite the delivery of the Scrap to Go Termination, the Cool Ocean Termination and the Green Island Termination.
- g. The current operating costs attributable to the premises outweigh the revenues being generated by current rent resulting in a significant deficiency which exacerbates the inability of the Receiver to adequately market the property for sale. Attached hereto as **Appendix "20"** is a summary of the operational deficit incurred by the Receiver to date with respect to the Property in the amount of \$263,567.

7.0 FEES AND DISBURSEMENTS OF THE RECEIVER

- 7.0.1 Attached hereto as **Appendix "21"** is the Affidavit of Philip Gennis, sworn July 18, 2016, which incorporates by reference a copy of the Receiver's time dockets pertaining to the receivership, for the period from March 31, 2016 to and including June 30, 2016 in the amount of \$57,470, exclusive of HST, and disbursements in the amount of \$145, exclusive of HST. This represents a total of 235.85 hours at an average rate of \$243.68 per hour.

8.0 FEES AND DISBURSEMENTS OF RECEIVER'S COUNSEL

- 8.0.1 Attached hereto as **Appendix "22"** is the Affidavit of Sam Babe, sworn July 18, 2016, which incorporates by reference a copy of the accounts rendered by Receiver's Counsel to the Receiver for the period from March 31, 2016 to and including June 30, 2016 in the aggregate amount of \$17,151 inclusive of disbursements and HST.
- 8.0.2 The Receiver has reviewed the accounts of Receiver's Counsel and, given the Receiver's involvement in this matter, the Receiver is of the view that all the work set out in the accounts of Receiver's Counsel was carried out and was necessary. The hourly rates of the lawyers at Receiver's Counsel who worked on this matter were reasonable in light of the services required, and the services were carried out by lawyers with the appropriate level of experience.

9.0 RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

9.0.1 Attached hereto as **Appendix "23"** is a copy of the Receiver's Statement of Receipts and Disbursements as at July 18, 2016.

10.0 RECOMMENDATIONS

10.0.1 The Receiver recommends that the Court grant an Order:

- a) approving the First Report and the actions of the Receiver described herein;
- b) approving the Receiver's request for an order terminating any lease agreements with SK and Green Island;
- c) for possession of any portions of the Property that SK and Green Island occupy or any parties which occupy their premises;
- d) for a declaration that any interest that SK and Green Island have in the Property may be vested out on the sale of the Property
- e) approving the fees and disbursements of the Receiver and Receiver's Counsel to June 30, 2016;
- f) approving the Receiver's Statement of Receipts and Disbursements as at July 18, 2016;
- g) such further and other relief as counsel may advise and this Court may permit.

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



Philip H. Gennis, J.D., CIRP
Senior Principal
26730735.3

TAB 1

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
JUSTICE WILTON-SIEGEL)

THURSDAY, THE 31ST *MS*
DAY OF MARCH, 2016

BETWEEN:

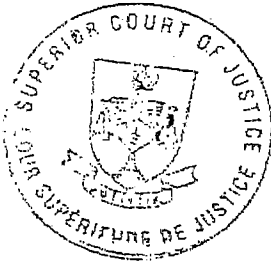
ROYAL BANK OF CANADA

Applicant

and

2292319 ONTARIO INC.

Respondent



**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing msi Spergel inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2292319 Ontario Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Richard Crawford sworn March 28, 2016 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for 2292319 Ontario Inc. although duly served as appears from the affidavit of service of Karen Fox sworn March 29, 2016 and on reading the Consent of msi Spergel inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

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

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts, including but not limited to the collection of rents, and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$75,000, provided that the aggregate consideration for all such transactions does not exceed \$300,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

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

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in

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

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

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

which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on

transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<<http://www.spergel.ca>>'.

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

GENERAL

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

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

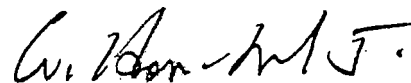
29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals,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

to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

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

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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

#2504373 | 4097961

RW. MAR 31 2016

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the "Receiver") of the assets, undertakings and properties 2292319 Ontario Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 31st day of March, 2016 (the "Order") made in an action having Court file number CV-16-11331-OO-CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

Insolvency Act, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2016.

MSI SPERGEL INC., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name: Philip H. Gennis, J.D., CIRP
Title: Senior Principal

BETWEEN

ROYAL BANK OF CANADA
Applicant

-and-

2292319 ONTARIO INC.
Respondent
Court File No. CV-16-11331-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

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

Catherine Francis (LSUC# 26900N)
cfrancis@mindengross.com
Tel: 416-369-4137

Mark A. Freake (LSUC# 63656H)
mfreake@mindengross.com
Tel: 416-369-4326
Fax: 416-864-9223

Lawyers for the Applicant

TAB 2



SPERGEL

March 31, 2016

Notice to Tenants and Sub-Tenants of 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6.

Re: 2292319 Ontario Inc. (the "Debtor")

Please be advised that on March 31, 2016 msi Spergel Inc. was appointed Receiver of the Debtor by the Ontario Superior Court. As a result, the premise located at 38 Metropolitan Road, Scarborough, Ontario is now under the control of the Receiver and all payments of rent must be remitted directly to the Receiver. Cheques should be made payable to: **msi Spergel Inc., in Trust.**

A copy of the Court Order is enclosed with this letter for your reference. In addition, please complete the enclosed Tenant Acknowledgement form and returned to the undersigned as soon as possible along with a copy of your lease agreement.

If you require any further information, you may contact the undersigned at (647) 288-7625 or dbattiston@spergel.ca.

Yours very truly,

msi Spergel Inc.
Court Appointed Receiver of
2292319 Ontario Inc.
Per:

Daniel Battiston, CPA, CA
Corporate Estate Administrator

Enclosures

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 - Canadian Association of Insolvency and Restructuring Professionals

TAB 3



SPERGEL

April 13, 2016

Thomas Alfred Kingsly
2 Maryhill Dr.
Etobicoke, ON M9V 3B9

Notice to Tenant of 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6

Please be advised that on March 31, 2016 msi Spergel Inc. (the "Receiver") was appointed receiver of the property located at 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6 (the "Premises") by Order of the Honorable Justice Wilton-Siegel of the Ontario Superior Court. As a result, the Premise is under the control of the Receiver. A copy of the appointment order is enclosed for your reference.

The Receiver requests a copy of your current lease agreement, a certificate of insurance confirming insurance on your respective suite, a current copy of the Medical Marijuana Production License which has been issued in your name and a completed copy of the enclosed Tenant Acknowledgement. Further, all payments of rent must be remitted directly to the Receiver by way of certified cheque or bank draft to: msi Spergel Inc., in Trust.

Please ensure that the documentation requested above is provided to the Receiver by Friday, April 15, 2016 at 12 pm; if not, the Receiver will undertake the appropriate legal action. If you require any further information, you may contact the undersigned at (647) 288-7625 or dbattiston@spergel.ca.

msi Spergel Inc.
Court Appointed Receiver of
2292319 Ontario Inc.
Per:

Daniel Battiston, CPA, CA
Corporate Estate Administrator

Enclosures



SPERGEL

April 13, 2016

So How Fong
16 Fabray Crt.
Toronto, ON M1W 3W5

Notice to Tenant of 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6

Please be advised that on March 31, 2016 msi Spergel Inc. (the "Receiver") was appointed receiver of the property located at 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6 (the "Premises") by Order of the Honorable Justice Wilton-Siegel of the Ontario Superior Court. As a result, the Premise is under the control of the Receiver. A copy of the appointment order is enclosed for your reference.

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msi Spergel Inc.
Court Appointed Receiver of
2292319 Ontario Inc.
Per:

Daniel Battiston, CPA, CA
Corporate Estate Administrator

Enclosures



SPERGEL

April 13, 2016

Nguyet Thi Minh Pham
46 Clair Rd.
Toronto, ON M3N 1A6

Notice to Tenant of 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6

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msi Spergel Inc.
Court Appointed Receiver of
2292319 Ontario Inc.
Per:

Daniel Battiston, CPA, CA
Corporate Estate Administrator

Enclosures



SPERGEL

April 13, 2016

Thi Lan Vo
82 Laskay Crescent
North York, ON M3N 1P3

Notice to Tenant of 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6

Please be advised that on March 31, 2016 msi Spergel Inc. (the "Receiver") was appointed receiver of the property located at 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6 (the "Premises") by Order of the Honorable Justice Wilton-Siegel of the Ontario Superior Court. As a result, the Premise is under the control of the Receiver. A copy of the appointment order is enclosed for your reference.

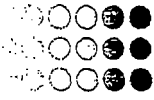
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msi Spergel Inc.
Court Appointed Receiver of
2292319 Ontario Inc.
Per:

Daniel Battiston, CPA, CA
Corporate Estate Administrator

Enclosures



SPERGEL

April 13, 2016

Rixin He
10 Prairie Dunes Place
Concord, ON L4K 2E4

Notice to Tenant of 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6

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Please ensure that the documentation requested above is provided to the Receiver by Friday, April 15, 2016 at 12 pm; if not, the Receiver will undertake the appropriate legal action. If you require any further information, you may contact the undersigned at (647) 288-7625 or dbattiston@spergel.ca.

msi Spergel Inc.
Court Appointed Receiver of
2292319 Ontario Inc.
Per:

Daniel Battiston, CPA, CA
Corporate Estate Administrator

Enclosures



SPERGEL

April 13, 2016

Mee Theng Chong
20-38 Greensborough Village Circle
Markham, ON L6E 0C7

Notice to Tenant of 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6

Please be advised that on March 31, 2016 msi Spergel Inc. (the "Receiver") was appointed receiver of the property located at 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6 (the "Premises") by Order of the Honorable Justice Wilton-Siegel of the Ontario Superior Court. As a result, the Premise is under the control of the Receiver. A copy of the appointment order is enclosed for your reference.

The Receiver requests a copy of your current lease agreement, a certificate of insurance confirming insurance on your respective suite, a current copy of the Medical Marijuana Production License which has been issued in your name and a completed copy of the enclosed Tenant Acknowledgement. Further, all payments of rent must be remitted directly to the Receiver by way of certified cheque or bank draft to: msi Spergel Inc., in Trust. Please be advised that we are currently in possession of a bank draft in the amount of \$8,000 which we will apply to outstanding rent subject to the terms and conditions of your lease agreement.

Please ensure that the documentation requested above is provided to the Receiver by Friday, April 15, 2016 at 12 pm; if not, the Receiver will undertake the appropriate legal action. If you require any further information, you may contact the undersigned at (647) 288-7625 or dbattiston@spergel.ca.

msi Spergel Inc.
Court Appointed Receiver of
2292319 Ontario Inc.
Per:

Daniel Battiston, CPA, CA
Corporate Estate Administrator

Enclosures

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 - Canadian Association of Insolvency and Restructuring Professionals



SPERGEL

April 13, 2016

Shao Shan Chen
1612-361 Front Street W.
Toronto, ON M5V 3R5

Notice to Tenant of 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6

Please be advised that on March 31, 2016 msi Spergel Inc. (the "Receiver") was appointed receiver of the property located at 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6 (the "Premises") by Order of the Honorable Justice Wilton-Siegel of the Ontario Superior Court. As a result, the Premise is under the control of the Receiver. A copy of the appointment order is enclosed for your reference.

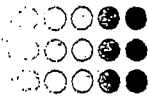
The Receiver requests a copy of your current lease agreement, a certificate of insurance confirming insurance on your respective suite, a current copy of the Medical Marijuana Production License which has been issued in your name and a completed copy of the enclosed Tenant Acknowledgement. Further, all payments of rent must be remitted directly to the Receiver by way of certified cheque or bank draft to: msi Spergel Inc., in Trust. Please be advised that we are currently in possession of a bank draft in the amount of \$8,000 which we will apply to outstanding rent subject to the terms and conditions of your lease agreement.

Please ensure that the documentation requested above is provided to the Receiver by Friday, April 15, 2016 at 12 pm; if not, the Receiver will undertake the appropriate legal action. If you require any further information, you may contact the undersigned at (647) 288-7625 or dbattiston@spergel.ca.

msi Spergel Inc.
Court Appointed Receiver of
2292319 Ontario Inc.
Per:

Daniel Battiston, CPA, CA
Corporate Estate Administrator

Enclosures



SPERGEL

April 13, 2016

Zhen Hai Hou
19 Edenbrook Cres.
Richmond Hill, ON L4B 4B5

Notice to Tenant of 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6

Please be advised that on March 31, 2016 msi Spergel Inc. (the "Receiver") was appointed receiver of the property located at 38 Metropolitan Road, Scarborough, Ontario, M1R 2T6 (the "Premises") by Order of the Honorable Justice Wilton-Siegel of the Ontario Superior Court. As a result, the Premise is under the control of the Receiver. A copy of the appointment order is enclosed for your reference.

The Receiver requests a copy of your current lease agreement, a certificate of insurance confirming insurance on your respective suite, a current copy of the Medical Marijuana Production License which has been issued in your name and a completed copy of the enclosed Tenant Acknowledgement. Further, all payments of rent must be remitted directly to the Receiver by way of certified cheque or bank draft to: msi Spergel Inc., in Trust. Please be advised that we are currently in possession of a bank draft in the amount of \$8,000 which we will apply to outstanding rent subject to the terms and conditions of your lease agreement.

Please ensure that the documentation requested above is provided to the Receiver by Friday, April 15, 2016 at 12 pm; if not, the Receiver will undertake the appropriate legal action. If you require any further information, you may contact the undersigned at (647) 288-7625 or dbattiston@spergel.ca.

msi Spergel Inc.
Court Appointed Receiver of
2292319 Ontario Inc.
Per:

Daniel Battiston, CPA, CA
Corporate Estate Administrator

Enclosures

TAB 4

Agreement to Lease Commercial – Long Form

This Agreement to Lease dated this 20th day of July 2015

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

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

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

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

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

3. TERM OF LEASE:
(a) The Lease shall be for a term of FORTY-EIGHT (48) months commencing on the 1ST day of
AUGUST, 2015, and terminating on the 30TH day of APRIL, 2019

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

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

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

Fromtoinclusive, \$per annum being \$per month, based upon \$per sq. feet
(feet/metres)

Fromtoinclusive, \$per annum being \$per month, based upon \$per sq. feet
(feet/metres)

Fromtoinclusive, \$per annum being \$per month, based upon \$per sq. feet
(feet/metres)

Fromtoinclusive, \$per annum being \$per month, based upon \$per sq. feet
(feet/metres)

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

☒ the 1ST day of each month commencing.....

☐ theday of the first month immediately following completion of the Landlord's Work.

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

INITIALS OF TENANT(S):

[Signature]

INITIALS OF LANDLORD(S):

[Signature]



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

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

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

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

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

7. **ADDITIONAL RENT AND CHARGES:**

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

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

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

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

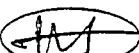
9. **IRREVOCABILITY:** This offer shall be irrevocable by..... Tenant..... until..... 11:59 PM..... a.m./p.m. on the..... 29th..... day
(Landlord/Tenant)
of..... July....., 20..... 15....., after which time if not accepted, this offer shall be null and void and all monies paid thereon shall be returned to the Tenant without interest or deduction.

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

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

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

INITIALS OF TENANT(S):



INITIALS OF LANDLORD(S):





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

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

unreasonably withheld, and to be located as follows:

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

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

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

16. ASSIGNMENT: This Agreement to Lease shall not be assignable or otherwise transferable by the Tenant. The Tenant may not sublet or assign or transfer its interest in the Lease contemplated herein without securing the written consent from the Landlord, which consent shall not be unreasonably withheld, provided however, if the consent is granted, the Tenant shall remain liable for all obligations under the Lease.

If the Tenant is a corporation, the transfer of the majority of the issued shares in the capital stock, or any transfer, issuance or division of shares of the corporation sufficient to transfer control of the corporation shall be deemed for all purposes to be an assignment within the meaning of this Agreement and any Lease. This provision shall not apply to a corporation whose shares are listed and traded on any recognized public stock exchange in Canada or the United States.

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

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

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

INITIALS OF TENANT(S):

INITIALS OF LANDLORD(S):



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

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

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

(Witness)

(Tenant or Authorized Representative)

(Seal)

DATE 2015/07/29

(Witness)

(Tenant or Authorized Representative)

(Seal)

DATE

(Witness)

(Guarantor)

(Seal)

DATE

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

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

(Witness)

(Landlord or Authorized Representative)

(Seal)

DATE 2015/07/29

(Witness)

(Landlord or Authorized Representative)

(Seal)

DATE 2015/07/29

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and

written was finally accepted by all parties at 8:00 PM 29 day of July, 2015. FONG SO HOW (Signature of Landlord or Tenant)

INFORMATION ON BROKERAGE(S)

Listing Brokerage.....	Tel.No.(.....)
(Salesperson / Broker name)	
Co-op/Buyer Brokerage.....	Tel.No.(.....)
(Salesperson / Broker name)	

ACKNOWLEDGEMENT

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

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

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

* [Signature] 2015/07/29
(Tenant) DATE

(Landlord) DATE

(Tenant) DATE

Address for Service.....

Address for Service.....

Tel.No.(.....)

Tel.No.(.....)

Landlord's Lawyer.....

Tenant's Lawyer.....

Address.....

Address.....

Email.....

Email.....

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

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

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement to Lease:

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

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

Acknowledged by:

(Authorized to bind the Listing Brokerage)

(Authorized to bind the Co-operating Brokerage)



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TAB 5

Agreement to Lease

This Agreement to lease dated this 17th day of August, 2012

Tenant : S.K. Food Equipment

Landlord : 2292319 ONTARIO INC.

1. The Premises :

The premises municipally know as 38 Metropolitan Road in the City of Toronto, Province of Ontario M1R2T6.

The rented area is crosshatched as "A" and "B" on the plan attached as Schedule A

2. Use:

The Premises shall be used only for Warehouse for frozen food and vegetable, show room and office

The Tenant's use of the premises is to comply with all requirement of the municipal zoning by-law, the requirements of the Ministry of the environment and the rules and regulations of the environmental Protection Act and any amendments thereto.

The Tenant warrants to no noxious or environmentally unfriendly chemicals or products shall be allowed to enter the drains throughout the lease term, upon vacating the premises, no such chemicals or products shall be left on the premises.

租戶必須合法使用及符合規劃,環保污染等法例及附例.租戶不可將化學品或污染物倒進水管.租約完時亦不可留下任何化學品或污染物

3. Term of Lease :

(a) The lease shall be for a term of Eighty Four (84) months commencing on the 1st day of September, 2012, and terminating on the 31st day of August, 2019

(b) Provided the Tenant is not at any time in default of any covenants within the Lease, the Tenant shall be entitled to renew this Lease for ONE (1) additional term(s) of not more than Eighty Four (84) months (each) on written notice to the Landlord given not less than Three (3) months prior to the expiry of the current term at a rental rate to be negotiated. In the event the Landlord and Tenant cannot agree on the rent at least two months prior to expiry of the current lease, the rent for the renewal period shall be determined by arbitration in accordance with the Arbitration Act or any successor or replacement act.

租期由 2012 年 9 月 1 日起, 為期 7 年, 提前最少 3 個月通知 可續租 1 次, 每次不多過 7 年

4. Rental:

The Gross rent payable by the Tenant shall be :

From (inclusive)	To (inclusive)	Per annum (\$)	Per month (\$)	Per sq. feet (\$)
Sept 1, 2012	August 31, 2019	53,880.00	4,490.00	--

Landlord 業主

SO

Tenant 租戶

SK

Page 1 of 6

plus Harmonized Sales Tax (HST), and other tax (other than income tax) imposed on the Landlord or the Tenant with respect to rent payable by the Tenant, payable on the 1st day of each month commencing Sept 1, 2012
由 2012 年 9 月 1 日起每月第 1 日付租連 HST

5. Services:

	Elec- tricity	Water	Heating / Gas	Other Services	
The Tenant shall pay all costs and charges as may be provided to the premises. The Tenant shall arrange with the local authority for connection in the name of the Tenant 租戶自行申請及負擔費用	---	---	---	YES	
The Landlord shall provide to the premises. A) The Landlord B) The Tenant shall provide and install a separate meter in the name of Tenant and the Tenant will pay the cost and charges to the Landlord at the end of each month at the same rate as the Landlord pay to the utility providers 業主提供, A) 業主/B) 租戶裝分錶, 每月按錶收費	A	---	---	---	
The Landlord shall provide to the premises. There will be no separate meter. A) The Tenant shall pay a proportionate share of the cost and charges to the building. B) Cost and charges will be included in the Additional Rent and Charges C) The Landlord will pay all the costs and charges 業主提供, 無分錶 A) 租戶依比例分攤費用 B) 費用計入 T.M.I. C) 業主負責費用	---	A	---	---	

	Lighting	Heating	
A) The Tenant shall install and shall pay all costs and expenses in maintaining, operating, cleaning and repairing the machinery and equipment. B) The Landlord shall install and shall pay all costs and expenses in maintaining, operating, cleaning and repairing the machinery and equipment. C) The Landlord shall install machinery and equipment. Tenant shall pay all costs and expenses in maintaining, operating, cleaning and repairing A) 租戶安裝及負責保養維修 B) 業主安裝及負責保養維修 C) 業主安裝, 租戶負責保養維修	A	B	

6. Additional Rent and Charges:

Landlord and Tenant agree that the Gross Rent is including 租金已包括 all costs and expenses incurred by the Landlord in maintaining, operating, cleaning, insuring and repairing the property and, without limiting the generality of the foregoing, such costs and expenses shall include the cost of: 費用包括以下及其他無列出但物業運作, 保險, 維修而帶的支出

- i) Snow, garbage, and trash removal; 清理雪, 垃圾
- ii) Landscaping and planters; 園藝
- iii) Heating, ventilating and air-conditioning, and providing hot and cold water and other utilities and services to, and operating the common areas of the property, and maintaining and repairing the machinery and equipment for such utilities and services; 公用地方通風, 冷暖氣, 冷熱水, 包括維修保養
- iv) The realty taxes, assessments, rates, charges and duties levied or assessed against the property 物業一切稅款
- v) Insuring the property and such other insurance as the Landlord will effect against public liability, property damage, loss of rental income and other casualties and risks. 物業一切保險費用

7. Tenant's Insurance:

The Tenant shall obtain and maintain, at the expense of the Tenant, during the Term of Lease insurance on the property and operations of the Tenant, including insurance for fire and such additional perils as are normally insured. 租戶自行購買財物及運作所需之損失保險, 包括火險

The Tenant shall obtain and maintain, at the expense of the Tenant, during the Term of Lease all risks insurance covering all of the leasehold improvements in the Premises and all of the Tenant's trade fixtures, goods and chattels and all other fixtures, goods, chattels and equipment for which the Tenant may be responsible in amount not less than the full replacement value. 租戶自行購買財物及運作所需包括租戶裝修工程之意外保險

The tenant shall obtain and maintain, at the expense of the Tenant, during the Term of Lease, liability insurance in an amount not less than \$2,000,000.00 per occurrence. The Tenant shall obtain and maintain such other insurance as is normally obtained by a prudent tenant of similar premises. The Tenant shall provide the Landlord with proof of such insurance.

租戶需向業主提供證明已購買責任保險。每一個案保額不可少過加幣二百萬。

8. Landlord's and Tenant's Work:

The Tenant agrees to complete any additional work necessary to prepare the Premises for the Tenant's use at Tenant's expense. The Tenant shall not proceed with any work within or affecting the Premises without the Landlord's prior written approval, which approval shall not be unreasonably withheld.

租戶同意自費完成租戶工程, 唯租戶開工前需得到業主批准

9. Landlord's Remedies

If the Tenant is in default of its obligation to pay rent or of any of its obligation under this Lease Agreement, for a period of five(5) business days after the Landlord has given the Tenant notice of default, or if the Tenant commits any act of bankruptcy, then the Landlord may exercise its remedies. The Landlord's remedies shall include but are not limited to: the right to terminate this Lease Agreement; the right to re-enter and retake possession of the Premises, or as agent of the Tenant for the purposes of selling chattels and fixtures; the right to cure and charge the costs of so curing to the Tenant together with and administrative fee of 15% of such costs; the right to recover all damages incurred by the Landlord as a result of the Tenant's default; and the right to recover gross/net rent, additional rent/charges and HST falling due for next three(3) months from the Tenant, all without further notice to the Tenant.

如租戶破產或業主給租戶發出違約通知書後 5 工作天仍欠租或仍違反租約，業主可無須通知租戶即可執行違約補償及賠償包括終止租約，進入及收回租地，以代理人身份變賣租戶之物品，扣除相關支出費用及 15% 行政費後，餘款用作補償業主因租戶違約引起之損失。業主可同時收取 3 個月租金作賠償。而這一切無須再通知租戶。

10. Occupancy or Rent To Abate

In the event the premises are not completed by the Landlord for occupancy by the Tenant on the date set herein for commencement of the Term of the Lease, the rent under this agreement shall abate to the extent of such delay, and the Tenant hereby agree to accept such abatement of rent in full settlement of all claims which the Tenant might otherwise make the Premises were not ready for occupancy by the Tenant.

如業主未能依期完成業主負責之工程而導至租戶未能依期搬入，業主將減收延遲日之租金而租戶不可再要求賠償。

11. Signage

The Tenant may, at its own expense, erect signage in a good and workmanlike manner, subject to municipal by-laws and government regulations and subject to the Landlord's written approval as to the design, color, and content of any such signs, which approval shall not be unreasonably withheld. The Tenant has to remove the signage, at its own expense, upon the termination of this lease and renewal thereof.

租戶在得到業主同意可自費依法例搭建招牌，租約期滿負責移除。

12. Assignment

This Agreement to Lease shall be assignable or transferable by the Tenant. In such case, the Tenant shall remain liable for all obligations under the Lease.

If the Tenant is a corporation, the transfer of the majority of the issued shares in the capital stock, or any transfer, issuance or division of shares of the corporation sufficient to transfer control of the corporation shall be deemed for all purposes to be an assignment within the meaning of this Agreement and any Lease. This provision shall not apply to a corporation whose shares are listed and traded on any recognized public exchange in Canada or the United States.

此租約可分租或轉讓，唯租戶仍要為此租約負責。如租戶為公司，當控制權有所更改將視為轉讓。

13. Termination

The Tenant has the right to terminate this Agreement of Lease anytime before expiry of this Agreement of Lease on written notice to the Landlord at least Two (2) months before termination.

租戶給與業主二個月通知可終止租約。



14. Claims

The Tenant agrees to indemnify and hold harmless the Landlord from and against any claims, demands, losses, costs, damages, actions, suits or proceedings, which may be brought or commenced by anyone or any group including any environmental agency or group as a result of the Tenant's use of the premises or any breach by the Tenant of any rules, by-laws, and regulations.

租戶將負責業主因租戶使用或違反條例而引起之一切損失及索償

15. Parking

Unless otherwise stipulated, parking, if applicable, shall be in common and unreserved.
所有車位除註明外全為公用

16. Schedule A attached hereto form part of this agreement

附件 A 為合約一部份

17. Deposit and Prepaid Rent :

The Tenant tenders with this Agreement to Lease a certified / negotiable cheque in the amount of Ten Thousands One Hundred Forty-seven Dollars and forty Cents (Can \$ 10,147.40) payable to the 2292319 ONTARIO INC., is to be applied by the Landlord against the First and Last month's rent and other deposits as follows:

Deposit Structure :

First and Last Month Gross / Net Rent : 4,490.00 + 4,490.00 = \$ 8,980.00

Total : \$ 8,980.00

HST(13%) : \$ 1,167.40

TOTAL : \$ 10,147.40

18. Others:

SO

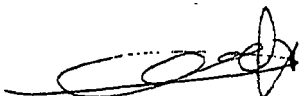
Signature

19. Successors And Assigns:

The Heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

簽約人及其繼承人, 執行人, 承讓入皆受此合約約束

SIGNED, SEALED AND DELIVERED in the presence of



Tenant 租戶: S. K. Food Equipment

Name 簽約人姓名: Hong Zhou

Title 職位:

I have the authority to bind the corporation 我有合法授權代表公司

Fong So Hau

Landlord 業主: 2292319 ONTARIO INC.

Name 簽約人姓名: Fong So Hau

Title 職位:

I have the authority to bind the corporation 我有合法授權代表公司


Witness

Dated this 17 day of Aug., 2012

Tenant's Contact:

Name : _____

Address : _____

Telephone : Office _____

Cell _____

註: 中文只作簡單解釋參考用, 非合約一部份, 一切以英文為主 Chinese words are for brief explanation only, not part of the contract

Landlord 業主

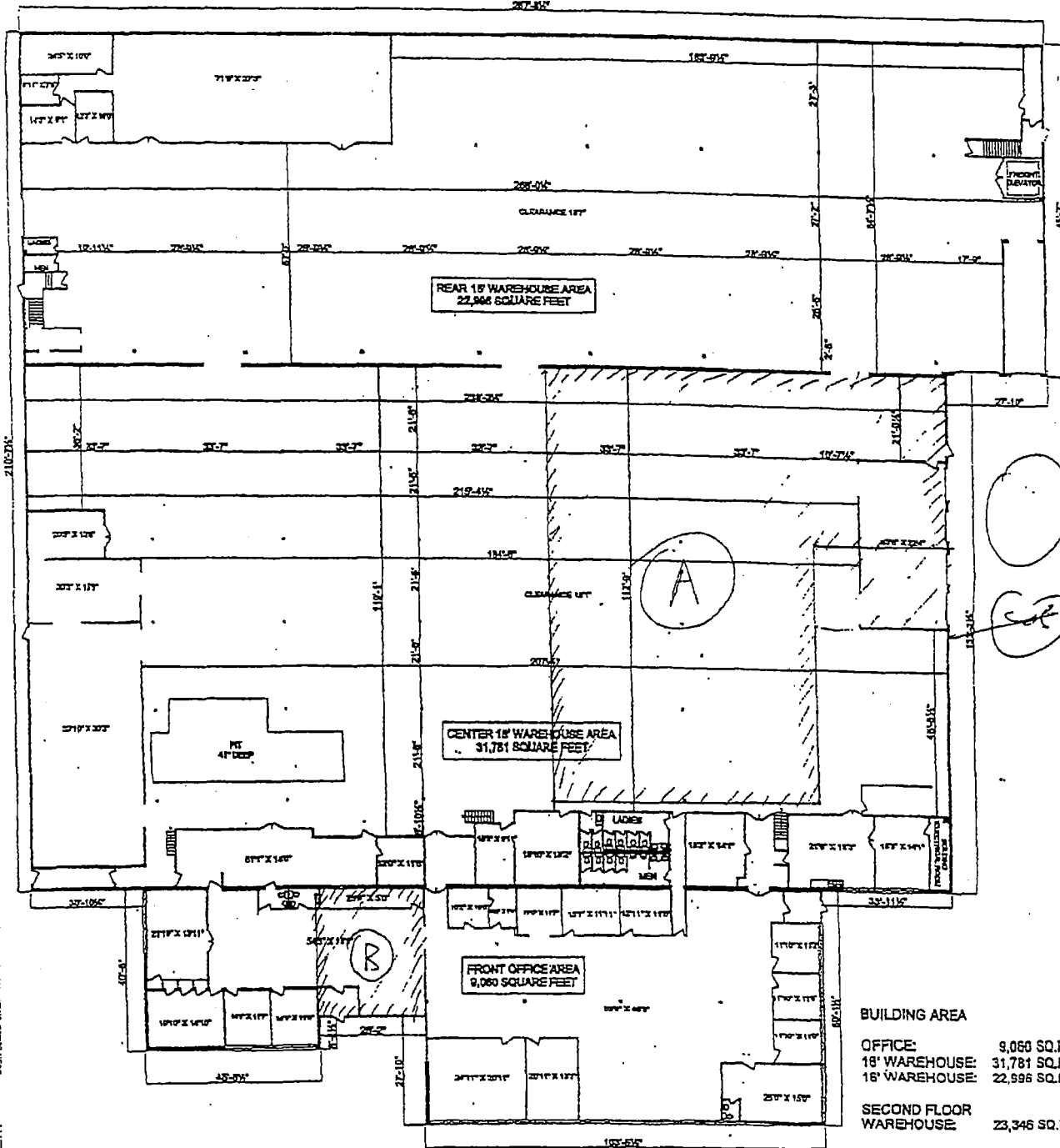


Tenant 租戶



38 METROPOLITAN ROAD

schedule A



PHONE 905-271-7010
FAX 905-271-4468
PLANS@PLANITMEASURING.COM

Landlord *Tenant*

SEPTEMBER 2009

ROOM SIZES SHOULD BE CONSIDERED APPROXIMATE.
SINCE MEASUREMENTS ARE SUBJECT TO CERTIFICATION.
E & DE.

Agreement to Lease

This Agreement to lease dated this 18th day of February, 2014

Tenant : S.K. Food Equipment

Landlord : 2292319 ONTARIO INC.

1. The Premises :

The premises municipally know as 38 Metropolitan Road in the City of Toronto, Province of Ontario M1R2T6.

The rented area is crosshatched as "A" on the plan attached as Schedule A

2. Use:

The Premises shall be used only for Warehouse for frozen food and vegetable, show room and office

The Tenant's use of the premises is to comply with all requirement of the municipal zoning by-law, the requirements of the Ministry of the environment and the rules and regulations of the environmental Protection Act and any amendments thereto.

The Tenant warrants to no noxious or environmentally unfriendly chemicals or products shall be allowed to enter the drains throughout the lease term, upon vacating the premises, no such chemicals or products shall be left on the premises.

租戶必須合法使用及符合規劃、環保污染等法例及附例。租戶不可將化學品或污染物倒進水管。租約完時亦不可留下任何化學品或污染物

3. Term of Lease :

(a) The lease shall be for a term of Sixty (60) months commencing on the 1st day of July, 2014, and terminating on the 30th day of June, 2019

(b) Provided the Tenant is not at any time in default of any covenants within the Lease, the Tenant shall be entitled to renew this Lease for ONE (1) additional term(s) of not more than Sixty (60) months (each) on written notice to the Landlord given not less than Three (3) months prior to the expiry of the current term at a rental rate to be negotiated. In the event the Landlord and Tenant cannot agree on the rent at least two months prior to expiry of the current lease, the rent for the renewal period shall be determined by arbitration in accordance with the Arbitration Act or any successor or replacement act.

租期由 2014 年 7 月 1 日起, 為期 5 年, 提前最少 3 個月通知 可續租 1 次, 每次不多過 5 年

4. Rental :

The Gross rent (including HST) payable by the Tenant shall be :

From (inclusive)	To (inclusive)	Per annum (\$)	Per month (\$)	Per sq. feet (\$)
July 1, 2014	June 30, 2019	30,000.00	2,500.00	--

Landlord 業主

40

Tenant 租戶

2

Page 1 of 6

payable on the 1st day of each month commencing July 1, 2014
 由 2014 年 7 月 1 日起每月第 1 日付租連 HST

5. Services:

	Electricity	Water	Heating / Gas	Other Services	
The Tenant shall pay all costs and charges as may be provided to the premises. The Tenant shall arrange with the local authority for connection in the name of the Tenant 租戶自行申請及負擔費用	---	---	---	YES	
The Landlord shall provide to the premises. A) The Landlord B) The Tenant shall provide and install a separate meter in the name of Tenant and the Tenant will pay the cost and charges to the Landlord at the end of each month at the same rate as the Landlord pay to the utility providers 業主提供, A) 業主/B) 租戶裝分錶, 每月按錶收費	A	---	---	---	
The Landlord shall provide to the premises. There will be no separate meter. A) The Tenant shall pay a proportionate share of the cost and charges to the building. B) Cost and charges will be included in the Additional Rent and Charges C) The Landlord will pay all the costs and charges 業主提供, 無分錶 A) 租戶依比例分攤費用 B) 費用計入 T.M.I. C) 業主負責費用	---	A	---	--	

	Lighting	Heating	
A) The Tenant shall install and shall pay all costs and expenses in maintaining, operating, cleaning and repairing the machinery and equipment. B) The Landlord shall install and shall pay all costs and expenses in maintaining, operating, cleaning and repairing the machinery and equipment. C) The Landlord shall install machinery and equipment. Tenant shall pay all costs and expenses in maintaining, operating, cleaning and repairing A) 租戶安裝及負責保養維修 B) 業主安裝及負責保養維修 C) 業主安裝, 租戶負責保養維修	A	B	

6. Additional Rent and Charges:

Landlord and Tenant agree that the Gross Rent is including 租金已包括 all costs and expenses incurred by the Landlord in maintaining, operating, cleaning, insuring and repairing the property and, without limiting the generality of the foregoing, such costs and expenses shall include the cost of: 費用包括以下及其他無列出但物業運作, 保險, 維修而需的支出

- i) Snow, garbage, and trash removal; 清理雪, 垃圾
- ii) Landscaping and planters; 園藝
- iii) Heating, ventilating and air-conditioning, and providing hot and cold water and other utilities and services to, and operating the common areas of the property, and maintaining and repairing the machinery and equipment for such utilities and services; 公用地方通風, 冷暖氣, 冷熱水, 包括維修保養
- iv) The realty taxes, assessments, rates, charges and duties levied or assessed against the property 物業一切稅款
- v) Insuring the property and such other insurance as the Landlord will effect against public liability, property damage, loss of rental income and other casualties and risks. 物業一切保險費用

7. Tenant's Insurance :

The Tenant shall obtain and maintain, at the expense of the Tenant, during the Term of Lease insurance on the property and operations of the Tenant, including insurance for fire and such additional perils as are normally insured. 租戶自行購買財物及運作所需之損失保險, 包括火險

The Tenant shall obtain and maintain, at the expense of the Tenant, during the Term of Lease all risks insurance covering all of the leasehold improvements in the Premises and all of the Tenant's trade fixtures, goods and chattels and all other fixtures, goods, chattels and equipment for which the Tenant may be responsible in amount not less than the full replacement value. 租戶自行購買財物及運作所需包括租戶裝修工程之意外保險

The tenant shall obtain and maintain, at the expense of the Tenant, during the Term of Lease, liability insurance in an amount not less than \$2,000,000.00 per occurrence. The Tenant shall obtain and maintain such other insurance as is normally obtained by a prudent tenant of similar premises. The Tenant shall provide the Landlord with proof of such insurance. 租戶需向業主提供證明已購買責任保險. 每一個案保額不可少過加幣二百萬.

8. Landlord's and Tenant's Work :

The Tenant agrees to complete any additional work necessary to prepare the Premises for the Tenant's use at Tenant's expense. The Tenant shall not proceed with any work within or affecting the Premises without the Landlord's prior written approval, which approval shall not be unreasonably withheld.

租戶同意自費完成租戶工程, 唯租戶開工前需得到業主批准

9. Landlord's Remedies

If the Tenant is in default of its obligation to pay rent or of any of its obligation under this Lease Agreement, for a period of five(5) business days after the Landlord has given the Tenant notice of default, or if the Tenant commits any act of bankruptcy, then the Landlord may exercise its remedies. The Landlord's remedies shall include but are not limited to : the right to terminate this Lease Agreement; the right to re-enter and retake possession of the Premises, or as agent of the Tenant for the purposes of selling chattels and fixtures; the right to cure and charge the costs of so curing to the Tenant together with and administrative fee of 15% of such costs; the right to recover all damages incurred by the Landlord as a result of the Tenant's default; and the right to recover gross/net rent, additional rent/charges and HST falling due for next three(3) months from the Tenant, all without further notice to the Tenant.

如租戶破產或業主給租戶發出違約通知後 5 工作天仍未付租或仍違反租約，業主可無須通知租戶即可執行違約補償及賠償包括終止租約，進入及收回租地，以代理人身份變賣租戶之物品，扣除相關支出費用及 15% 行政費後，餘款用作補償業主因租戶違約引起之損失。業主可同時收取 3 個月租金作賠償。而這一切無須再通知租戶

10. Occupancy or Rent To Abate

In the event the premises are not completed by the Landlord for occupancy by the Tenant on the date set herein for commencement of the Term of the Lease, the rent under this agreement shall abate to the extent of such delay, and the Tenant hereby agree to accept such abatement of rent in full settlement of all claims which the Tenant might otherwise make the Premises were not ready for occupancy by the Tenant.

如業主未能依期完成業主負責之工程而導致租戶未能依期搬入，業主將減收延遲之租金而租戶不可再要求賠償

11. Signage

The Tenant may, at its own expense, erect signage in a good and workmanlike manner, subject to municipal by-laws and government regulations and subject to the Landlord's written approval as to the design, color, and content of any such signs, which approval shall not be unreasonably withheld. The Tenant has to remove the signage, at its own expense, upon the termination of this lease and renewal thereof.

租戶在得到業主同意可自費依法例搭建招牌，租約期滿負責拆除

12. Assignment

This Agreement to Lease shall be assignable or transferable by the Tenant. In such case, the Tenant shall remain liable for all obligations under the Lease.

If the Tenant is a corporation, the transfer of the majority of the issued shares in the capital stock, or any transfer, issuance or division of shares of the corporation sufficient to transfer control of the corporation shall be deemed for all purposes to be an assignment within the meaning of this Agreement and any Lease. This provision shall not apply to a corporation whose shares are listed and traded on any recognized public exchange in Canada or the United States.

此租約可分租或轉讓，唯租戶仍要為此租約負責。如租戶為公司，當控制權有所更改將視為轉讓

13. Termination

The Tenant has the right to terminate this Agreement of Lease anytime before expiry of this Agreement of Lease on written notice to the Landlord at least Two (2) months before termination.

租戶給與業主二個月通知可終止租約

14. Claims

The Tenant agrees to indemnify and hold harmless the Landlord from and against any claims, demands, losses, costs, damages, actions, suits or proceedings, which may be brought or commenced by anyone or any group including any environmental agency or group as a result of the Tenant's use of the premises or any breach by the Tenant of any rules, by-laws, and regulations.

租戶將負責業主因租戶使用或違反條例而引起之一切損失及索償

15. Parking

Unless otherwise stipulated, parking, if applicable, shall be in common and unreserved.

所有車位除註明外全為公用

16. Schedule A attached hereto form part of this agreement

附件 A 為合約一部份

17. Deposit and Prepaid Rent :

The Tenant tenders with this Agreement to Lease a certified / negotiable cheque in the amount of Five Thousands Five Hundred Dollars (Can \$ 5,500.00) payable to the 2292319 ONTARIO INC., is to be applied by the Landlord against the First and Last month's rent and other deposits as follows:

Deposit Structure :

First and Last Month Gross / Net Rent : 2,500.00 + 2,500.00 = \$ 5,000.00

Electricity security deposit : = \$ 500.00

Total : \$ 5,500.00

TOTAL : \$ 5,500.00

18. Others:

Landlord 業主

50

Tenant 租戶

50

Page 5 of 6

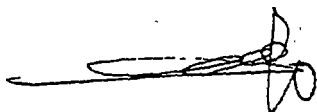
19. Successors And Assigns:

19. Successors And Assigns:

The Heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

簽約人及其繼承人,執行人,承讓入皆受此合約約束

SIGNED, SEALED AND DELIVERED in the presence of



Tenant 租戶: S. K. Food Equipment

Name 簽約人姓名: Hong Zhao E

Title 職位:

I have the authority to bind the corporation 我有合法授權代表公司

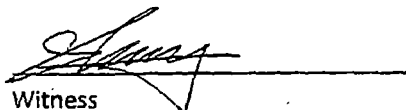
Fong So How

Landlord 業主: 2292319 ONTARIO INC.

Name 簽約人姓名: Fong So How

Title 職位:

I have the authority to bind the corporation 我有合法授權代表公司


Witness

Dated this 18 day of Feb., 2014

Tenant's Contact:

Name : _____

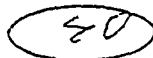
Address : _____

Telephone : Office _____

Cell _____

註: 中文只作簡單解釋參考用, 非合約一部份, 一切以英文為主 Chinese words are for brief explanation only, not part of the contract

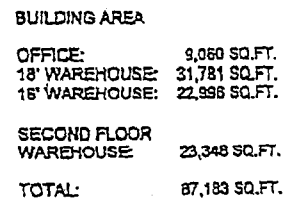
Landlord 業主



Tenant 租戶



schedule A



ANTI

PHONE 905-271-7010
FAX 905-271-4468
PLANS@PLANITMEASURING.COM

Landlord 地主 Tenant 佃戶

SEPTEMBER 2009

ROOM SIZES SHOULD BE CONSIDERED APPROXIMATE
SINCE MEASUREMENTS ARE SUBJECT TO CERTIFICATION.

TAB 6

Agreement to Lease

This Agreement to lease dated this 26th day of November, 2012

Tenant : S.K. Food Equipment

Landlord : 2292319 ONTARIO INC.

1. The Premises :

The premises municipally know as 38 Metropolitan Road in the City of Toronto, Province of Ontario M1R2T6.

The rented area is crosshatched as "A" on the plan attached as Schedule A

2. Use:

The Premises shall be used only for Storage of waste metal including but not limited to used computers, T.V., automobiles.

The Tenant's use of the premises is to comply with all requirement of the municipal zoning by-law, the requirements of the Ministry of the environment and the rules and regulations of the environmental Protection Act and any amendments thereto.

The Tenant warrants to no noxious or environmentally unfriendly chemicals or products shall be allowed to enter the drains throughout the lease term, upon vacating the premises, no such chemicals or products shall be left on the premises.

租戶必須合法使用及符合規劃, 環保污染等法例及附例. 租戶不可將化學品或污染物倒進水管. 租約完時亦不可留下任何化學品或污染物

3. Term of Lease :

(a) The lease shall be for a term of Eighty-four (84) months commencing on the 1st day of December, 2012, and terminating on the 30th day of November, 2021

(b) Provided the Tenant is not at any time in default of any covenants within the Lease, the Tenant shall be entitled to renew this Lease for ONE (1) additional term(s) of Sixty (60) months (each) on written notice to the Landlord given not less than Three (3) months prior to the expiry of the current term at a rental rate to be negotiated. In the event the Landlord and Tenant cannot agree on the rent at least two months prior to expiry of the current lease, the rent for the renewal period shall be determined by arbitration in accordance with the Arbitration Act or any successor or replacement act.

租期由 2012 年 12 月 1 日起, 為期 8 年, 提前最少 3 個月通知 可續租 1 次, 每次 5 年

4. Rental :

The Gross rent payable by the Tenant shall be :

From (inclusive)	To (inclusive)	Per annum (\$)	Per month (\$)	Per sq. feet (\$)
Dec 1, 2012	Nov 30, <u>2017</u>	60,000.00	5,000.00	--

plus Harmonized Sales Tax (HST), and other tax (other than income tax) imposed on the Landlord or the Tenant with respect to rent payable by the Tenant, payable on the 1st day of each month commencing December 1, 2012

由 2012 年 12 月 1 日起每月第 1 日付租連 HST

Landlord 業主

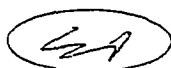
Tenant 租戶

Page 1 of 6

5. Services :

	Elec- tricity	Water	Heating / Gas	Other Services	
The Tenant shall pay all costs and charges as may be provided to the premises. The Tenant shall arrange with the local authority for connection in the name of the Tenant 租戶自行申請及負擔費用	---	---	---	YES	
The Landlord shall provide to the premises. A) The Landlord B) The Tenant shall provide and install a separate meter in the name of Tenant and the Tenant will pay the cost and charges to the Landlord at the end of each month at the same rate as the Landlord pay to the utility providers 業主提供, A) 業主/B) 租戶裝分錶, 每月按錶收費	A	---	---	---	
The Landlord shall provide to the premises. There will be no separate meter. A) The Tenant shall pay a proportionate share of the cost and charges to the building. B) Cost and charges will be included in the Additional Rent and Charges C) The Landlord will pay all the costs and charges 業主提供, 無分錶 A) 租戶依比例分攤費用 B) 費用計入 C) D) E) T.M.I. F) 業主負責費用	NA	A	---	---	

	Lighting	Heating	
A) The Tenant shall install and shall pay all costs and expenses in maintaining, operating, cleaning and repairing the machinery and equipment. B) The Landlord shall install and shall pay all costs and expenses in maintaining, operating, cleaning and repairing the machinery and equipment. C) The Landlord shall install machinery and equipment. Tenant shall pay all costs and expenses in maintaining, operating, cleaning and repairing A) 租戶安裝及負責保養維修 B) 業主安裝及負責保養維修 C) 業主安裝, 租戶負責保養維修	A	B	




6. Additional Rent and Charges:

Landlord and Tenant agree that the Gross Rent is including 租金已包括 all costs and expenses incurred by the Landlord in maintaining, operating, cleaning, insuring and repairing the property and, without limiting the generality of the foregoing, such costs and expenses shall include the cost of: 費用包括以下及其他無列出但物業運作, 保險, 維修而需的支出

- i) Snow, garbage, and trash removal; 清理雪, 垃圾
- ii) Landscaping and planters; 園藝
- iii) Heating, ventilating and air-conditioning, and providing hot and cold water and other utilities and services to, and operating the common areas of the property, and maintaining and repairing the machinery and equipment for such utilities and services; 公用地方通風, 冷暖氣, 冷熱水, 包括維修保養
- iv) The realty taxes, assessments, rates, charges and duties levied or assessed against the property 物業一切稅款
- v) Insuring the property and such other insurance as the Landlord will effect against public liability, property damage, loss of rental income and other casualties and risks. 物業一切保險費用

7. Tenant's Insurance:

The Tenant shall obtain and maintain, at the expense of the Tenant, during the Term of Lease insurance on the property and operations of the Tenant, including insurance for fire and such additional perils as are normally insured. 租戶自行購買財物及運作所需之損失保險, 包括火險

The Tenant shall obtain and maintain, at the expense of the Tenant, during the Term of Lease all risks insurance covering all of the leasehold improvements in the Premises and all of the Tenant's trade fixtures, goods and chattels and all other fixtures, goods, chattels and equipment for which the Tenant may be responsible in amount not less than the full replacement value. 租戶自行購買財物及運作所需包括租戶裝修工程之意外保險

The tenant shall obtain and maintain, at the expense of the Tenant, during the Term of Lease, liability insurance in an amount not less than \$2,000,000.00 per occurrence. The Tenant shall obtain and maintain such other insurance as is normally obtained by a prudent tenant of similar premises. The Tenant shall provide the Landlord with proof of such insurance. 租戶需向業主提供證明已購買責任保險. 每一個案保額不可少過加幣二百萬.

8. Landlord's and Tenant's Work:

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

租戶同意完成附件 B 之租戶工程, 唯租戶開工前需得到業主批准

9. Landlord's Remedies

If the Tenant is in default of its obligation to pay rent or of any of its obligation under this Lease Agreement, for a period of five(5) business days after the Landlord has given the Tenant notice of default, or if the Tenant commits any act of bankruptcy, then the Landlord may exercise its remedies. The Landlord's remedies shall include but are not limited to : the right to terminate this Lease Agreement; the right to re-enter and retake possession of the Premises, or as agent of the Tenant for the purposes of selling chattels and fixtures; the right to cure and charge the costs of so curing to the Tenant together with and administrative fee of 15% of such costs; the right to recover all damages incurred by the Landlord as a result of the Tenant's default; and the right to recover gross/net rent, additional rent/charges and HST falling due for next three(3) months from the Tenant, all without further notice to the Tenant.

如租戶破產或業主給租戶發出違約通知書後 5 工作天仍欠租或仍違反租約, 業主可無須通知租戶即可執行違約補償及賠償包括終止租約, 進入及收回租地, 以代理人身份變賣租戶之物品, 扣除相關支出費用及 15% 行政費後, 餘款用作補償業主因租戶違約引起之損失. 業主可同時收取 3 個月租金作賠償. 而這一切無須再通知租戶

10. Occupancy or Rent To Abate

In the event the premises are not completed by the Landlord for occupancy by the Tenant on the date set herein for commencement of the Term of the Lease, the rent under this agreement shall abate to the extent of such delay, and the Tenant hereby agree to accept such abatement of rent in full settlement of all claims which the Tenant might otherwise make the Premises were not ready for occupancy by the Tenant.

如業主未能依期完成業主負責之工程而導至租戶未能依期搬入, 業主將減收延遲日之租金而租戶不可再要求賠償

11. Signage

The Tenant may, at its own expense, erect signage in a good and workmanlike manner, subject to municipal by-laws and government regulations and subject to the Landlord's written approval as to the design, color, and content of any such signs, which approval shall not be unreasonably withheld. The Tenant has to remove the signage, at its own expense, upon the termination of this lease and renewal thereof.

租戶在得到業主同意可自費依法例搭建招牌, 租約期滿負責移除

12. Assignment

This Agreement to Lease shall not be assignable or otherwise transferable by the Tenant. The Tenant may not sublet or assign or transfer its interest in the Lease contemplated herein without securing the written consent from the Landlord, which consent shall not be unreasonably withheld, provided however, if the consent is granted, the Tenant shall remain liable for all obligations under the Lease.

If the Tenant is a corporation, the transfer of the majority of the issued shares in the capital stock, or any transfer, issuance or division of shares of the corporation sufficient to transfer control of the corporation shall be deemed for all purposes to be an assignment within the meaning of this Agreement and any Lease. This provision shall not apply to a corporation whose shares are listed and traded on any recognized public exchange in Canada or the United States.

此租約未經業主書面許可不可分租或轉讓, 就算得到許可, 租戶仍要為此租約負責. 如租戶為公司, 當控制權有所更改將視為轉讓

13. Termination

The Tenant has the right to terminate this Agreement of Lease anytime before expiry of this Agreement of Lease on written notice to the Landlord at least Two (2) months before termination.

租戶給與業主二個月通知可終止租約



14. Claims

The Tenant agrees to indemnify and hold harmless the Landlord from and against any claims, demands, losses, costs, damages, actions, suits or proceedings, which may be brought or commenced by anyone or any group including any environmental agency or group as a result of the Tenant's use of the premises or any breach by the Tenant of any rules, by-laws, and regulations.

租戶將負責業主因租戶使用或違反條例而引起之一切損失及索償

15.

16. Parking

Unless otherwise stipulated, parking, if applicable, shall be in common and unreserved.

所有車位除註明外全為公用

17. Schedule A attached hereto form part of this agreement

附件 A 為合約一部份

18. Deposit and Prepaid Rent :

The Tenant tenders with this Agreement to Lease a certified / negotiable cheque in the amount of Eleven Thousands Three Hundred Dollars (Can \$ 11,300.00) payable to the 2292319 ONTARIO INC., is to be applied by the Landlord against the First and Last month's rent and other deposits as follows:

Deposit Structure :

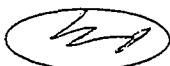
First and Last Month Gross Rent : 5,000.00 + 5,000.00 = \$ 10,000.00

Total : \$ 10,000.00

HST(13%) : \$ 1,300.00

TOTAL : \$ 11,300.00

19. Others:

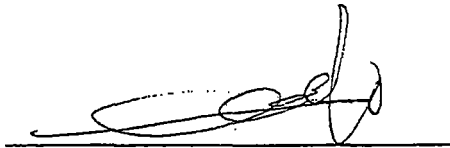


20. Successors And Assigns:

The Heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

簽約人及其繼承人, 執行人, 承讓入皆受此合約約束

SIGNED, SEALED AND DELIVERED in the presence of

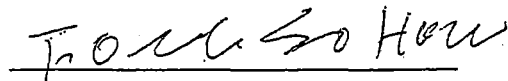


Tenant 租戶: S. K. Food Equipment

Name 簽約人姓名:

Title 職位:

I have the authority to bind the corporation 我有合法授權代表公司



Landlord 業主: 2292319 ONTARIO INC.

Name 簽約人姓名:

Title 職位:

I have the authority to bind the corporation 我有合法授權代表公司



Witness

Dated this 26 day of November, 2012

Tenant's Contact:

Name : _____

Address : _____

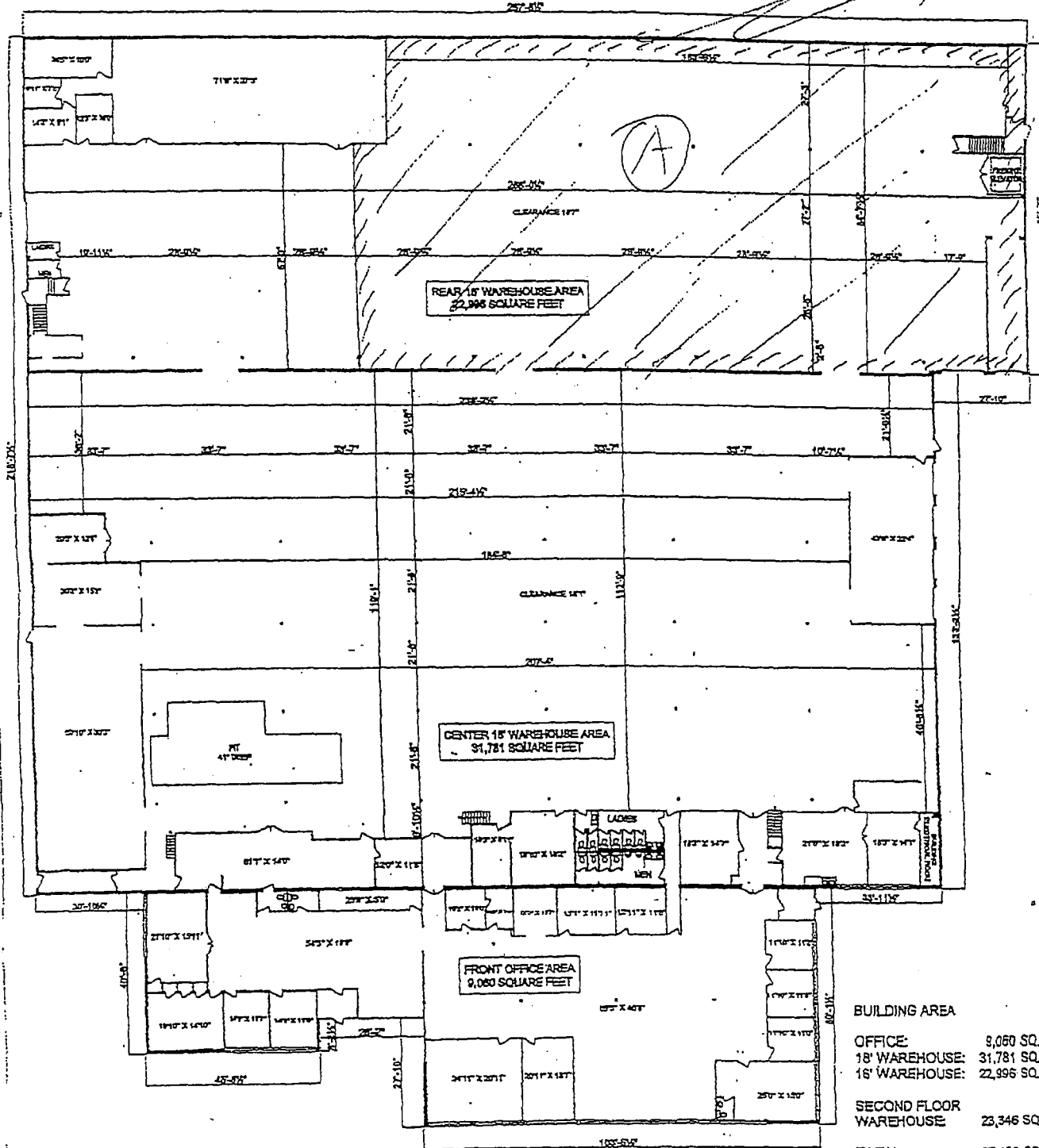
Telephone : Office _____

Cell _____

註: 中文只作簡單解釋參考用, 非合約一部份, 一切以英文為主 Chinese words are for brief explanation only, not part of the contract

38 METROPOLITAN ROAD

schedule A



PHONE 905-271-7010
FAX 905-271-4468
PLANS@PLANITMEASURING.COM

Landlord *Tenant*

SEPTEMBER 2009

ROOM SIZES SHOULD BE CONSIDERED APPROXIMATE
SINCE MEASUREMENTS ARE SUBJECT TO CERTIFICATION.
E & DE.

TAB 7

NOTICE OF DEFAULT

TO: S.K. Food Equipment

RE: Lease dated August 17, 2012 (the "Lease") between 2292319 Ontario Inc. and S.K. Food Equipment (the "Tenant") of premises known as 38 Metropolitan Road, Toronto, Ontario (the "Premises")

MSI Spergel Inc., in its capacity as Court appointed receiver of 2292319 Ontario Inc. which is the landlord of the above-noted Premises, hereby gives you notice that the Tenant is in default of the Lease as a result of the Tenant failing to provide proof of insurance pursuant to section 7 of the Lease. Requests to provide proof of insurance were previously provided to you in earlier correspondence dated April 20, 2016, April 29, 2016 and May 3, 2016.

While a document purporting to be a certificate of insurance has been provided to the undersigned on May 5, 2016. This document does not confer any liability on the purported insurer. Further, it is not in the name of the Tenant. You are required to cure the foregoing default forthwith and in any event not later than the time provided with the Lease.

This notice is without prejudice to any and all of the Landlord's rights under the Lease 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.

DATED at Toronto, Ontario on May ^{5th} 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: PHILIP GENNIS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

A copy of this notice has been posted at the Premises.

25869972.2

通知违约

TO: S.K. Food Equipment

RE: Lease dated August 17, 2012 (the "Lease") between 2292319 Ontario Inc. and S.K. Food Equipment (the "Tenant") of premises known as 38 Metropolitan Road, Toronto, Ontario (the "Premises")

微星Spergel公司在其能力作为法院任命2292319安大略公司的接收机，它的上述房屋的业主，在此给您注意到该承租人在租赁作为默认的租客未能提供的结果根据租约第7条保险证明。保险证明在2016年4月20日，4月29日和2016年5月3日较早的通信以前提供给您要求提供。

虽然看来是保险证书的文件已经提供给信守对2016年5月5日，本文件并不赋予声称的保险公司承担任何责任。此外，它是不是在租户的名称。您需要立即和在任何情况下治愈上述默认不得迟于提供租赁的时间。

本通知不损害任何和所有的根据租赁和法律业主的权利。房东不，因为它的任何行动或本通知的内容，承认，放弃，就租赁接受任何其他默认设置造成的。

按本通知的日期后任何租金的业主验收工作计划并不构成对业主权利的放弃作为前述违约或租赁任何其他默认值，并为您的补救默认不会在此是时间段的结果延长。在严格执行租约下的任何性能故障或延迟业主都是不妨碍根据租赁和法律业主的权利。

DATED at Toronto, Ontario on May 5, 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: PHILIP BENNS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

本通知的副本已刊登于该物业

NOTICE OF DEFAULT

TO: S.K. Food Equipment

RE: Lease dated February 18, 2014 (the "Lease") between 2292319 Ontario Inc. and S.K. Food Equipment (the "Tenant") of premises known as 38 Metropolitan Road, Toronto, Ontario (the "Premises")

MSI Spergel Inc., in its capacity as Court appointed receiver of 2292319 Ontario Inc. which is the landlord of the above-noted Premises, hereby gives you notice that the Tenant is in default of the Lease as a result of the Tenant failing to provide proof of insurance pursuant to section 7 of the Lease. Requests to provide proof of insurance were previously provided to you in earlier correspondence dated April 20, 2016, April 29, 2016 and May 3, 2016.

While a document purporting to be a certificate of insurance has been provided to the undersigned on May 5, 2016. This document does not confer any liability on the purported insurer. Further, it is not in the name of the Tenant. You are required to cure the foregoing default forthwith and in any event not later than the time provided with the Lease.

This notice is without prejudice to any and all of the Landlord's rights under the Lease 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.

DATED at Toronto, Ontario on May 5TH 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: PHILIP GENNIS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

A copy of this notice has been posted at the Premises.

25869000.2

通知违约

TO: S.K. Food Equipment

RE: Lease dated February 18, 2014 (the "Lease") between 2292319 Ontario Inc. and S.K. Food Equipment (the "Tenant") of premises known as 38 Metropolitan Road, Toronto, Ontario (the "Premises")

微星Spergel公司在其能力作为法院任命2292319安大略公司的接收机，它的上述房屋的业主，在此给您注意到该承租人在租赁作为默认的租客未能提供的结果根据租约第7条保险证明。保险证明在2016年日2016年4月20日，4月29日和2016年5月3日较早的通信以前提供给您要求提供。

虽然看来是保险证书的文件已经提供给信守对2016年5月5日，本文件并不赋予声称的保险公司承担任何责任。此外，它是不是在租户的名称。您需要立即和在任何情况下治愈上述默认不得迟于提供租赁的时间。

本通知不损害任何和所有的根据租赁和法律业主的权利。房东不，因为它的任何行动或本通知的内容，承认，放弃，就租赁接受任何其他默认设置造成的。

按本通知的日期后任何租金的业主验收工作计划并不构成对业主权利的放弃作为前述违约或租赁任何其他默认值，并为您的补救默认不会在此是时间段的结果延长。在严格执行租约下的任何性能故障或延迟业主都是不妨碍根据租赁和法律业主的权利。

DATED at Toronto, Ontario on May 5TH, 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: PHIL GENUIS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

本通知的副本已刊登于该物业

NOTICE OF DEFAULT

TO: S.K. Food Equipment

RE: Lease dated November 26, 2012 (the "Lease") between 2292319 Ontario Inc. and S.K. Food Equipment (the "Tenant") of premises known as 38 Metropolitan Road, Toronto, Ontario (the "Premises")

MSI Spergel Inc., in its capacity as Court appointed receiver of 2292319 Ontario Inc. which is the landlord of the above-noted Premises, hereby gives you notice that the Tenant is in default of the Lease as a result of the Tenant failing to provide proof of insurance pursuant to section 7 of the Lease. Requests to provide proof of insurance were previously provided to you in earlier correspondence dated April 20, 2016, April 29, 2016 and May 3, 2016.

While a document purporting to be a certificate of insurance has been provided to the undersigned on May 5, 2016. This document does not confer any liability on the purported insurer. Further, it is not in the name of the Tenant. Finally it does not extend coverage to the activities of the Tenant at the Premises. You are required to cure the foregoing default forthwith and in any event not later than the time provided with the Lease.

This notice is without prejudice to any and all of the Landlord's rights under the Lease 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.

DATED at Toronto, Ontario on May 5, 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: PHILIP GENNOS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

A copy of this notice has been posted at the Premises.

25869942.1

通知违约

TO: S.K. Food Equipment

RE: Lease dated November 26, 2012 (the "Lease") between 2292319 Ontario Inc. and S.K. Food Equipment (the "Tenant") of premises known as 38 Metropolitan Road, Toronto, Ontario (the "Premises")

微星Spergel公司在其能力作为法院任命2292319安大略公司的接收机，它的上述房屋的业主，在此给您注意到该承租人在租赁作为默认的租客未能提供的结果根据租约第7条保险证明。保险证明在2016年4月20日，4月29日和2016年5月3日较早的通信以前提供给您的要求提供。

虽然看来是保险证书的文件已经提供给信守对2016年5月5日，本文件并不赋予声称的保险公司承担任何责任。此外，它是不是在租户的名称。最后，它不会延伸覆盖在楼宇租户的活动。您需要立即和在任何情况下治愈上述默认不得迟于提供租赁的时间。

本通知不损害任何和所有的根据租赁和法律业主的权利。房东不，因为它的任何行动或本通知的内容，承认，放弃，就租赁接受任何其他默认设置造成的。

按本通知的日期后任何租金的业主验收工作计划并不构成对业主权利的放弃作为前述违约或租赁任何其他默认值，并为您的补救默认不会在此是时间段的结果延长。在严格执行租约下的任何性能故障或延迟业主都是不妨碍根据租赁和法律业主的权利。

DATED at Toronto, Ontario on May 5TH 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: PHILIP GENNIS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

本通知的副本已刊登于该物业

TAB 8

NOTICE OF TERMINATION

TO: Universal Trading

RE: Occupancy by Universal Trading and/or So How Fong and/or Thi Lan Vo (collectively the "Occupant") of the south-east portion of the front office space at 38 Metropolitan Road, Toronto Ontario (the "Premises")

MSI Spergel Inc., in its capacity as Court-appointed receiver of 2292319 Ontario Inc. which is the registered owner of the above-noted Premises (the "Registered Owner"), hereby gives you notice that as a result of your failure to provide evidence of occupancy rights in the form of a copy of a lease with the Registered Owner, any occupancy rights you claim to hold are hereby terminated effective immediately and the Registered Owner is hereby taking possession of the Premises. Two notices were delivered to the Occupant, on March 31, 2016 and April 15, 2016 respectively (the "Notices"), requesting lease documentation. The Occupant did not respond to the Notices.

This termination of your occupancy rights is without prejudice to any and all of the Registered Owner's rights at law which are specifically preserved.

Any attempt to gain entry to the Premises without permission of the will be an unlawful trespass and will be dealt with accordingly. Arrangements to retrieve personal property belonging to you and remaining on the Premises should be made by contacting the undersigned. You are hereby notified that, unless all such personal property is removed from the Premises within 15 days after the date of this notice, the undersigned shall have the right, but not the obligation, to dispose of such personal property in such manner as prescribed by law.

DATED at Toronto, Ontario on May 5, 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: ARMIN LENNIS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

A copy of this notice has been posted at the Premises.

25868409.2

通知终止

TO: Universal Trading

RE: Occupancy by Universal Trading and/or So How Fong and/or Thi Lan Vo (collectively the "Occupant") of the south-east portion of the front office space at 38 Metropolitan Road, Toronto Ontario (the "Premises")

微星Spergel公司，在其作为2292319安大略公司也就是上面提到的房产（以下简称“登记业主”）的登记车主法院指定的接收能力，在此给您注意到作为你未能提供的结果在一个租赁与登记车主副本的形式占用权的证据，你声称持有任何占用权现予立即终止有效，登记车主是现占有的房产。两个公告被传递到乘员，在2016年2016年3月31日和4月15日，分别（以下简称“通知”），要求租赁文档。乘员未对通知做出回应。

你的居住权该终端不损害任何和所有的Registered人的权利在法律上这是专门保留。

任何企图获得进入该处不许可将是一个不合法的侵犯，并将相应处理。安排取回个人财产属于你和其余的处所应通过联系信守进行。您在这里被告知，除非所有这些个人财产从物业在15天内通知之日起拆除，undersigend应有的权利，但没有义务，在这样的方式处理这些个人财产的规定法。

DATED at Toronto, Ontario on May 5, 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: PHILIP GENNAS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

本通知的副本已刊登于该物业。

TAB 9

NOTICE OF TERMINATION

TO: S.K. Food Equipment

RE: Lease dated November 26, 2012 (the "Lease") between 2292319 Ontario Inc. ("Landlord") and S.K. Food Equipment (the "Tenant") of premises known as 38 Metropolitan Road, Toronto, Ontario (the "Premises")

MSI Spergel Inc., in its capacity as Court appointed receiver of 2292319 Ontario Inc., hereby gives you notice that as a result of your default in failing to provide proof of insurance pursuant to section 7 of the Lease, the Lease is hereby terminated effective immediately and the Landlord is hereby taking possession of the Premises. Particulars of your breach, namely a request to provide proof of insurance and an opportunity to remedy the same, were previously provided to you in earlier correspondence dated April 20, 2016, April 29, 2016 and May 3, 2016 and a Notice of Default was served and posted at the premises on May 5, 2016.

While a document purporting to be a certificate of insurance has been provided to the undersigned on May 5, 2016. This document does not confer any liability on the purported insurer. Further, it is not in the name of the Tenant. Finally it does not extend coverage to the activities of the Tenant at the Premises.

This termination of the Lease is without prejudice to any and all of the Landlord's rights as Landlord under the Lease and at law including, without limitation, the right to obtain from you the following:

1. All arrears of rent and other charges owing in respect of the Lease and the Premises up to the date hereof;
2. All costs incurred by the Landlord as a result of any and all breaches of the Lease including, without limitation, legal and other expenses incurred in respect of the termination of the Lease;
3. All costs incurred by the Landlord in re-letting the Premises including, without limitation, all costs incurred in respect of the Premises and in making them fit for re-letting; and

4. All losses and deficiencies sustained by the Landlord as a result of your defaults under the Lease and the resulting termination thereof including, without limitation, the difference between the aggregate amounts that would have been payable pursuant to the Lease over what would have been the unexpired term, less only net amounts, after expenses, actually received by the Landlord in respect of the Premises for the period which would have been the unexpired term but for its termination hereby.

The Landlord does not, as a result of any of its actions, or the aforesaid contents of this notice, acknowledge or accept any obligation in respect of the re-letting of the Premises.

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 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.

Any attempt to gain entry to the Premises without permission of the Landlord will be an unlawful trespass and will be dealt with accordingly. Arrangements to retrieve personal property belonging to you and remaining on the Premises should be made by contacting the Landlord. You are hereby notified that, unless all such personal property is removed from the Premises within seven (7) days after the date hereof, the Landlord shall have the right, but not the obligation, to dispose of such personal property in such manner and for such or no consideration as the Landlord desires, or to remove such personal property or any part thereof from the Premises to a place of storage, at the expense of the Tenant, but without assuming any responsibility whatsoever for the safekeeping of such property.

DATED at Toronto, Ontario on May 13TH, 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: PHILIP H. BENNIS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

A copy of this notice has been posted at the Premise

25851842.3

通知终止

TO: S.K. Food Equipment

RE: Lease dated November 26, 2012 (the "Lease") between 2292319 Ontario Inc. ("Landlord") and S.K. Food Equipment (the "Tenant") of premises known as 38 Metropolitan Road, Toronto, Ontario (the "Premises")

微星Spergel公司在其能力作为法院任命2292319安大略公司的接收器，在此给您注意到如未能提供根据租约第7条保险证明您的默认的结果，租赁特此有效终止立即与房东现占有的房产。您的突破口，即提供保险证明，并解决同一个机会请求的详情，先前已提供给您的日期为2016年二零一六年四月二十零日，4月29日和2016年5月3日和违约通知是较早的通信供应早餐，在该处张贴在2016年5月5日。

虽然看来是保险证书的文件已经提供给信守对2016年5月5日本文不赋予声称的保险公司承担任何责任。此外，它是不是在租户的名称。最后，它不会延伸覆盖在楼宇租户的活动。

租赁该终端不损害任何和所有的业主的权利下的租赁，并在法律，包括业主，但不限于，有权从您获取以下信息：

1. 租金，并就租赁和物业达本公布日期，由于其他费用的拖欠所有；
2. 招致业主的任何一个产生的所有费用和所有违反租赁包括，但不限于，法律和有关租赁终止的其他费用；
3. 在招致业主的所有费用转租物业，包括但不限于为房舍和使他们适应转租产生的所有费用；和
4. 所有的损失和不足房东持续的租赁在你违约的结果，所得终止其包括，但不限于，合计数额将已经支付根据租约在什么本来之间的区别余下的任期中，只有不到净额，费用后，实际由业主就物业的收到这本来余下的任期的期限，但它终止特此公告。

房东不，因为任何的行动，或本通知上述内容，确认或就房屋的转租的接受任何义务的结果。

本通知的日期后接受任何租金的房东会不会构成对业主权利的放弃前面提到的默认值，为你纠正的默认不会在此被延长的时间段的结果。在严格执行租约下的任何性能故障或延迟业主都是不妨碍根据租赁和法律业主的权利。

任何试图获得未经房东许可进入该处将是一个非法侵入并会相应处理。安排取回个人财产属于你和其余的处所应通过联系房东进行。您在这里被告知，除非所有这些个人财产从大楼内七（7）天公布日期后取出，业主应有的权利，但没有义务，在这种方式和处置这类个人财产这样的或根本没有考虑作为业主的欲望，或者从物业到一个地方存储其删除此类个人财产或任何部分，在承租人的费用，但不承担任何责任，任何此类财产的保管。

DATED at Toronto, Ontario on May 13TH, 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: PHILIP H. DENIS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

本通知的副本已张贴在前提

TAB 10



SPERGEL

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

May 16, 2016

Via Email to singkong02@yahoo.com

SK Food Equipment
38 Metropolitan Road
Toronto, ON M9V 3B9
Attention: Sherry Chen

Re: Tenancies at 38 Metropolitan Road, Toronto, ON, M9V 3B9 (the "Premises") between 2292319 Ontario Inc. (the "Landlord") and S.K. Food Equipment (the "Tenant")

Ms. Chen,

msi Spergel Inc., in its capacity as Court-Appointed Receiver of the Landlord of the above-noted Premises, advises that the period to remedy the defaults outlined in the Notices of Default (the "Notices") delivered to you on May 5, 2016 with respect to your leases dated August 17, 2012, November 26, 2012, and February 18, 2014 (the "Leases") has expired as per the terms of the Leases. The Receiver has not received satisfactory proof of insurance from you to date. A notice of termination with respect to the lease dated November 26, 2012 is being delivered to you under separate cover. In terms of the leases dated August 17, 2012 and February 18, 2014, the Receiver is hereby providing you with an extension of five (5) business days in which to remedy the defaults addressed in the Notices with respect to your purported insurance coverage. The specific defaults are described as follows:

1. Your certificate of insurance provided to the Receiver to date reports SK Food Equipment Ltd. as the insured party named on the policy. This party is not a tenant under the Leases.
2. The insurance coverage types outlined on your certificate of insurance is unsatisfactory as it does not provide full coverage with respect to commercial general liability. We have been advised by our insurance provider that full commercial general liability coverage should be sought as is typical in a tenant/landlord relationship.
3. Section 7 of the August 17, 2012 and February 18, 2014 leases requires insurance coverage for fire and additional perils as well as coverage for all risks with respect to leaseholds, fixtures and chattels. The certificate of insurance that you have provided does not address these additional risk areas.

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.

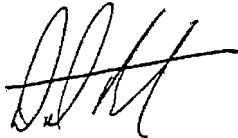
The acceptance by the Landlord of any rent after the date of this notice will not constitute a waiver of the Landlord's rights as a result of the aforementioned default or any other defaults under the Lease

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

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.,

Per:

A handwritten signature in black ink, appearing to read 'DB', with a horizontal line drawn through the middle of the letters.

Daniel Battiston, CPA, CA
Corporate Estate Administrator
25952526.1



SPERGEL

TAB 11



SPERGEL

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

May 26, 2016

Via Email to singkong02@yahoo.com

SK Food Equipment
38 Metropolitan Road
Toronto, ON M9V 3B9
Attention: Sherry Chen

Re: Tenancies at 38 Metropolitan Road, Toronto, ON, M9V 3B9 (the "Premises") between 2292319 Ontario Inc. (the "Landlord") and S.K. Food Equipment (the "Tenant")

Ms. Chen,

msi Spergel Inc., in its capacity as Court-Appointed Receiver of the Landlord of the above-noted Premises, advises that Tenant's leases dated August 17, 2012 and February 18, 2014 (the "Leases") are terminated due to the Tenant's failure to cure the defaults identified in the further to the Notices of Default (the "Notices") delivered to you on May 5, 2016 and May 16, 2016. Enclosed with this letter is a Notice of Termination.

The Landlord is entitled to vacant possession and would like to make arrangements with the Tenant to ensure that this is accomplished. You have not responded to our letter of termination regarding the lease dated November 26, 2012 or provided possession of the portion of the Premises which was occupied thereunder. If you fail to make arrangements, the Receiver will have little choice but to move for an order of possession for all. We urge you to take steps to make the arrangements to turn over possession of the Premises forthwith.

msi Spergel Inc.,
Per:

Daniel Battiston, CPA, CA
Corporate Estate Administrator

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

NOTICE OF TERMINATION

TO: S.K. Food Equipment

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

MSI Spergel Inc., in its capacity as Court appointed receiver of 2292319 Ontario Inc., hereby gives you notice that as a result of your default in failing to provide proof of insurance pursuant to section 7 of the Leases, the Leases are hereby terminated effective immediately and the Landlord is hereby taking possession of the Premises. Particulars of your breach, namely a request to provide proof of insurance and an opportunity to remedy the same, were previously provided to you in earlier correspondence dated April 20, 2016, April 29, 2016 and May 3, 2016 and Notices of Default were served and posted at the premises on May 5, 2016 and May 16, 2016.

While a document purporting to be a certificate of insurance has been provided to the undersigned, this document is not a policy of insurance and does not set out the complete terms of coverage.

This termination of the Leases is without prejudice to any and all of the Landlord's rights as Landlord under the Leases and at law including, without limitation, the right to obtain from you the following:

1. All arrears of rent and other charges owing in respect of the Leases and the Premises up to the date hereof;
2. All costs incurred by the Landlord as a result of any and all breaches of the Leases including, without limitation, legal and other expenses incurred in respect of the termination of the Leases;
3. All costs incurred by the Landlord in re-letting the Premises including, without limitation, all costs incurred in respect of the Premises and in making them fit for re-letting; and

4. All losses and deficiencies sustained by the Landlord as a result of your defaults under the Leases and the resulting termination thereof including, without limitation, the difference between the aggregate amounts that would have been payable pursuant to the Leases over what would have been the unexpired term, less only net amounts, after expenses, actually received by the Landlord in respect of the Premises for the period which would have been the unexpired term but for its termination hereby.

The Landlord does not, as a result of any of its actions, or the aforesaid contents of this notice, acknowledge or accept any obligation in respect of the re-letting of the Premises.

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 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 Leases are all without prejudice to the Landlord's rights under the Leases and at law.

Any attempt to gain entry to the Premises without permission of the Landlord will be an unlawful trespass and will be dealt with accordingly. Arrangements to retrieve personal property belonging to you and remaining on the Premises should be made by contacting the Landlord. You are hereby notified that, unless all such personal property is removed from the Premises within seven (7) days after the date hereof, the Landlord shall have the right, but not the obligation, to dispose of such personal property in such manner and for such or no consideration as the Landlord desires, or to remove such personal property or any part thereof from the Premises to a place of storage, at the expense of the Tenant, but without assuming any responsibility whatsoever for the safekeeping of such property.

DATED at Toronto, Ontario on May 26th, 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: PHILIP DENNIS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

A copy of this notice has been posted at the Premise

26101599.2

通知终止

TO: S.K. Food Equipment

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

微星Spergel公司在其能力作为法院任命2292319安大略公司的接收器，在此给您注意到作为默认的未能提供依照租约第7条保险证明结果是，租约现有效终止立即与房东现占有的房产。您的突破口，即提供保险证明，并解决同一个机会请求的详情，先前已提供给您的日期为2016年2016年2016年4月20日，4月29日和5月3日和默认的通知较早的通信分别担任并于2016年5月5日和2016年5月16日的处所公布。

虽然看来是保险证书的文件已经提供给签字，这个文件是不保险的政策，不设置了覆盖完整的条款。

租约终止这种不妨碍任何和所有的业主的权利下的租约，并在法律，包括业主，但不限于，有权从您获取以下信息：

1. 租金，就租赁和物业达本公布日期，由于其他费用的拖欠所有；
2. 招致业主的任何结果，所有违反租约，包括所有费用，但不限于，法律及其他开支就租约终止的发生；
3. 在招致业主的所有费用转租物业，包括但不限于为房舍和使他们适应转租产生的所有费用；和
4. 所有的损失和不足通过业主持续作为租约下的缺省值的结果，所得到的终止其包括但不限于，聚合的量，将已应付依照租约在什么本来之间的差的余下的任期中，只有不到净额，费用后，实际由业主就物业的收到这本来余下的任期的期限，但它终止特此公告。

房东不，因为任何的行动，或本通知上述内容，确认或就房屋的转租的接受任何义务的结果。

本通知的日期后接受任何租金的房东会不会构成对业主权利的放弃前面提到的默认

值，为你纠正的默认不会在此被延长的时间段的结果。在租约下，严格执行你的任何性能故障或延迟业主都是不妨碍根据该等租约，并在法律上业主的权利。

任何试图获得未经房东许可进入该处将是一个非法侵入并会相应处理。安排取回个人财产属于你和其余的处所应通过联系房东进行。您在这里被告知，除非所有这些个人财产从大楼内七（7）天本公布日期后取出，业主应有的权利，但没有义务，在这种方式和处置这类个人财产这样的或根本没有考虑作为业主的欲望，或者从物业到一个地方存储其删除此类个人财产或任何部分，在承租人的费用，但不承担任何责任，任何此类财产的保管。

DATED at Toronto, Ontario on May 26TH, 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name:

PHILIP GENNIS

Title:

SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

本通知的副本已张贴在前提

26101599.2

TAB 12



CHUBB INSURANCE COMPANY OF CANADA
199 BAY STREET, SUITE 2500
P.O. BOX 139, COMMERCE COURT POSTAL STATION
TORONTO, ON M5L 1E2
Tel: 416-863-0550 Fax: (416)863-5010
rmoule@chubb.com

May 31, 2016

Philip Gennis
FCA Insolvency Insurance Program
38 Metropolitan Road
Toronto, Ontario M1R 2T6

Subject: 38 Metropolitan Road
Insured: FCA Insolvency Insurance Program
Policy: PROPERTY / 000035367874 / Chubb Insurance Company of Canada

Dear Philip Gennis,

On May 31, 2016 I conducted a brief inspection of the above location with Frieda Kanaris of Spergel. Some areas at the above site we could not access, either due to the site being locked or due to poor or no lighting available.

As a result of my inspection I have several critical recommendations that require attention. The recommendations are summarized in brief below. Since we could not access all areas there is potential for additional exposures at the site.

Our recommendations fall into two categories:

"Critical" recommendations identify deficient or non-existent controls for hazards or exposures that create the potential for imminent, severe, or frequent losses. Completion of these recommendations should be given higher priority as they are intended to eliminate or substantially mitigate this significant risk.

"Risk Improvement" recommendations identify hazards or exposures where there is potential for loss if controls are not addressed. Completion of these recommendations involves the improvement of existing prevention measures or the implementation of a different or higher level of control measure.

Please provide a written reply within 30 days that confirms that you have remediated the issues identified or outlines your compliance intentions associated with the "Critical" recommendations.

If you have any questions, please contact me at 905-426-4184 or rmoule@chubb.com.

Yours truly,

F.B. (Rick) Moule, CET
Senior Loss Control Specialist / Officer
Loss Control Services

cc: Ellen Traquair- Underwriter, Chubb

Our evaluations, reports and recommendations are made solely to assist the insurer in underwriting and loss control. No warranties or representations of any kind are made to you or any other party. Evaluation for any hazard or condition does not mean that it is covered under any policy. Any reports or certificates we provide in connection with any provincially required pressure vessel inspection do not mean that all hazards or conditions were under control at the time of the inspection. Neither we nor the insurer shall be liable to you or any other person for the use of any information provided or statements made by any of our employees or agents during the performance of an evaluation.



FCA Insolvency Insurance Program
38 Metropolitan Road
Toronto, Ontario M1R 2T6

Policy: PROPERTY / 000035367874 / Chubb Insurance Company of Canada
Subject: 38 Metropolitan Rd. Toronto ON- May 31 insurance inspection

Recommendations

1. Ensure sprinkler system is on and in service and alarmed to a ULC approved central station
2. Provide sprinkler design information for site
3. Provide fire extinguishers at each tenant and inspect monthly
4. Repair and inspect emergency lighting on site. Inspections should be monthly
5. Provide sprinklers in the coolers/freezers/dry goods rack storage area and under the wood mezzanine in Cool Ocean Products
6. Repair coolers/freezers dry goods area walls, ceiling etc. where some exposure foam was noted in Cool Ocean Products
7. Lower skids to 6ft in height in Cool Ocean Products
8. Remove waste storage against exterior west wall at Cool Ocean Products
9. Repair broken window at the Lobster tenant
10. Refrain from using varsol to clean floor at the Lobster tenant location
11. Have local government building, fire, plumbing and electrical inspections to ensure site is to code
12. Provide better housekeeping at site and remove any waste materials
13. Provide proper electrical connections, faceplates and/or outlets for all electrical equipment.
14. Conduct infrared inspections on electrical equipment

Our evaluations, reports and recommendations are made solely to assist the insurer in underwriting and loss control. No warranties or representations of any kind are made to you or any other party. Evaluation for any hazard or condition does not mean that it is covered under any policy. Any reports or certificates we provide in connection with any provincially required pressure vessel inspection do not mean that all hazards or conditions were under control at the time of the inspection. Neither we nor the insurer shall be liable to you or any other person for the use of any information provided or statements made by any of our employees or agents during the performance of an evaluation.

TAB 13

JUN 16 2015

LLOYD'S

Commercial Insurance Policy

New Policy

Prepared especially for
S.K. Food Equipment o/b S.K. Food Equipment Ltd.

through the facilities of
Brokerteam Insurance Solutions Inc.

Additional Insured

LLOYD'S**Commercial Insurance Policy**

General Information

Policy No. LL202757

Underwriting Details

Effective 5/4/2016

BROKER

Brokerteam Insurance Solutions Inc.

Main: (905) 770-8828
Web Site: brokerteam.ca
Email: info@brokerteam.ca
Main: (905) 770-8828

Fax: (905) 770-8851

Producer: Andy W. Leung, BA

Fax: (905) 770-8851

INSURERLloyd's Underwriters through BrokerTeam
Insurance Solutions Inc.
Agreement Number 16CPBA328AC(01)

Main: +1 (877) 455-6937

INSUREDS.K. Food Equipment o/b S.K. Food Equipment
Ltd.**POSTAL ADDRESS**G/F-38 Metropolitan Road
Scarborough, Ontario M1R 2T6**PERIOD OF COVERAGE**

From May 04, 2016 to May 04, 2017

TRANSACTION DETAILS

Transaction Type: New Policy

Annual Premium (excl. appl. taxes): \$3,700

Minimum Retained Policy Premium: \$1,230

Premium Now Payable (excl. appl. taxes): \$3,700

FORM OF BUSINESS

Corporation

INDUSTRY CODE

Code: 4251

Description: Refrigerated (Cold Storage Lockers)

DESCRIPTION OF BUSINESS OPERATIONS

Cold storage of customer's perishable goods, office and warehouse.

LIABILITY

In business since: 2013

Related prior experience (number of years): 3

Number of full-time employees: 3

Covered by WCB: No

Number of part-time employees:

Annual gross receipts: \$1,000,000

Canadian: 100%

U.S.: 0%

Subtrades:

Foreign: 0%

Internet:

Annual Payroll:

Units (Locker): 1

Liquor liability exposure: No

LLOYD'S**Commercial Insurance Policy**
Location 1**Policy No. LL202757****Underwriting Details****Effective 5/4/2016****ADDRESS**

G/F-38 Metropolitan Road, Scarborough, Ontario M1R 2T6

FIRE PROTECTION

Grade: Protected

INSPECTION INFORMATION

Inspection: This risk was not inspected

BUILDING

Year Built: 1992

Total Area: 87000 ft²

Stories: 2

CONSTRUCTION

Walls: Non-combustible with masonry walls

Covering: Tar and gravel

Basement:

Roof: Steel deck

Floors: Poured Concrete or Fire resistive material

MECHANICAL

Electrical: Breakers

Plumbing: Copper

Heating: Furnace (central)

Fuel Used: Natural Gas

BUILDING RENOVATIONS

Electrical: 2008

Plumbing: 2008

Heating: 2008

Roof: 2008

FIRE PROTECTION

Hydrants: Within 300 meters

Ext. Type: Sprinkler System

Ext. Agent:

Standpipe and Hose: No

Fire Hall: Within 5 kilometers

Coverage:

Alarm: Local alarm

CRIME PROTECTION

Alarm:

Safe Type:

Exterior Windows Barred/Wire Mesh: No

Deadbolt: Yes

Safe Class:

Breakage Resistant Glass: No

OCCUPANCIES

Insured: Cold storage of customer's perishable goods, office and warehouse

Area Occupied: 35000 ft²**EXPOSURES** Distance (meters) Occupancy

Left: Various light merchantile

Right: Various light merchantile

Behind:

Front:

May 31, 2016

JY

THIS COMMERCIAL INSURANCE POLICY CONSISTS OF THIS (THESE) DECLARATIONS PAGE(S) ALONG WITH THE "GENERAL CONDITIONS" (OR "STATUTORY CONDITIONS"), AS WELL AS ALL COVERAGE WORDINGS, RIDERS OR ENDORSEMENTS THAT ARE ATTACHED HERETO.

COMMERCIAL INSURANCE POLICY

LLOYD'S

Effected with certain Lloyd's Underwriters and other insurers
(hereinafter called the Insurer) through Lloyd's approved
coverholder ("the Coverholder")

Policy No. LL202757**Declarations****Effective 5/4/2016**

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED.
ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS "THE INSURER"

PURPOSE OF THIS DOCUMENT

New Policy - The Insurer will provide the insurance described in this Policy in return for the premium paid by the Insured and his compliance with the terms of this insurance.

THE COVERHOLDER

Brokerteam Insurance Solutions Inc.
1550 16th Ave.
Unit F100
Richmond Hill, Ontario L4B 3K9

Main: (905) 770-8828
Web Site: brokerteam.ca
Email: info@brokerteam.ca

Fax: (905) 770-8851

NAMED INSURED AND POSTAL ADDRESS

S.K. Food Equipment o/b S.K. Food Equipment Ltd.
G/F-38 Metropolitan Road
Scarborough, Ontario M1R 2T6

LOCATION OF RISK

G/F-38 Metropolitan Road, Scarborough, Ontario M1R 2T6

PERIOD OF INSURANCE

From May 04, 2016 to May 04, 2017
12:01 a.m. standard time at the Postal Address of the insured.

FORM OF BUSINESS

Corporation

DESCRIPTION OF BUSINESS OPERATIONS

Cold storage of customer's perishable goods, office and warehouse.

SUMMARY OF INSURANCE COVERAGE AND PREMIUMS

TYPE OF COVERAGE	ANNUAL PREMIUM	MINIMUM RETAINED COVERAGE PREMIUM
Property	\$3,100	Nil
Liability	\$600	Nil
Additional Exclusions and Conditions	Incl	Nil
Minimum Retained Policy Premium	\$1,230	

The Insured is requested to read this policy, and if incorrect, return it immediately for alteration.

In the event of an occurrence likely to result in a claim under this insurance, immediate notice should be given to the Coverholder whose name and address appears above. All inquiries and disputes are also to be addressed to this Coverholder.

For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of Lloyd's Underwriters' insurance business in Canada.

THIS POLICY CONTAINS CLAUSES WHICH MAY LIMIT THE AMOUNT PAYABLE

IN WITNESS WHEREOF THIS POLICY HAS BEEN SIGNED, AS AUTHORIZED BY THE INSURER BY

PER

Agreement No.

16CPBA328AC(01) B113515CPBA328AC

ANNUAL PREMIUM

▶ \$3,700

PREMIUM NOW PAYABLE (EXCL. APPL. TAXES)

▶ \$3,700

May 31, 2016

THIS COMMERCIAL INSURANCE POLICY CONSISTS OF THIS (THESE) DECLARATIONS PAGE(S) ALONG WITH THE "GENERAL CONDITIONS" (OR "STATUTORY CONDITIONS"), AS WELL AS ALL COVERAGE WORDINGS, RIDERS OR ENDORSEMENTS THAT ARE ATTACHED HERETO.

COMMERCIAL INSURANCE POLICY

LLOYD'S

Effected with certain Lloyd's Underwriters and other insurers (hereinafter called the Insurer) through Lloyd's approved coverholder ("the Coverholder")

Policy No. LL202757

Declarations

Effective 5/4/2016

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED.
ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS "THE INSURER"

LIST OF SUBSCRIBING COMPANIES

(SUBJECT TO CONDITIONS IN LSW1554 AND LSW1550)

THE INSURERS AND COVERAGES INSURED	SUM(S) INSURED OR PERCENTAGE(S)	PREMIUM	FLAT CHARGE PREMIUM	AUTHORIZED REPRESENTATIVE
Property				
Lloyd's Underwriters through BrokerTeam Insurance Solutions Inc. under Agreement No. 16CPBA328AC(01) B113515CPBA328AC	80.0%	\$2,480		
Lloyd's Underwriters through BrokerTeam Insurance Solutions Inc. under Agreement No. 15CPBA1307C(04) B113515CPBA1307C	10.0%	\$310		
Lloyd's Underwriters through BrokerTeam Insurance Solutions Inc. under Agreement No. 16CPBA1361I(07) B113516CPBA1361I	10.0%	\$310		
Total Property	100.0%	\$3,100		
Liability				
Lloyd's Underwriters through BrokerTeam Insurance Solutions Inc. under Agreement No. 16CPBA328AC(01) B113515CPBA328AC	100.0%	\$600		
Additional Exclusions and Conditions				
Lloyd's Underwriters through BrokerTeam Insurance Solutions Inc. under Agreement No. 16CPBA328AC(01) B113515CPBA328AC	100.0%	Incl		
Total Policy Premium		\$3,700		

May 31, 2016

JY

COMMERCIAL INSURANCE POLICY



Effected with certain Lloyd's Underwriters and other insurers
(hereinafter called the Insurer) through Lloyd's approved coverholder
("the Coverholder")

Policy No. LL202757

Declarations

Effective 5/4/2016

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN - ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED.
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SUBSCRIPTION POLICY

LSW1554

IN CONSIDERATION OF THE INSURED having paid or agreed to pay each of the INSURERS named in the List of Subscribing Companies forming part hereof, or to INSURERS whose names are substituted therefor or added thereto by endorsement, hereinafter called "THE INSURERS", the Premium set against its name in the List of Subscribing Companies (attached hereto),

THE INSURERS SEVERALLY AND NOT JOINTLY agree, each for the Sum(s) Insured or Percentage(s) and for the Coverage(s) Insured set against its name in the List of Subscribing Companies, and subject always to the terms and conditions of this Policy, that if a loss occurs for which insurance is provided by this Policy at any time while it is in force, they will indemnify the INSURED against the loss so caused; the liability of each insurer individually for such loss being limited to that proportion of the loss payable according to the terms and conditions of this Policy which the Sum Insured or the amount corresponding to the Percentage set against its name in the List of Subscribing Companies, or such other sum or percentage as may be substituted therefor by endorsement, bears to the total of the sums insured or of the amounts corresponding to the percentages of the sums insured respectively set out against the coverage concerned on the Declarations page(s).

That as regards each item of property insured which is lost or damaged at any time while this Policy is in force by a peril for which insurance is provided by the terms and conditions of this Policy, the liability of each Insurer individually shall be limited to whichever is the least of:

- (a) that proportion of the actual cash value of the property at the time of the loss, destruction or damage which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual Insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this Policy in respect of that property against that peril, or
- (b) that proportion of the interest of THE INSURED in the property which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this policy in respect of that property against that peril, or
- (c) that proportion of the limit of insurance stipulated in respect of the property lost, destroyed or damaged which the amount of the sum insured under this Policy in respect of that property against that peril corresponding to the individual insurer's proportion of the total sum insured for the coverage concerned as appears from the entry set against its name in the List of Subscribing Companies bears to the total sum insured under this Policy in respect of that property against that peril,

Provided however, that where the insurance applies to the property of more than one person or interest THE INSURERS' total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the specified limit or limits of liability.

If this Policy contains a Co-Insurance Clause or a Guaranteed Amount (Stated Amount) Clause, and subject always to the limit of liability of each Insurer corresponding to the percentage of the sum insured by this Policy as set out above, no Insurer shall be liable for a greater proportion of any loss or damage to the property insured, than the sum insured by such Insurer bears to:

- (a) that percentage, stated in the Co-Insurance Clause, of the actual cash value of the said property at the time of loss, or
- (b) the Guaranteed Amount (Stated Amount) of total insurance stated in the Guaranteed Amount (Stated Amount) Clause, as the case may be.

If the insurance under this Policy is divided into two or more items, the foregoing shall apply to each item separately.

Wherever in this Policy, or in any endorsement attached hereto, reference is made to "The Company", "The Insurer", "This Company", "we", "us", or "our", reference shall be deemed to be made to each of the Insurers severally.

This policy is made and accepted subject to the foregoing provisions, and to the other provisions, stipulations and conditions contained herein, which are hereby specially referred to and made a part of this Policy, as well as such other provisions, agreements or conditions as may be endorsed hereon or added hereto.

THIS COMMERCIAL INSURANCE POLICY CONSISTS OF THIS (THESE) DECLARATIONS PAGE(S) ALONG WITH THE "GENERAL CONDITIONS" (OR "STATUTORY CONDITIONS"), AS WELL AS ALL COVERAGE WORDINGS, RIDERS OR ENDORSEMENTS THAT ARE ATTACHED HERETO.

COMMERCIAL INSURANCE POLICY

The logo for Lloyd's, featuring the word "LLOYD'S" in white capital letters on a black rectangular background.

Effected with certain Lloyd's Underwriters and other insurers
(hereinafter called the Insurer) through Lloyd's approved coverholder
("the Coverholder")

Policy No. LL202757

Declarations

Effective 5/4/2016

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IN WITNESS WHEREOF THE INSURERS through their representative(s) duly authorized by them for this purpose have executed and signed this Policy.

LSW1550

Where LLOYD'S UNDERWRITERS are subscribing insurers to the Policy, the following applies to them:

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

This insurance has been entered into in accordance with the authorization granted to the Coverholder by the Underwriting Members of the Syndicates whose definitive numbers and proportions are shown in the Table attached to the Agreement shown in the List of Subscribing Companies (hereinafter referred to as "the Underwriters"). The Underwriters shall be liable hereunder each for his own part and not one for another in proportion to the several sums that each of them has subscribed to the said Agreement.

In any action to enforce the obligations of the Underwriters they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155, rue Metcalfe, Suite 2220, Montreal, Quebec H3B 2V6.

NOTICE

Any notice to the Underwriters may be validly given to the Coverholder.

May 31, 2016

JY

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COMMERCIAL INSURANCE POLICY

LLOYD'S

Effected with certain Lloyd's Underwriters and other insurers (hereinafter called the Insurer) through Lloyd's approved coverholder ("the Coverholder")

Policy No. LL202757

Declarations

Effective 5/4/2016

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FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. %	LIMIT OF INSURANCE
Property				
PA1 (8/04)	Building, Equipment and Stock (Broad Form)			
	At Loc 1 (G/F-38 Metropolitan Road, Scarborough, Ontario)			
	Equipment	2,500	80%	600,000
PE1 (7/00)	Replacement Cost Extension			
BT014PE10	Sewer Backup Extension	2,500	0%	50,000
BT006PE10	Water Damage Limitation Endorsement	2,500	0%	50,000
BT007PE10	Robbery &/or Theft &/or Burglary Restriction Endorsement	2,500		25,000
PX6	Pollution/Contamination Exclusion			
	AEGIS Unoccupancy Conditions			
NMA1191	Radioactive Contamination Exclusion Clause Physical Damage Direct			
PX29 (10/05)	Data Exclusion			
PX30 (10/05)	Terrorism Exclusion			

May 31, 2016

JY

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COMMERCIAL INSURANCE POLICY

LLOYD'S

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Policy No. LL202757

Declarations

Effective 5/4/20

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FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. % INSURANCE	LIMIT OF INSURANCE
Liability				
L1a (4/06)	Commercial General Liability (Occurrence Form) (IBC 3/05)			
	General aggregate limit			2,000,000
	Products-completed operations excluded			
	Each occurrence limit			2,000,000
	Personal and Advertising injury limit - Any one person or organization			2,000,000
	Tenants' legal liability limit - Named location			3,000,000
LD3c (10/05)	Combined Deductible (Bodily Injury and Property Damage) Per occurrence	1,000		
LE41 (10/05)	Additional Insured Extension			
BT003LE10	Products Or Completed Operations Exclusion Endorsement			
LR1a	Limitation to Designated Premises Restriction			
BT002LE10	Total Asbestos Exclusion			
BT010LE10	Abuse & Harassment and Sexual Harassment Exclusion Endorsement			
NMA1978a	Nuclear Incident Exclusion Clause - Liability - Direct (Broad) - Canada			
LX42 (10/05)	Data Exclusion			

May 31, 2016

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COMMERCIAL INSURANCE POLICY

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FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. %	LIMIT OF INSURANCE
Additional Exclusions and Conditions				
O9 (8/04)	War and Civil War Exclusion			
O10 (8/04)	Illegal Substance Exclusion			
NMA2920	Terrorism Exclusion Endorsement			
LMA3100	Sanction Limitation and Exclusion Clause			
LSW1565C (10/12)	Lloyd's Underwriters Code of Consumer Rights & Responsibilities			
R1 (12/09)	Additional Agreements and Conditions			
LMA5190 (7/12)	Canada Subscription Policy			
R7 (3/02)	Short Rate Cancellation Table			

May 31, 2016

JY

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LLOYD'S

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Policy No. LL202757

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FORM NO.	TYPE OF COVERAGE	DEDUCTIBLE	COINS. %	LIMIT OF INSURANCE
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This policy is subject to the following terms, conditions and exclusions:

- Service of Suit Clause
- Micro-Organism Exclusion (Absolute)
- Several Liability Clause
- Electronic Date Recognition Exclusion
- Notice Concerning Personal Information
- Lloyd's Policyholders' Complaint Protocol

Annual Premium:

\$3,700

May 31, 2016

JY

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COMMERCIAL INSURANCE POLICY

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Policy No. LL202757

Declarations

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CANCELLATION REQUEST

We, the undersigned, do hereby request cancellation of the Policy bearing number LL202757 (together with any renewal certificates relating thereto) as of _____ and acknowledge that the Insurers are hereby relieved from all liability as from the cancellation date.

Signature of First Named Insured _____ Signature of a Witness _____

Signature of Second Named Insured _____ Signature of a Witness _____

Signature of Third Named Insured _____ Signature of a Witness _____

Signature of Mortgagee _____ Signature of a Witness _____

Additional Insured Endorsement

It is noted and agreed that the Commercial General Liability (L1a) and Excess Liability (X1) of this policy is extended to include **Msi Spergel Inc. (Licensed Insolvency Trustee) at 200-505 Consumers Road, Toronto, ON M2J 4V8** as additional insured(s) in their capacity as **Landlord** but only with respect to liability in connection with the operations of the named insured.

All other terms and conditions of this Policy remain unchanged.

Attaching to and forming part of this Policy, its extensions and renewals unless otherwise stated.

TAB 14

AIRD & BERLIS LLP

Barristers and Solicitors

Sanjeev P.R. Mitra
Direct: 416.865.3085
Email: smitra@airdberlis.com

July 8, 2016

VIA EMAIL: singkong02@yahoo.com

SK Food Equipment
38 Metropolitan Road
Toronto, ON

Attention: Sherri Chen

Re: Receivership of 2292319 Ontario Inc. (the "Receivership Proceedings")

We are counsel to msi Spergel inc. ("the Receiver") in its capacity as Court appointed receiver of 2292319 Ontario Inc. ("the Debtor"). Our client was appointed pursuant to a Court Order dated March 31, 2016 ("the Appointment Order"). You have been provided with the Appointment Order.

SK Food Equipment purportedly entered into three agreements to lease with the Debtor over portions of the real property municipally known as 38 Metropolitan Road, Toronto Ontario ("the Premises"). These leases were dated August 17, 2012 ("Lease 1"), February 18, 2014 ("Lease 2") and November 26, 2014 ("Lease 3" and collectively with Lease 1 and Lease 2, "the Leases").

Upon its appointment our client asked for evidence of insurance as provided for in the Leases. In response, our client was provided a certificate of insurance naming SK Food Equipment Ltd. as the insured. Upon further investigation, it does not appear that any policy of insurance had been taken out until after our client's appointment. Ultimately, our client was provide with a copy of an insurance policy naming S. K. Food Equipment o/b SK Food Equipment Ltd. as an insured. Assuming S.K Food Equipment is the same business name which entered into the Leases, we observe that S.K. Food Equipment Ltd. does not own the business name SK Food Equipment. Further, the policy provided to our client excludes coverage in the event of a loss or damage directly or indirectly caused by any activity connected with the growth, manufacturing, storage, production or distribution of illegal substances whether or not the insured has or had prior knowledge of such activity. As you are aware there is another tenant which is growing marijuana on the premises. Accordingly, it does not appear that this policy will afford sufficient coverage as required under the Leases.

The Leases require SK Food Equipment to pay its proportionate share of the hydro bills for the Premises. You have failed to make any payments for hydro since the appointment of the Receiver. While you have advised our client that the Debtor was to have provided you with a monthly breakdown, you have failed to provide the Receiver or its agents access to

the hydro meters to permit readings to allow this to happen in a timely manner. The Receiver has calculated the outstanding hydro arrears attributable to SK Food Equipment to be \$47,065.22. The failure to make this payment constitutes a further default under the Leases.

Notices of default and termination have already been sent to you regarding the Leases but you have failed to make arrangements to vacate the Premises.

At this stage, we have arranged for a motion to the Court on July 28, 2016. The Receiver will be seeking orders to confirm the termination of the Leases and an order for possession of the Premises. We urge you to engage counsel.

If you are prepared to voluntarily make arrangements in this regard, we would ask you to have your counsel contact the writer forthwith.

Yours very truly,

AIRD & BERLIS LLP

Sanj Mitra

Sanjeev P.R. Mitra
SPRM/jn

cc: Client

26661319.1

TAB 15



SPERGEL

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

May 16, 2016

Delivered via Email to ctran822@gmail.com

Green Island Trading Company
41 Becca Hall Trail
Toronto, ON M1V 2T7
Attention: Lei Deng

Re: Tenancy at 38 Metropolitan Road, Toronto, ON, M9V 3B9 (the "Premises") between 2292319 Ontario Inc. (the "Landlord") and Green Island Trading Company (the "Tenant")

Mr. Deng,

As you are aware, msi Spergel Inc., has been appointed as Receiver of the Landlord of the above-noted Premises. The Receiver has reviewed the lease between the Tenant and the Landlord dated July 20, 2015 (the "Lease") and notes that the Tenant is required to obtain and maintain insurance. We have reviewed the certificate of insurance that you have provided to date and note the following:

1. The certificate of insurance reports Green Island Trading Company as the insured party named on the policy. Green Island Trading Company does not appear to be an incorporated entity. The Receiver has conducted a Business Names Report search on May 4, 2016 which reports an address that for the owner which is different from the address listed on the certificate of insurance.
2. The name of the individual who owns the Green Island Trading Company does not appear on any of the Personal-Use Production licenses (the "Licensee's") posted in the portion of the Premises subject to the Lease. On what basis are the Licensee's occupying the portion of the Premises subject to the Lease? In addition, what insurance coverage is in place to protect the Landlord from the occupation of the Licensee's?
3. Your certificate of insurance does not list msi Spergel Inc., as Court-Appointed Receiver, as certificate holder of the policy. In addition, msi Spergel Inc. is not identified as additional insured or loss payee to the policy.
4. Your certificate of insurance does not provide reference to the insurance policy number.
5. The insurance coverage types outlined on your certificate of insurance is unsatisfactory as it does not provide full coverage with respect to commercial general liability. We have been advised by our insurance provider that full commercial general liability coverage should be sought in addition to Tenants Legal Liability coverage as is typical in a tenant/landlord relationship.

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

6. Section 13 of the Lease requires insurance coverage for fire and additional perils. The certificate of insurance that you have provided does not address these additional risk areas.

The Receiver is providing you with five (5) business days in which to remedy the above-noted defaults. Be advised that failure to remedy the above-noted defaults will result in the Receiver taking action to terminate your tenancy as per the terms of your lease.

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.,

Per:



Daniel Battiston, CPA, CA
Corporate Estate Administrator
25953681.1



SPERGEL

TAB 16

Notice of Termination

TO: Green Island Trading Company

RE: Lease dated July 1, 2014 as amended July 20, 2015 (collectively the "Lease") between 2292319 Ontario Inc. ("Landlord") and Green Island Trading Company (the "Tenant") of premises known as 38 Metropolitan Road, Toronto, Ontario (the "Premises")

MSI Spergel Inc., in its capacity as Court appointed receiver of 2292319 Ontario Inc., hereby gives you notice that as a result of your default in failing to provide proof of insurance pursuant to section 13 of the Lease, the Lease is hereby terminated effective immediately and the Landlord is hereby taking possession of the Premises. Particulars of your breach, namely a request to provide proof of insurance and an opportunity to remedy the same, were previously provided to you in earlier correspondence dated April 20, 2016, April 29, 2016 and May 3, 2016 and a Notice of Default was served and posted at the premises on May 5, 2016 and May 16, 2016.

While a document purporting to be a certificate of insurance has been provided to the undersigned, this document is not a policy of insurance and does not set out the complete terms of coverage.

This termination of the Leases is without prejudice to any and all of the Landlord's rights as Landlord under the Leases and at law including, without limitation, the right to obtain from you the following:

1. All arrears of rent and other charges owing in respect of the Leases and the Premises up to the date hereof;
2. All costs incurred by the Landlord as a result of any and all breaches of the Leases including, without limitation, legal and other expenses incurred in respect of the termination of the Leases;
3. All costs incurred by the Landlord in re-letting the Premises including, without limitation, all costs incurred in respect of the Premises and in making them fit for re-letting; and

4. All losses and deficiencies sustained by the Landlord as a result of your defaults under the Leases and the resulting termination thereof including, without limitation, the difference between the aggregate amounts that would have been payable pursuant to the Leases over what would have been the unexpired term, less only net amounts, after expenses, actually received by the Landlord in respect of the Premises for the period which would have been the unexpired term but for its termination hereby.

The Landlord does not, as a result of any of its actions, or the aforesaid contents of this notice, acknowledge or accept any obligation in respect of the re-letting of the Premises.

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 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 Leases are all without prejudice to the Landlord's rights under the Leases and at law.

Any attempt to gain entry to the Premises without permission of the Landlord will be an unlawful trespass and will be dealt with accordingly. Arrangements to retrieve personal property belonging to you and remaining on the Premises should be made by contacting the Landlord. You are hereby notified that, unless all such personal property is removed from the Premises within seven (7) days after the date hereof, the Landlord shall have the right, but not the obligation, to dispose of such personal property in such manner and for such or no consideration as the Landlord desires, or to remove such personal property or any part thereof from the Premises to a place of storage, at the expense of the Tenant, but without assuming any responsibility whatsoever for the safekeeping of such property.

DATED at Toronto, Ontario on May 26th, 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: PHILIP H. GENNIS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

A copy of this notice has been posted at the Premises.

终止通知

TO: Green Island Trading Company

RE: Lease dated July 1, 2014 as amended July 20, 2015 (collectively the "Lease") between 2292319 Ontario Inc. ("Landlord") and Green Island Trading Company (the "Tenant") of premises known as 38 Metropolitan Road, Toronto, Ontario (the "Premises")

微星Spergel公司在其能力作为法院任命2292319安大略公司的接收器，在此给您注意到如未能提供根据租约第13条保险证明您的默认的结果，租赁特此有效终止立即与房东现占有的房产。您的突破口，即提供保险证明，并解决同一个机会请求的详情，先前已提供给您的日期为2016年二零一六年四月二十零日，4月29日和2016年5月3日和违约通知是较早的通信供应早餐，在该处张贴在2016年5月5日和2016年5月16日。

虽然看来是保险证书的文件已经提供给签字，这个文件是不保险的政策，不设置了覆盖完整的条款。

租约终止这种不妨碍任何和所有的业主的权利下的租约，并在法律，包括业主，但不限于，有权从您获取以下信息：

- 1.租金，就租赁和物业达本公布日期，由于其他费用的拖欠所有;
- 2.招致业主的任何结果，所有违反租约，包括所有费用，但不限于，法律及其他开支就租约终止的发生;
- 3.在招致业主的所有费用转租物业，包括但不限于为房舍和使他们适应转租产生的所有费用; 和
- 4.所有的损失和不足通过业主持持续作为租约下的缺省值的结果，所得到的终止其包括但不限于，聚合的量，将已应付依照租约在什么本来之间的差的余下的任期中，只有不到净额，费用后，实际由业主就物业的收到这本来余下的任期的期限，但它终止特此公告。

房东不，因为任何的行动，或本通知上述内容，确认或就房屋的转租的接受任何义务的结果。

本通知的日期后接受任何租金的房东会不会构成对业主权利的放弃前面提到的默认值，为你纠正的默认不会在此被延长的时间段的结果。在租约下，严格执行你的任何性能故障或延迟业主都是不妨碍根据该等租约，并在法律上业主的权利。

任何试图获得未经房东许可进入该处将是一个非法侵入并会相应处理。安排取回个人财产属于你和其余的处所应通过联系房东进行。您在这里被告知，除非所有这些个人财产从大楼内七（7）天公布日期后取出，业主应有的权利，但没有义务，在这种方式和处置这类个人财产这样的或根本没有考虑作为业主的欲望，或者从物业到一个地方存储其删除此类个人财产或任何部分，在承租人的费用，但不承担任何责任，任何此类财产的保管

DATED at Toronto, Ontario on May 26, 2016

MSI SPERGEL INC., in its capacity as
receiver of 2292319 ONTARIO INC., and
not in its personal capacity

Per: 

Name: PHILIP H. GENNIS

Title: SENIOR PRINCIPAL

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation.

本通知的副本已刊登于该物业.

TAB 17

AIRD & BERLIS LLP

Barristers and Solicitors

Sanjeev P.R. Mitra
Direct: 416.865.3085
Email: smitra@airdberlis.com

July 11, 2016

VIA EMAIL: ctran822@gmail.com

Green Island Trading Company
38 Metropolitan Road
Toronto, ON

Attention: Cuong Tran

Re: Receivership of 2292319 Ontario Inc. (the "Receivership Proceedings")

We are counsel to msi Spergel inc. ("the Receiver") in its capacity as Court appointed receiver of 2292319 Ontario Inc. ("the Debtor"). Our client was appointed pursuant to a Court Order dated March 31, 2016 ("the Appointment Order"). You have been provided with the Appointment Order.

Green Island Trading Company purportedly entered into an agreement to lease with the Debtor over a portion of the real property municipally known as 38 Metropolitan Road, Toronto Ontario ("the Premises"). This document was dated July 15, 2015 ("Lease").

Upon its appointment our client asked for evidence of insurance as provided for in the Lease. In response, our client was provided a certificate of insurance naming Green Island Trading Company as the insured. Upon further investigation, it does not appear that any policy of insurance had been taken out prior to our client's appointment. Despite repeated requests, no actual policy of insurance has ever been provided to our client. The certificate provided to our client does not confirm any benefits on any party. Accordingly, you have not provided the Receiver with sufficient insurance coverage as required under the Lease.

The Lease requires Green Island Trading Company to pay its proportionate share of the hydro bills for the Premises. You have failed to make any payments for hydro since the appointment of the Receiver. The Receiver has calculated the outstanding hydro arrears attributable to Green Island Trading Company to be \$84,073.90. The failure to make this payment constitutes a further default under the Lease.

Notices of default and termination have already been sent to you regarding the Lease but you have failed to make arrangements to vacate the Premises.

At this stage, we have arranged for a motion to the Court on July 28, 2016. The Receiver will be seeking orders to confirm the termination of the Lease and an order for possession of the Premises. We urge you to engage counsel.

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If you are prepared to voluntarily make arrangements in this regard, we would ask you to have your counsel contact the writer forthwith.

Yours very truly,

AIRD & BERLIS LLP

Sanj Mitra

Sanjeev P.R. Mitra
SPRM/jn

cc: Client

26665286.2

TAB 18



SPERGEL

June 16, 2016

Delivered Via Email to:
singkong02@yahoo.com
ctran822@gmail.com

Notice of Outstanding Utility Charges and Demand for Payment
38 Metropolitan Road, Scarborough, Ontario, M1R 2T6 (the "Premises")

Be advised that you have not remitted payment to the Receiver with respect to your proportionate share usage of hydro in connection with your occupation at the Premises and therefore are in default of the terms of your lease agreement.

Since its appointment on March 31, 2016, the Receiver has made several attempts to reconcile the usage of hydro on a per-tenant basis at the Premises but has not been provided proper access to conduct the required meter readings despite providing advance notice to each tenant.

Enclosed with this notice are copies of the Toronto Hydro billings which summarize the hydro usage at the Premises for the period March 31, 2016 to May 19, 2016. We demand that you remit payment of your proportionate share of the amounts outstanding immediately.

msi Spergel Inc.,
Court-Appointed Receiver of
2292319 Ontario Inc.

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

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Member **ICIN** The Independent Canadian Insolvency Network

TAB 19



Intelligent
Real Estate
Solutions

18 York Street
Suite 400, Mailbox #4
Toronto, ON M5J 2T8
Canada

T 416.955.0000
F 416.955.0724

avisonyoung.com

July 11, 2016



Mr. Philip H. Gennis
Senior Principal
Msi Spergel Inc.
505 Consumers Road, Suite 200
Toronto, Ontario
M2J 4V8

Mr. Gennis:

Re: 38 Metropolitan Road, Toronto (the "Property")

Following up on our initial tour of the property, and subsequent meeting with yourself and the representatives of RBC and their legal advisors, Avison Young provides the following comments regarding the existing tenancies/occupants within the Property and their negative impact upon the marketing, and potential value, of the Property.

1. In our opinion, the existing grow-op operation will be negatively perceived by the marketplace for a variety of reasons including (but not limited to):
 - Notwithstanding the current licenses reportedly being legal, it appears these grow-op licenses are personal in nature and not of a commercial/professional nature or caliber. The grow-op operations within the property, in general, do not appear to be properly nor professionally run, maintained nor managed.
 - During our initial walk through, the smell of marijuana was readily noticeable throughout the entire building (as well as outside of the building), including within other tenanted and vacant units. This raises serious health and safety concerns regarding the current grow-op operations, including the obvious lack of proper ventilation and the potential for mould growth, and the risk presented by the use of chemicals and/or fertilizers utilized in most grow-op operations. This will also negatively impact the attractiveness and marketability of the Property to potential buyers and tenants.

cont'd/ 2



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Solutions

July 11, 2016

Page 2

- We noticed numerous "modifications" to the building within and/or affecting the grow-op units that do not appear to be professionally constructed and/or not to proper Building and/or Fire Code regulations, including:
 - i. a lack of proper demising walls between the various tenanted and/or vacant units; as well, some "grow rooms" were only separately by sheets of plastic, and lacked any proper doors;
 - ii. electrical modifications that appear to be somewhat haphazard and do not appear to be to Code;
 - iii. rear loading "platform" to the rear second level grow-op unit that does not have any safety features whatsoever (e.g., no railings, no bumpers, etc.) and appears to have simply been "tacked" onto the rear of the building and in all likelihood made not be to proper Building Code.
- There is no formal lease in place with the grow-op tenant(s), only an Agreement to Lease. In addition, we can not confirm if the tenant entity (Green Island Trading Company) is a legal entity or not, and the signatures on the Agreement to lease do not confirm if the signing party(ies) have legal signing authority to bind the company(ies). There is also a discrepancy within the execution dates, which causes us additional concern over the validity of this Agreement to Lease.

All of the above issues regarding the existing grow-op operations within the building will be negatively perceived within the marketplace. Potential buyers, as well as potential lenders buyers will likely require to finance the purchase, will perceive far too much risk and uncertainty involved in assuming the existing grow-op uses(s) as a tenant. These issues also raise concerns over the "insure-ability" of the building and the tenants' operations as required under most commercial leases. In addition, a potential buyer looking to rent out the existing vacant space post-closing will also perceive far too much risk in trying to attract any tenant to the Property given the numerous issues noted above.

cont'd / 3



Intelligent
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July 11, 2016

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2. In regards to the balance of the tenants within the property, we are of the opinion these will also have a negative impact upon the marketing and potential value of the property.

- There is no formal lease(s) in place with the S.K. Food Equipment tenant, only Agreements to Lease.
- The forms of Agreement to Lease for S.K. Food are very poorly drafted, and unclear in many aspects including the tenant's financial responsibilities (e.g., electricity, water, gas/heat, "Other Services").
- As with our comments regarding the grow-op units, we noticed numerous "modifications" to the balance of the building, including within the units occupied by S.K. Food Equipment and/or their affiliates/sub-tenants, etc., that do not appear to be professionally constructed and/or do not appear to meet proper municipal, Building and/or Fire Code regulations, including:
 - i. a lack of proper, fire-rated demising walls between the various units; for example, we were able to walk between the west side frozen food/freezer areas of the S.K. Food unit to the rear section of the building utilized by S.K. Food for a scrap metal/recovery business effectively unimpeded. We were able to see light emanating between the walls separating some of the demised units. These units are supposedly separately leased and/or demised units, and should have been demised as such with proper/separate entrances as well as proper fire-rated demising walls.
 - ii. we also noted a timber-framed "archway" that effectively joined the west side of the unit to the east side of the unit, and which did not appear to be constructed to any sort of proper Building Code. This archway also appeared to be constructed outside of the demised premises (as noted in the unit layout schedules attached to the Agreements to Lease)- this should be confirmed by a professional.
 - iii. The scrap/waste metal operations clearly stores some items of a potentially combustible/hazardous nature (we noticed old, gas-powered lawn mowers, etc.), and may also contain "automotives" under the terms of its Agreement to Lease. These types of materials (e.g., gas-filled tanks, oils, batteries, etc.) can potentially lead to serious environmental and/or Fire Code safety issues.

cont'd /4



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July 11, 2016

Page 4

- iv. We further noted the scrap/waste metal operations stores most of its items in a somewhat haphazard manner, and we noticed construction material (e.g., insulation batting, metal framing, etc.) also being "stored" (namely spread across the floor) in this general area. This is a serious safety concern.
- v. There is reportedly a sub-tenant occupying the rear of the building, however the only entrance to this unit appears to be gained by having to walk through the metal/waste unit.

For all of the above reasons and comments noted, we feel the current occupants will greatly and negatively impede the marketing of the Property, which will also translate into a serious and negative impact upon the value of the Property.

Yours very truly,

AVISON YOUNG

COMMERCIAL REAL ESTATE (ONTARIO) INC., Brokerage

A handwritten signature in black ink, appearing to read "Kelly J. Avison". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kelly J. Avison, AACI ¹
Principal, Capital Markets Group

¹ Sales Representative



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Real Estate
Solutions

TAB 20

2292319 Ontario Inc.
Summary of Operational Deficit re: 38 Metropolitan Road
Prepared: July 18, 2016

Summary of rents collected:

Period	Green Island	SK Lease 1 Ocean Impex	SK Lease 2 Ocean Impex	SK Lease 3 Scrap to Go	Universal Trading	Total
April 2016	\$ 8,000	\$ 2,500	\$ 4,490	\$ 5,000	\$ 5,000	\$24,990
May 2016	8,000	2,500	4,490	5,000	5,000	24,990
June 2016	13,000	2,500	4,490	5,000	-	24,990
July 2016	13,000	2,500	4,490	5,000	-	24,990
Total	\$ 42,000	\$ 10,000	\$ 17,960	\$ 20,000	\$10,000	\$99,960

Calculation of operational deficit to date:

Total rents collected to date, per summary above	\$ 99,960
Collection of hydro arrears from Green Island	84,037
Total receipts to date	<u>183,997</u>

Less: carrying costs to date

Hydro for the period March 31st to June 21st	184,128
2016 property taxes and accrued interest	157,498
Receiver fees/disbursements to June 30th	65,095
Aird & Berlis fees/disbursements to June 30th	17,151
Insurance premiums	13,368
Repairs and maintenance	7,678
Lock changing and site inspections	2,644
Total costs to date	<u>447,564</u>

Operational deficit to date -\$ 263,567 E&OE

Note 1: The above summary has been prepared on an accrued basis and, as a result, does not reconcile to the Receiver's Statement of Receipts and Disbursements dated July 18, 2016 as the Statement of Receipts and Disbursements is prepared on a cash basis and does not report costs incurred by the Receiver that have not been paid from the estate trust account to date.

Note 2: Carrying costs summarized above do not include debt servicing related to the mortgage on the Property or arrears of pre-2016 property taxes in the amount of \$734,443.80 as of March 31, 2016.

TAB 21

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

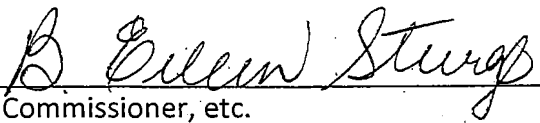
**AFFIDAVIT OF PHILIP GENNIS
(sworn February 18, 2016)**

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

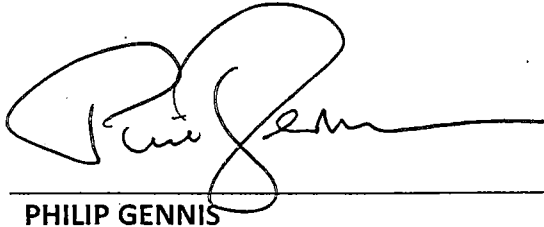
1. I am a licensed Trustee with msi Spergel Inc. ("**MSI**"), the court-appointed Receiver (the "**Receiver**") of all the assets, undertakings and properties of the Respondent. As such I have knowledge of the matters hereinafter deposed to.
2. MSI was appointed Receiver pursuant to the Order made by 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 the fees in the amount of \$57,470.75, exclusive of HST, and disbursements in the amount of \$145.00, exclusive of HST, incurred by MSI in relation to this receivership estate for the period March 31, 2016 to June 30, 2016. This represents 235.85 hours at an effective hourly rate of \$243.68.

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 18th day of July, 2016.


A Commissioner, etc.

Barbara Ellen Sturge,
a Commissioner, etc., Province of Ontario,
for MSI Spengel Inc., Trustee in Bankruptcy
and Spengel & Associates Inc.
Expires November 28, 2016.



PHILIP GENNIS

EXHIBIT "A"



SPERGEL

July 18, 2016

Invoice #: 11149

Mr. Richard Crawford
Royal Bank of Canada, Special Loans
20 King Street West, 9th Floor
Toronto, ON M5H 1C4

Invoice

RE: 2292319 Ontario Inc.

Interim billing for professional fees and services rendered as Court-Appointed Receiver for the period ending June 30, 2016

	Hours	Hourly Rate	Total
Alan Spergel, CPA, CA, FCIRP, CFE, Trustee	0.40	\$445.00	\$178.00
Philip H. Gennis, LL.B., CIRP, Trustee	60.25	445.00	26,811.25
Deborah Hornbostel, CPA, CA, CIRP, Trustee	0.60	395.00	237.00
Gillian Goldblatt, CPA, CA, CIRP, Trustee	2.90	180.00	522.00
Daniel Battiston, CPA, CA	169.10	175.00	29,592.50
Others	2.60	50.00	130.00
Total Professional fees	235.85	\$243.68	\$57,470.75
HST			7,471.20
Reimbursable Expenses			
PPSA Search			\$145.00
Total Reimbursable expenses			\$145.00
HST on expenses			\$8.45
Total			\$65,095.40

HST Registration #R103478103

(AAMETR-R)

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

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Filters Used:

- Time Entry Date: 1/01/70 to 6/30/16
 - File ID: AAMETR-R: to AAMETR-R:

MSGG - Detailed Time Dockets

Printed on: 7/18/16

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Alan Spergel (ASP)					
Mon	04/25/2016	Review/sign cheque	0.20	\$445.00	\$89.00
Mon	06/06/2016	Review/sign cheque	0.20	\$445.00	\$89.00
		Alan Spergel (ASP)	0.40		\$178.00
Daniel Battiston (DBA)					
Wed	03/30/2016	Review application materials in advance of receivership appointment. Discussions with PG w.r.t. appointment and potential taking possession issues. Schedule locksmith for site attendance.	2.20	\$175.00	\$385.00
Thur	03/31/2016	Receipt of appointment order. Prepare notice to tenants re: appointment and re-direction of monthly rents. Attendance at premises. Post notices, distribute appointment order, liaison with existing tenants and sub-tenants. Conduct walkthrough and inspection of premises. Travel to and from office.	4.30	\$175.00	\$752.50
Fri	04/01/2016	Prepare additional tenant notices and translate to Chinese. Re-attendance at building. Distribute new notices. Discussions with tenants and sub-tenants re: building operations and purpose of engagement. Walkthrough additional areas of premises once provided access and conduct inspection/summarize onsite issues. Review of tenant leases provided by RBC.	5.70	\$175.00	\$997.50
Mon	04/04/2016	Daily inspection of premises. Post notices as required. Site meeting at premises with real estate agent of former principal re: operations at building and tenant-related matters. Travel to and from office. Additional analysis of tenant leases provided by RBC. Prepare draft rent roll based on lease information provided. Contact FCA Insurance brokers re: insurance coverage at premises. Complete Insurance survey and vacancy questionnaire. Discussions with Richard Crawford (RBC), PG, and Kelly Avisson re: insurance coverage and appropriate coverage amounts.	5.20	\$175.00	\$910.00
Tues	04/05/2016	Daily inspection of premises. Post notices as required. Travel to and from office. Prepare Notice and Statement of Receiver. Draft list of known creditors to date. Prepare and arrange for creditor mailing. Prepare affidavit of mailing and have it commissioned.	4.60	\$175.00	\$805.00
Wed	04/06/2016	Daily inspection of premises. Post notices as required. Travel to and from office. Fax copy of Notice of Receiver and Appointment Order to OSB.	2.70	\$175.00	\$472.50
Fri	04/08/2016	Daily inspection of premises. Post notices as required. Travel to and from office.	2.00	\$175.00	\$350.00
Mon	04/11/2016	Site meeting and full inspection at premises with GG, Avison & Young brokerage team and Rocco (Lockit). Full walkthrough of building. Discussions of building issues with tenants. Meetings on site with tenants and sub-tenants. Walkthrough of grow-op ground floor unit. Walkthrough and inspection of vacant units. Change locks at vacant unit. Travel to office. Discussion of results with PG. Memo inspection specifics.	5.00	\$175.00	\$875.00
Tues	04/12/2016	Further discussion re: April 11, 2016 site inspection and tenant-related issues. Draft notices to holders of personal-use production licenses (english and chinese). Arrange for courier to personal residences.	2.50	\$175.00	\$437.50
Wed	04/13/2016	Drive-by and inspection of premises. Travel to and from office. Assistance with Toronto Hydro matters re: potential cancellation of services.	3.50	\$175.00	\$612.50
Thur	04/14/2016	Drive-by and inspection of premises. Travel to and from office.	1.50	\$175.00	\$262.50
Mon	04/18/2016	Matters related to prior week site inspection and issues w.r.t. marijuana personal-use production licenses. Discussion with GG and PG re: outstanding items to date. Prepare Ascend estate file, prepare listing of creditors, transfer of Ascend file into estates. Meeting with tenant re: lease and insurance matters. Review of unsolicited offer received w.r.t purchase of building.	5.70	\$175.00	\$997.50

Filters Used:

- Time Entry Date: 1/01/70 to 6/30/16
- File ID: AAMETR-R: to AAMETR-R:

MSGG - Detailed Time Dockets

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Daniel Battiston (DBA)					
Tues	04/19/2016	Prepare notices to utility companies re: appointment of Receiver. Review of Toronto Hydro arrears to date.	1.50	\$175.00	\$262.50
Wed	04/20/2016	Detailed review of tenant leases w.r.t. preparation of lease summary for RBC.	3.30	\$175.00	\$577.50
Thur	04/21/2016	Drive-by and inspection of premises. Travel to and from office.	1.50	\$175.00	\$262.50
Fri	04/22/2016	Follow up re: tenant lease analysis. Correspondence with tenants re: outstanding leases and insurance certificates. Process FCA change form re: insurance coverage.	2.00	\$175.00	\$350.00
Mon	04/25/2016	Attend premises. Site inspection of premises. Assist Bell Canada with obtaining access to utility room. Delegation of keys to tenant. Return to building. Obtain keys from tenant. Secure premises. Travel time.	3.30	\$175.00	\$577.50
Wed	04/27/2016	Review of estate solicitor comments re: tenant leases. Review of memo prepared by listing agent re: concerns with respect to current state of premises.	1.50	\$175.00	\$262.50
Fri	04/29/2016	Attendance at building, quick site inspection.	0.70	\$175.00	\$122.50
Mon	05/02/2016	Meeting at RBC re: status of receivership and strategy going forward. Travel back to office. Assist Aird & Berlis with tenant lease matters and default matters.	5.30	\$175.00	\$927.50
Tues	05/03/2016	Conference call with Aird & Berlis re: status of tenant leases, insurance certificates, current defaults under lease, proposed strategy re: notices to tenants. Provide additional information to Aird & Berlis to assist with drafting of tenant notices. Correspond with SK Foods re: insurance certificate provided. Meet with tenants re: May 2016 rent. Meeting with Green Island Trading re: status of corporation, status of multiple lease documents, May rent, insurance matters and landlord access matters. Deposit May 2016 cheques provided by SK Foods. Travel to premises for site inspection. Travel to and from office.	5.70	\$175.00	\$997.50
Wed	05/04/2016	Review notices prepared by Aird & Berlis re: notice of default to SK Foods and notice of termination to Universal Trading. Translate notices and arrange for delivery.	2.10	\$175.00	\$367.50
Thur	05/05/2016	Finalize notice to licensee's re: ground-floor grow-op.	0.80	\$175.00	\$140.00
Fri	05/06/2016	Attend premises with locksmith re: eviction of ground-floor grow-op. Assist with administration of courier delivery to licensee's. Standby re: eviction notice.	2.60	\$175.00	\$455.00
Mon	05/09/2016	Additional deliveries of notices of termination to ground floor grow-op licensees. Attend premises and await instructions from estate solicitor re: gaining access to unit.	3.30	\$175.00	\$577.50
Tues	05/10/2016	Call with OPP re: status of grow-op's at 38 Metropolitan. Provide licensee information as requested by OPP. Discussions with Toronto Police re: taking possession of ground floor grow-op. Discussion with PG, RBC and estate solicitor re: taking possession of ground-floor grow-op. Review of initial insurance certificates provided by SK Foods and Green Island with insurance broker. Draft list of current insurance defaults per review of insurance certificates.	4.50	\$175.00	\$787.50
Wed	05/11/2016	Attend premises. Arrange for locksmith to attend premises. Gain access to ground-floor grow-op. Changing of locks. Pictures and inspection of interior unit. Additional security matters re: vacant unit. Discussions with insurance providers re: state of premises. Discussions with PG and estate solicitor.	4.20	\$175.00	\$735.00
Thur	05/12/2016	Draft second notices of default and accompanying letters to Green Island Trading and SK Foods re: outstanding defaults under lease. Review of Toronto Hydro billing and reconciliation of tenant hydro usage. Forward Toronto Hydro billing to SK Foods for payment. Correspondence with estate solicitor re: notices of default, etc. Review of additional insurance information provided by SK Foods and Green Island Trading. Discussions with FCA re: tenant insurance requirements, defaults on tenant certificates of insurance, scheduling of insurance inspection at building, etc.	5.60	\$175.00	\$980.00

Filters Used:

- Time Entry Date: 1/01/70 to 6/30/16
 - File ID: AAMETR-R: to AAMETR-R:

MSGG - Detailed Time Dockets

Printed on: 7/18/16

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Daniel Battiston (DBA)					
Fri	05/13/2016	Finalize second notice of default to Green Island and SK Foods. Further follow-up on tenant insurance matters with tenants, FCA, estate solicitor. Coordinate for delivery of notices. Correspondence with estate solicitor re: finalization and delivery of notices and accompanying documents.	5.20	\$175.00	\$910.00
Mon	05/16/2016	Attendance at premises. Draft and post notice on camper located in parking lot. Delivery of second notices of default to tenants.	2.80	\$175.00	\$490.00
Tues	05/17/2016	Further assistance with tenant insurance matters and lease default issues.	3.40	\$175.00	\$595.00
Wed	05/18/2016	Meeting with Green Island representative re: Notice of Default, insurance defaults issues, corporate registration issues, etc.	1.80	\$175.00	\$315.00
Fri	05/20/2016	Attend premises and walkthrough of vacant units. Site meeting with sub-tenant re: notice of termination previously sent. Site meeting with owner of camper to determine payment of parking fees. Follow up with FCA re: outstanding tenant insurance matters.	5.70	\$175.00	\$997.50
Tues	05/24/2016	Draft notices of termination and accompanying letters re: Green Island Trading and SK Foods. Inspection and walk-around of premises. Finalize work order re: cleanup of Universal Trading former suite. Correspondence with Rocco re: outstanding matters at premises and contractor clean-up. Review of tenant-provided documentation re: payment history of Toronto Hydro billings. Reconciliation of Estate G/L re: monthly rents collected. Correspondence with estate solicitor re: termination notices, etc. Further review of insurance information provided by Green Island Trading. Meeting with Mr. Tran of Green Island trading re: outstanding defaults indicated on prior notices. Further discussions with FCA re: insurance inspection at premises.	7.20	\$175.00	\$1,260.00
Wed	05/25/2016	Finalize notices of termination and accompanying letters re: Green Island Trading and SK Foods. Review of all outstanding defaults and insurance matters with estate solicitor. Conference call with estate solicitor and PG re: issuance of termination notices. Coordination of delivery and serving of notices with Rocco Tuzzi. Scheduling and coordination of insurance inspection booked for Tuesday, May 31st. Draft notice to tenants re: insurance inspection and serve notices. Service of termination notices via email to tenants.	4.40	\$175.00	\$770.00
Wed	06/01/2016	Travel to premises. Inspection and walkthrough of premises. Collection of rents from tenants. Return travel to office. Deposit of June 2016 rents to estate account.	4.40	\$175.00	\$770.00
Thur	06/02/2016	Travel to premises. Supervise removal of waste from former grow-op unit. Inspection of premises while on site. Return travel to office.	5.30	\$175.00	\$927.50
Fri	06/03/2016	Travel to premises. Supervise additional removal of waste from former grow-op unit. Inspection of premises while on site. Return travel to office.	2.80	\$175.00	\$490.00
Tues	06/07/2016	Attend premises to conduct hydro meter reading with respect to S.K. Foods and Green Island Trading Co. Conduct hydro readings to best extent possible (complete access not provided by SK & Green Island). Discussions on-site with individual previously responsible for monthly hydro readings. Return travel to office. Review previous hydro readings summary provided by individual previously responsible for monthly hydro readings. Draft notice to Green Island Trading of further hydro reading to be conducted on Thursday, June 9, 2016. Coordinate attendance of Lockit to attend on June 9th for Hydro reading. Return to building to deliver notice of hydro reading to Green Island. Further inspection of premises. Further follow-up with RBC re: Receiver's advance for payment of utilities. Conference call with PG and Sanj Mitra re: next steps to be taken to enforce tenant eviction. Contact City of Toronto building inspection department re: request for attendance of city building inspector. Draft formal notice to City of Toronto and provide appointment order to inspectors' office.	7.60	\$175.00	\$1,330.00

Filters Used:

- Time Entry Date: 1/01/70 to 6/30/16
 - File ID: AAMETR-R: to AAMETR-R:

MSGG - Detailed Time Dockets

Printed on: 7/18/16

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Daniel Battiston (DBA)					
Mon	06/13/2016	Meeting with former property manager re: historical financial information and tenant history.	1.00	\$175.00	\$175.00
Tues	06/14/2016	Review of Chubb insurance inspection report and recommendations outlined in report. Discussions with FCA re: results of Chubb report and reinstituting insurance on building. Complete FCA change form re: reinstituting building insurance coverage. Discussions with City of Toronto inspections department re: appointment over property and scheduling of building inspection.	3.00	\$175.00	\$525.00
Wed	06/15/2016	Draft first report of receiver.	7.00	\$175.00	\$1,225.00
Thur	06/16/2016	Continue with draft of first report of receiver.	3.70	\$175.00	\$647.50
Mon	06/20/2016	Schedule conference call with counsel and FCA w.r.t. SK Foods insurance policy and review of coverage.	0.30	\$175.00	\$52.50
Wed	06/22/2016	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	\$175.00	\$315.00
Thur	06/23/2016	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	\$175.00	\$227.50
Mon	06/27/2016	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	\$175.00	\$577.50
Wed	06/29/2016	Draft first report of Receiver.	4.30	\$175.00	\$752.50
Daniel Battiston (DBA)			169.10		\$29,592.50
Deborah Hornbostel (DHO)					
Fri	04/15/2016	meeting with tenant SK Food Equipment, prepare receipt for payment of 3 cheques, discussion with ES re banking status, email update to PGE, DB and GG	0.40	\$385.00	\$154.00
Tues	06/07/2016	Review and sign cheque requisition and cheques	0.10	\$385.00	\$38.50
Thur	06/16/2016	Review and sign cheque	0.10	\$445.00	\$44.50
Deborah Hornbostel (DHO)			0.60		\$237.00
Gillian Goldblatt (GGO)					
Tues	04/12/2016	General	0.80	\$180.00	\$144.00
Fri	04/15/2016	Prepare notices for posting; attend at premises; discussions with PGE re: tenants; meeting with Shao Shen re: lease and insurance.	2.10	\$180.00	\$378.00
Gillian Goldblatt (GGO)			2.90		\$522.00
Inga Friptuleac (IFR)					
Mon	04/11/2016	B/A set up	0.20	\$50.00	\$10.00
Mon	04/18/2016	Deposit	0.20	\$50.00	\$10.00
Tues	05/03/2016	Prepare Cheques	0.40	\$50.00	\$20.00
Mon	05/16/2016	Deposits	0.40	\$50.00	\$20.00
Mon	06/06/2016	Deposit; prepare cheques	1.00	\$50.00	\$50.00
Mon	06/13/2016	Deposit; prepare cheque	0.40	\$50.00	\$20.00
Inga Friptuleac (IFR)			2.60		\$130.00
Philip H. Gennis (PGE)					
Wed	03/30/2016	Review of Motion materials.	1.75	\$445.00	\$778.75
Thur	03/31/2016	Receipt and review of Appointment Letter; instructing DB with respect to Notices of Attornment and possession issues.	1.50	\$445.00	\$667.50

Filters Used:

- Time Entry Date: 1/01/70 to 6/30/16
 - File ID: AAMETR-R: to AAMETR-R:

MSGG - Detailed Time Dockets

Printed on: 7/18/16

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Philip H. Gennis (PGE)					
Fri	04/01/2016	Dealing with building insurance; telephone discussions with locksmith; oversight of engagement.	1.25	\$445.00	\$556.25
Mon	04/04/2016	Instructing IC to register on title and begin opinion on RBC security; telephone discussion with realtor; email exchange with real estate Counsel	1.25	\$445.00	\$556.25
Tues	04/05/2016	Draft APS and Appendix to Listing Agreement; correspondence with Cpounsel; telephone discussion with Listing Broker	1.50	\$445.00	\$667.50
Thur	04/07/2016	Internal meeting with DB; engagement oversight.	1.50	\$445.00	\$667.50
Tues	04/12/2016	Managing engagement; review of lease documents provided by RBC; telephone discussion with insurer; reviewing lengthy memo provided by DB and Kelly Avison regarding condition of building.	2.75	\$445.00	\$1,223.75
Tues	04/12/2016	Review site attendance memoranda; telephone discussion with Kelly Avison; telephone discussion with RBC; telephone discussion with Counsel regarding best means of dealing with on-site grow-ops.	2.00	\$445.00	\$890.00
Wed	04/13/2016	Further review of leases; drive by inspection of building.	1.75	\$445.00	\$778.75
Thur	04/14/2016	Site attendance; telephone discussion and meeting with Toronto Police; email exchange and conversations with Counsel and with RBC.	5.00	\$445.00	\$2,225.00
Fri	04/15/2016	Site attendance and meeting with Toronto Police Drug Squad; telephone discussions with RBC and with Counsel.	2.50	\$445.00	\$1,112.50
Mon	04/18/2016	Telephone discussion with RBC; telephone discussion with Counsel; email exchange with Realtor	1.50	\$445.00	\$667.50
Tues	04/19/2016	On-going management of engagement; telephone discussion with RBC; review of existing leases; telephone discussions with Counsel	2.00	\$445.00	\$890.00
Wed	04/20/2016	Review of leases; internal meetings; telephone discussion with RBC and with Realtor.	2.50	\$445.00	\$1,112.50
Thur	04/21/2016	Telephone discussion with realtor; telephone discussions with RBC; further review of leases.	1.25	\$445.00	\$556.25
Fri	04/22/2016	Site Attendance	1.00	\$445.00	\$445.00
Wed	04/27/2016	Lengthy telephone discussion with realtor; email exchange and telephone discussion with Bank; review of lease summary and market analysis prepared by Avison Young.	1.75	\$445.00	\$778.75
Thur	04/28/2016	General oversight of engagement. Dealing with L&T issues;	1.75	\$445.00	\$778.75
Mon	05/02/2016	Attendance at RBC Special Loans; email exchange with Counsel.	2.00	\$445.00	\$890.00
Tues	05/03/2016	Email exchange with Counsel; discussions with DB	0.75	\$445.00	\$333.75
Wed	05/04/2016	Conference call with Counsel regarding Notices of Termination.	1.25	\$445.00	\$556.25
Thur	05/05/2016	Review and execute Notices of Termination.	1.00	\$445.00	\$445.00
Fri	05/06/2016	On-going issues with tenants and service of Notices.	1.25	\$445.00	\$556.25
Mon	05/09/2016	Email exchange with Counsel; lengthy telephone discussion with DOJ Counsel for Health Canada; email to DOJ Counsel for Health Canada.	1.75	\$445.00	\$778.75
Tues	05/10/2016	Dealing with possessory issues related to lower grow-op; email from Counsel for Health Canada; telephone discussions with Counsel; telephone discussions with Bank;	1.75	\$445.00	\$778.75
Thur	05/12/2016	On-going dealings with tenant issues; telephone discussions and email exchange with Counsel; email exchange with RBC; telephone discussion with Richard Crawford.	1.25	\$445.00	\$556.25
Mon	05/16/2016	Site visit. Review Notices of Termination and/or Default	2.25	\$445.00	\$1,001.25
Tues	05/17/2016	Telephone discussion with RBC; discussion with DB regarding Notices to Tenants and Sub-Tenants; email exchange with realtor.	0.75	\$445.00	\$333.75
Tues	05/24/2016	On-going dealings with tenant Notices; liaising with Counsel and DB internally.	1.75	\$445.00	\$778.75

Filters Used:

- Time Entry Date: 1/01/70 to 6/30/16
- File ID: AAMETR-R: to AAMETR-R:

MSGG - Detailed Time Dockets

Printed on: 7/18/16

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Philip H. Gennis (PGE)					
Thur	05/26/2016	Review and execution of Notices of Termination; email exchange with Counsel; telephone discussions with Richard Crawford at RBC; review and execution of revised Notices of Termination.	1.25	\$445.00	\$556.25
Fri	05/27/2016	email confirmation from property manager; telephone discussion with Richard Crawford at RBC	0.75	\$445.00	\$333.75
Tues	05/31/2016	Telcon with RBC; email exchange with ppty manager.	0.75	\$445.00	\$333.75
Wed	06/01/2016	Email exchange with Counsel regarding Notices of Termination; review photos from insurance inspection;	1.00	\$445.00	\$445.00
Thur	06/02/2016	Telephone discussion with Counsel; email exchange with SK Foods	1.00	\$445.00	\$445.00
Tues	06/07/2016	Telephone discussion with Counsel; telephone discussion with insurance broker.	0.50	\$445.00	\$222.50
Tues	06/14/2016	Telephone discussion with Counsel and RBC; email exchange with RBC; internal discussions and emails instructing DB on next course of action.	1.25	\$445.00	\$556.25
Thur	06/16/2016	Meeting with DB to discuss engagement issues.	0.50	\$445.00	\$222.50
Mon	06/20/2016	Email exchange with DB regarding payment of hysro arrears,	1.00	\$445.00	\$445.00
Fri	06/24/2016	Email exchange with Counsel; telephone discussion with DB.	0.75	\$445.00	\$333.75
Tues	06/28/2016	File review in preparation for drafting of first report	1.25	\$445.00	\$556.25
Philip H. Gennis (PGE)			60.25		\$26,811.25
Total for File ID AAMETR-R:			235.85		\$57,470.75
Grand Total:			235.85		\$57,470.75

TAB 22

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2392319 ONTARIO INC.

Respondent

AFFIDAVIT OF SAM BABE
(sworn July 19, 2016)

I, **SAM BABE**, 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.
2. Aird & Berlis LLP has acted 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 2392319 Ontario Inc. (the "**Debtor**") and continues to do so.
3. Aird & Berlis LLP has prepared Statements of Account in connection with its fees and disbursements as follows:

- (a) An account dated May 30, 2016 for the period ending April 28, 2016 in the amount of \$4,180.86, inclusive of HST and disbursements;
- (b) An account dated June 27, 2016, for the period ending May 26, 2016 in the amount of \$11,541.05, inclusive of HST and disbursements; and
- (c) An account dated July 18, 2016, for the period ending June 23, 2016 in the amount of \$1,429.45, inclusive of HST and disbursements.

4. Attached hereto and marked as **Exhibit "A"** to this my affidavit are copies of the Statements of Account. The average hourly rate is \$494.25.

5. This Affidavit is made in support of a motion to, *inter alia*, approve the attached accounts of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose.

SWORN before me at the City of)
Toronto, in the Province of Ontario)
this 19 day of July, 2016)

A Commissioner, etc.

S. MITCHELL



SAM BABE

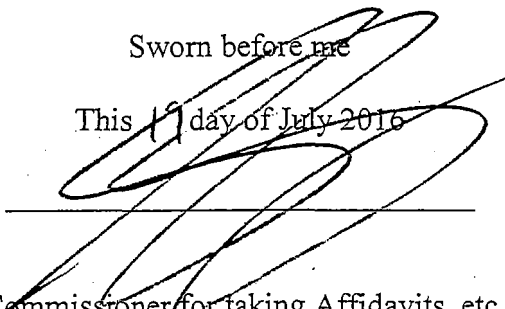
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF SAM BABE

Sworn before me

This 17 day of July 2016



Commissioner for taking Affidavits, etc

*Aird & Berlis LLP, counsel to msi Spergel Inc.,
in its capacity as Receiver of 2292319 Ontario Inc.*

Lawyer	Call to Bar	Hourly rates	Total Time	Value
S.P. Mitra	1996	575.00	15.30	\$8,797.50
J.T. Nemers	2014	305.00	1.50	\$457.50
R.T. Hooke	1989	675.00	3.50	\$2,362.50
M. Warsh	1985	640.00	1.00	\$640.00
Student				
A.Y. Silver		325.00	4.70	\$1,527.50
Clerk				
A. Purushotham		180.00	1.50	\$270.00
K. Connell		295.00	1.20	\$354.00
Land Use Planner				
S. Marki		354.00	1.50	\$517.50

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

msi Spergel Inc.
200-505 Consumers Road
North York, ON
Canada M2J 4V8

Attention: Mr. Philip H. Gennis

Account No.: 534925

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13225/132187

May 30, 2016

Re: 2292319 Ontario Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended April 30, 2016:

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	31/03/16	0.20	\$115.00	Telephone call client re background of file
SPM	04/04/16	0.60	\$345.00	Review application record and email exchange with client; Arrange for registration of order on title and security opinion of RBC
KC	05/04/16	0.30	\$88.50	Review Order;
KC	06/04/16	0.50	\$147.50	Draft Application to Register Court Order; Register Court Order
SPM	12/04/16	0.40	\$230.00	Email exchange with client and telephone call R. Hook re strategy with occupants; Telephone call client
SPM	14/04/16	0.40	\$230.00	Telephone calls with client re strategy with marijuana occupants
SPM	15/04/16	0.80	\$460.00	Review draft notices and telephone calls client re status of leases and strategy; Research and report on Allard decision
KC	18/04/16	0.20	\$59.00	Obtain updated copy of parcel abstract re 38 Metropolitan Road, Toronto
SPM	18/04/16	0.30	\$172.50	Telephone call client re status and strategy
SPM	21/04/16	0.30	\$172.50	Telephone call client re strategy

LAWYER	DATE	TIME	VALUE	DESCRIPTION
RTH	27/04/16	1.00	\$675.00	Review lease; Email to P. Gennis; Email from P. Gennis re zoning; Email to S. Marki
SPM	27/04/16	0.60	\$345.00	Review leases and email exchange with client
SM	28/04/16	1.50	\$517.50	Review email from R. Hooke; Review zoning of property to determine if medical marihuana production facility is a permitted use; Reply to R. Hooke

TOTAL:	<hr/>	7.10	\$3,557.50
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OUR FEE	\$3,557.50
HST at 13%	\$462.48

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Subject to HST	Teranet	\$62.85
	Teraview Search	\$76.25
	Service Fee Teranet	\$10.50
	Total Disbursements	\$86.75
	HST at 13%	\$11.28

AMOUNT NOW DUE	<hr/> <hr/>	\$4,180.86
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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.

26138539.1

REMIT TO:

Aird & Berlis LLP
Brookfield Place, Suite 1800
Box 754, 181 Bay Street
Toronto, Ontario M5J 2T9
T 416 863 1500
F 416 863 1515

msi Spergel Inc.
File No.: 13225-132187
Account No.: 534925
Date: May 30, 2016

REMITTANCE SLIP

Total Fees	\$3,557.50
Total Non-Taxable Disbursements	\$62.85
Total Taxable Disbursements	\$86.75
Total HST	\$473.76
AMOUNT TO BE PAID	<u>\$4,180.86</u>

PLEASE REMIT WITH PAYMENT IN CANADIAN FUNDS

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

msi Spergel Inc.
200-505 Consumers Road
North York, ON
Canada M2J 4V8

Attention: Mr. Philip H. Gennis

Account No.: 536288

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13225/132187

June 27, 2016

Re: 2292319 Ontario Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended May 31, 2016

LAWYER	DATE	TIME	VALUE	DESCRIPTION
RTH	28/04/16	0.30	\$202.50	Email to S. Marki; Email to S. Marki; Email to S. Marki re zoning issues
RTH	02/05/16	0.30	\$202.50	Email from S. Mitra; Review email; Email to S. Mitra; Email from client; Review documents
SPM	02/05/16	0.30	\$172.50	Email exchange with client re notices to debtor and issues to be determined
SPM	02/05/16	1.50	\$862.50	Meeting with client and RBC
RTH	03/05/16	0.60	\$405.00	Telephone call from S. Mitra; Instructions to A. Silver; Discussion with A. Silver, S. Mitra; Emails from client, S. Mitra
SPM	03/05/16	0.50	\$287.50	Email exchange with client re notices of default and strategy with tenants; Telephone call R. Hooke re notices and research
AYS	03/05/16	1.20	\$390.00	Research re stopping tenant nuisance despite absence of nuisance clause in lease; Meeting with R. Hooke re lease deficiencies; Research re access to commercial property despite no stipulation for same in lease
RTH	04/05/16	1.00	\$675.00	Email from S. Mitra re notice to tenants; Email from S. Mitra and Daniel; Instructions to A. Silver

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	04/05/16	0.80	\$460.00	Conference call with R. Hook and client re strategy on leases
AYS	04/05/16	3.00	\$975.00	Meeting with R. Hooke re Notice of Termination; Prepare Notices of Termination re 3 leases with S.K. Foods; Prepare Notice of Termination re Universal Trading; Research re access to property pursuant to Commercial Tenancies Act
RTH	05/05/16	0.30	\$202.50	Review and revise notices of termination; Email to P. Gennis
SPM	05/05/16	2.20	\$1,265.00	Arrange for corporate searches of tenement; Review and revise draft notices; Telephone call D. Battiston
AP	05/05/16	0.30	\$54.00	Conducted prelim and corporate profile and business names search against SK Food Equipment and 2444975 Ontario Inc. and reported same
KC	06/05/16	0.20	\$59.00	Obtain copies of registered instruments
SPM	06/05/16	0.40	\$230.00	Email exchange with client re changing of locks; Telephone call D. Battiston
JTN	06/05/16	1.50	\$457.50	Engaged with drafting of security opinion; Order missing security information to complete opinion
AP	06/05/16	0.10	\$18.00	Ordered certified PPSA search against 2292319 Ontario Inc.
AP	06/05/16	0.60	\$108.00	Reviewed security documents and attended to electronic filing
SPM	09/05/16	0.40	\$230.00	Email exchange with client; Telephone call client
AP	09/05/16	0.50	\$90.00	Attended to electronic filing of certified PPSA search against 2292319 Ontario Inc., reviewed, summarised and reported same
SPM	10/05/16	0.50	\$287.50	Review emails from client and email exchange with client
SPM	10/05/16	0.30	\$172.50	Telephone call - telephone call M. Waral regarding landlord tenant issues

LAWYER	DATE	TIME	VALUE	DESCRIPTION
AYS	13/05/16	0.50	\$162.50	Correspondence with S. Mitre re Notice of Termination of November 26 lease; Revise Notice of Termination re November 26 lease
MW	14/05/16	0.60	\$384.00	Discussion with S. Mitra re receiver under the Lease; Review of Lease re possible outs; Notes made
MW	16/05/16	0.40	\$256.00	Email to S. Mitra re analyzing legal position in terms of binding nature of the agreement
SPM	24/05/16	0.50	\$287.50	[A108] Communicate/Other External - email exchange re steps to be taken
SPM	25/05/16	1.80	\$1,035.00	[A106] Communicate/With Client - telephone call s client and R. Crawford; Review and provide comments on draft notices and cover letter to tenants; Email exchange with client
SPM	26/05/16	0.30	\$172.50	Email exchange with client
TOTAL:		20.90	\$10,104.00	

OUR FEE	\$10,104.00
HST at 13%	\$1,313.52

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Due Diligence	\$24.00	
Search Under P.P.S.A.	\$8.00	
Total Agency Costs		\$32.00

Subject to HST

Due Diligence	\$36.00	
Name Search	\$23.00	
Teraview Search	\$3.00	
Photocopies/Scanning	\$14.50	
Service Provider Fee	\$4.50	
Total Disbursements		\$81.00
HST at 13%		\$10.53

AMOUNT NOW DUE

\$11,541.05

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 TDOMCATTOR. Please include the account number as reference.

26374437.1

REMIT TO:

Aird & Berlis LLP
Brookfield Place, Suite 1800
Box 754, 181 Bay Street
Toronto, Ontario M5J 2T9
T 416 863 1500
F 416 863 1515

msi Spergel Inc.
File No.: 13225-132187
Account No.: 536288
Date: June 27, 2016

REMITTANCE SLIP

Total Fees	\$10,104.00
Total Non-Taxable Disbursements	\$32.00
Total Taxable Disbursements	\$81.00
Total HST	\$1,324.05
AMOUNT TO BE PAID	<u>\$11,541.05</u>

PLEASE REMIT WITH PAYMENT IN CANADIAN FUNDS

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 TDOMCATTOR. 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

msi Spergel Inc.
200-505 Consumers Road
North York, ON
Canada M2J 4V8

Attention: Mr. Philip H. Gennis

Account No.: 539435

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13225/132187

July 18, 2016

I Re: 2292319 Ontario Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended July 18, 2016

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	01/06/16	0.20	\$115.00	Email exchange with client
SPM	02/06/16	0.30	\$172.50	Review email and telephone call P. Gennis and D. Battiston re status and strategy
SPM	02/06/16	0.40	\$230.00	Telephone call P. Gennis re strategy; Provide comments on draft email to debtor
SPM	03/06/16	0.20	\$115.00	Email with client re draft email
SPM	07/06/16	0.30	\$172.50	Telephone call client re strategy
SPM	20/06/16	0.20	\$115.00	Email exchange with client
SPM	23/06/16	0.60	\$345.00	Email exchange with client; Telephone call D. Battiston and insurance broker
TOTAL:		2.20	\$1,265.00	

OUR FEE
HST at 13%

\$1,265.00
\$164.45

AMOUNT NOW DUE

\$1,429.45

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 TDOMCATTOR. Please include the account number as reference.

26734892.1

REMIT TO:

Aird & Berlis LLP
Brookfield Place, Suite 1800
Box 754, 181 Bay Street
Toronto, Ontario M5J 2T9
T 416 863 1500
F 416 863 1515

msi Spergel Inc.
File No.: 13225-132187
Account No.: 539435
Date: July 18, 2016

REMITTANCE SLIP

Total Fees
Total HST

\$1,265.00
\$164.45

AMOUNT TO BE PAID

\$1,429.45

PLEASE REMIT WITH PAYMENT IN CANADIAN FUNDS

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 TDOMCATTOR. Please include the account number as reference.

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

AFFIDAVIT OF FEES

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
Email: smitra@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com


*Lawyers for BDO Canada Limited, in its capacity as the
Court-appointed Receiver*

TAB 23

In the Matter of the Receivership of
2292319 Ontario Inc.
Receiver's Statement of Receipts and Disbursements
as at July 18, 2016

	<u>Balance As At</u>
	<u>18-Jul-16</u>
Receipts	
Advance from Secured Creditor	\$ 70,000.00
Rental Income	93,114.89
Utility Back Charges to Tenants	84,073.90
HST Collected	11,779.91
Total Receipts	<u>\$ 258,968.70</u>
 Disbursements	
Utilities	\$ 61,731.11
Insurance	13,368.24
HST Paid on Disbursements	9,288.00
Repairs and Maintenance	7,920.00
Lock Changing	1,520.00
Filing Fee, License, Bank Charges	367.50
Total Disbursements	<u>\$ 94,194.85</u>
 Total Receipts less Disbursements	<u><u>\$ 164,773.85</u></u> E&OE

Dated the 18th day of July, 2016



msi Spergel Inc.

TAB 3

SERVICE LIST

TO: **MINDEN GROSS LLP**
Barristers and Solicitors
2200-145 King St. W.
Toronto, ON M5H 4G2

Catherine Francis
Tel: 416.369.4137
Fax: 416.864.9223
Email: cfrancis@mindengross.com

Mark A. Freake
Tel: 416.369.4326
Fax: 416.864.9223
Email: mark.freake@mindengross.com

Lawyers for the Applicant

AND TO: **AIRD & BERLIS LLP**
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanj Mitra
Tel: 416.865.3085
Fax: 416.863.1515
Email: smitra@airdberlis.com

Jeremy Nemers
Tel: 416.865.7724
Fax: 416.863.1515
Email: jnemers@airdberlis.com

Lawyers for msi Spergel inc., in its capacity as the Receiver of 2292319 Ontario Inc.

AND TO: **MSI SPERGEL INC.**
505 Consumers Rd., Suite 200
Toronto, ON M2J 4V8

Philip H. Gennis
Tel: 416.498.4325
Fax: 416.498.4325
Email: pgennis@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@ontario.ca

AND TO: **2292319 ONTARIO INC.**
38 Metropolitan Road
Toronto, ON M1R 2T6

AND TO: **2292319 ONTARIO INC.**
26 Heathrow Court
Markham, ON L3R 3T8

AND TO: **GREEN ISLAND TRADING COMPANY**
38 Metropolitan Road
Toronto, ON M1R 2T6

AND TO: **SK FOOD EQUIPMENT**
And all Occupants
38 Metropolitan Road
Toronto, ON M1R 2T6

AND TO: **SCRAP TO GO**
And all Occupants
38 Metropolitan Road
Toronto, ON M1R 2T6

AND TO: **COOL OCEAN IMPEX**
And all Occupants
38 Metropolitan Road
Toronto, ON M1R 2T6

26371576.2

ROYAL BANK OF CANADA

- and -

2392319 ONTARIO INC.

Applicant

Respondent

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

**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

Sanjeev P.R. Mitra (LSUC # 37934U)
Tel: (416) 865-3085
Fax: (416) 863-1515
Email: smitra@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

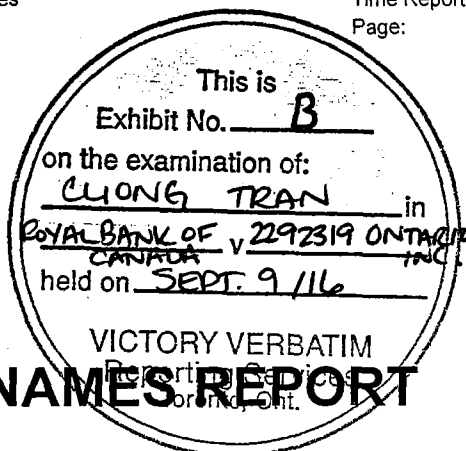
*Lawyers for msi Spergel inc., in its capacity as the Court-
appointed receiver of 2392319 Ontario Inc.*

TAB 3

Request ID: 019352806
Transaction ID: 62134936
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/09/08
Time Report Produced: 08:38:57
Page: 1



BUSINESS NAMES REPORT

Business name registered under the *Business Names Act*
GREEN ISLAND TRADING COMPANY

Business Identification Number
220410997

Business Type
SOLE PROPRIETORSHIP

Mailing Address

250 ALTON TOWERS CIRC
No. 17517
TORONTO
ONTARIO
CANADA, M1S 5M5

Address of Principal Place of Business in Ontario

38 METROPOLITAN RD
No. 2ND FLOOR
TORONTO
ONTARIO
CANADA, M1V 5M5

Activity being carried out

IMPORT AND EXPORT MERCHANDISE

Registration Date

2012/04/16

Expiry Date

2022/04/14

Renewal Date

2016/05/17

Amendment Date(s)

NOT APPLICABLE

Last Document Filed

RENEWAL

Cancellation Date

NOT APPLICABLE

Last Document Filed Date

2016/05/17

More than 10 Partners: records at business address

NOT APPLICABLE

Request ID: 019352806
Transaction ID: 62134936
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/09/08
Time Report Produced: 08:38:57
Page: 2

BUSINESS NAMES REPORT

Business name registered under the *Business Names Act*

GREEN ISLAND TRADING COMPANY

Business Identification Number

220410997

Business Type

SOLE PROPRIETORSHIP

Registrant Information

Name (Individual/Corporation/Other)

DENG,
LEI

Address

38 METROPOLITAN RD

No. 2ND FLOOR
TORONTO
ONTARIO
CANADA, M1V 5M5

Type of Registrant

SOLE PROPRIETOR

Person Authorizing the Registration

DENG,
LEI

This Report sets out the most recent information registered on or after April 1, 1994 and recorded in the Ontario Business Information System as of the last business day.

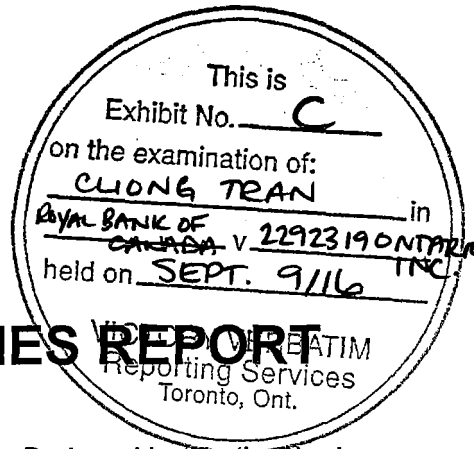
The issuance of this report in electronic form is authorized by the Ministry of Government Services.

TAB 4

Request ID: 019352826
Transaction ID: 62134983
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/09/08
Time Report Produced: 08:38:57
Page: 1



BUSINESS NAMES REPORT

Business name registered under the *Business Names Act*
GREEN ISLAND TRADING COMPANY

Business Identification Number
260530589

Business Type
GENERAL PARTNERSHIP

Mailing Address

250 ALTON TOWERS CIR
No. 17517
TORONTO
ONTARIO
CANADA, M1S 5M5

Address of Principal Place of Business in Ontario

38 METROPOLITAN RD
TORONTO
ONTARIO
CANADA, M1R 2T6

Activity being carried out
PRODUCTION MARIHUANA

Registration Date
2016/05/19

Expiry Date
2021/05/18

Renewal Date
NOT APPLICABLE

Amendment Date(s)
NOT APPLICABLE

Last Document Filed
NEW REGISTRATION

Cancellation Date
NOT APPLICABLE

Last Document Filed Date
2016/05/19

More than 10 Partners: records at business address
NO

Current Partnership Business Names Exist:
NO

Expired Partnership Business Names Exist:
NO

Request ID: 019352826
Transaction ID: 62134983
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/09/08
Time Report Produced: 08:38:57
Page: 2

BUSINESS NAMES REPORT

Business name registered under the *Business Names Act*

GREEN ISLAND TRADING COMPANY

Business Identification Number

260530589

Business Type

GENERAL PARTNERSHIP

Registrant Information

Name (Individual/Corporation/Other)

HOU,
ZHEN HAI

Address

38 METROPOLITAN RD

TORONTO
ONTARIO
CANADA, M1R 2T6

Type of Registrant

PARTNER

Name (Individual/Corporation/Other)

AO,
TUNG MEI

Address

38 METROPOLITAN RD

TORONTO
ONTARIO
CANADA, M1R 2T6

Type of Registrant

PARTNER

Request ID: 019352826
Transaction ID: 62134983
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/09/08
Time Report Produced: 08:38:57
Page: 3

BUSINESS NAMES REPORT

Business name registered under the *Business Names Act*

GREEN ISLAND TRADING COMPANY

Business Identification Number

260530589

Business Type

GENERAL PARTNERSHIP

Registrant Information

Name (Individual/Corporation/Other)

CHONG,
MEE THENG

Address

38 METROPOLITAN RD

TORONTO
ONTARIO
CANADA, M1R 2T6

Type of Registrant

PARTNER

Name (Individual/Corporation/Other)

SAI,
YIT PAU

Address

38 METROPOLITAN RD

TORONTO
ONTARIO
CANADA, M1R 2T6

Type of Registrant

PARTNER

Request ID: 019352826 Province of Ontario
Transaction ID: 62134983 Ministry of Government Services
Category ID: UN/E

Date Report Produced: 2016/09/08
Time Report Produced: 08:38:57
Page: 4

BUSINESS NAMES REPORT

Business name registered under the *Business Names Act*
GREEN ISLAND TRADING COMPANY

Business Identification Number
260530589

Business Type
GENERAL PARTNERSHIP

Person Authorizing the Registration

DENG,
LEI

This Report sets out the most recent information registered on or after April 1, 1994 and recorded in the Ontario Business Information System as of the last business day.

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

TAB 5

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

2292319 ONTARIO INC.

Respondent

**UNDERTAKINGS GIVEN DURING THE CROSS-EXAMINATION OF
CUONG TRAN ON HIS AFFIDAVIT SERVED ON AUGUST 19, 2016 (AS AMENDED AND
SWORN SEPTEMBER 8, 2016), HELD ON SEPTEMBER 9, 2016**

<u>No.</u>	<u>Pg. #</u>	<u>Q. #</u>	<u>Undertakings</u>	<u>Response</u>
1.	30	173	To provide all five marijuana personal use licenses.	
2.	35	202	To provide the complete insurance policy corresponding to the certificate attached as Exhibit "E" to the affiant's affidavit.	

**QUESTIONS TAKEN UNDER ADVISEMENT AND/OR REFUSED
DURING THE CROSS-EXAMINATION OF
CUONG TRAN ON HIS AFFIDAVIT SERVED ON AUGUST 19, 2016 (AS AMENDED AND
SWORN SEPTEMBER 8, 2016), HELD ON SEPTEMBER 9, 2016**

<u>No.</u>	<u>Pg. #</u>	<u>Q. #</u>	<u>Under Advise ment / Refusal</u>	<u>Response</u>
1.	24	134	To advise how many marijuana plants are being cultivated at any one time by Green Island. [Refusal]	

27145949.1

TAB 6

Eunice Baltkois

From: Darren <dsederoff@rogers.com>
Sent: September-14-16 2:18 PM
To: Jeremy Nemers
Subject: Fwd: Green Island Trading Policy
Attachments: Additional Insured - Green Island.pdf; ATT00001.htm; Loss Payee Amendatory - Green Island.pdf; ATT00002.htm; Green Island Trading Company - 2016 Dec Page - Revised.pdf; ATT00003.htm

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

Begin forwarded message:

From: Cuong Tran <ctran822@gmail.com>
Date: September 14, 2016 at 10:49:32 AM EDT
To: Darren <dsederoff@rogers.com>
Subject: Fwd: Green Island Trading Policy

----- Forwarded message -----
From: **Elton Cui** <elton@thinkinsure.ca>
Date: Wed, Sep 14, 2016 at 10:44 AM
Subject: Green Island Trading Policy
To: Cuong Tran <ctran822@gmail.com>

Dear Mr. Tran,

Kindly attached please find the Policy Document as per requested.

Please let me know if you have any question.

Thanks and regards,

Elton Cui MBA

Registered Insurance Broker

Think!nsure

11 Allstate Parkway, Suite 206

Markham, Ont L3R 9T8

C: 647-990-8846

B: 905-415-8800 Ext 265

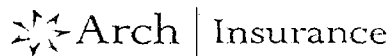
F: 905-415-8875

Email: elton@thinkinsure.ca

Website: www.thinkinsure.ca

Please note email requests to bind cover or effect policy changes are not bound until confirmation is provided by a licensed broker from ThinkInsure Ltd.

This message and any attachments may contain information that is privileged or confidential. Any other distribution, copying or disclosure is strictly prohibited. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. Thank you



Arch Insurance Canada Ltd.
77 King Street West
Suite 3600, P.O. Box 308
Toronto, Ontario M5K 1K2
T: 416.309.8100
F: 416.309.8150
archinsurance.com

Medical Marijuana Insurance Program Declaration Page

Policy Number: CPR0120572-00
Renewal Of: N/A

Item 1. Named Insured and Address

Named Insured: Green Island Trading Company o/b Zhen Hai Hou & Ri Xin He & Shao Shan Chen & Mee Then & Lei Ding

Mailing Address:
Street 250 Alton Towers Circle, P.O. Box 17517
City Scarborough
Province Ontario
Postal Code M1S 5M5

Location #1 Address:
Street 38 Metropolitan Rd. 2/F
City Toronto
Province Ontario
Postal Code M1V 5M5

Item 2. Broker Name and Address

Broker Name: Burns & Wilcox Canada
Contact Name: Daniel Mason
Address: 333 Bay St, Toronto, ON M5H 2R2, Canada

Item 3. Policy Premium

Annual Policy Premium: \$2,709
Minimum Retained Premium: \$2,709

Item 4. Effective and Expiry Dates

Effective Date: April 28, 2016
Expiry Date: April 28, 2017
12:01 am Standard Time at the mailing address of the Named Insured shown above.

Item 5. Description of Operations

Medical Marijuana - Grow Operations

Item 6. Summary of Coverages and Limits of Liability

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

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



Patrick K. Nails
Secretary



Hugh Sturgess
CEO & President

Date: 18-Jul-16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

CANADA COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SECTION II – WHO IS AN INSURED is amended to include the following as subsection 4;

- a. Any person(s) or organization(s) designated in the Schedule below, but only with respect to "bodily injury", "property damage", or "personal and advertising injury" caused in whole or in part, by you or your subcontractors either in the performance of "your work" or in connection with premises owned by or rented to you, and which is otherwise covered under this Policy.

Schedule

MSI Spergel Inc.

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

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 1

Policy Number: CPR0120572-00

Named Insured: Green Island Trading Company o/b Zhen Hai Hou & Ri Xin He & Shao Shan Chen & Mee Theng Chong & Lei Ding

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: May 24, 2016

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYEE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under this policy.

It is hereby agreed that in consideration of the premium charged Item 6. Loss Payee is deleted in its entirety and replaced by the following:

Item 6. Loss Payee:

MSI Spergel Inc.

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

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 2

Policy Number: CPR0120572-00

Named Insured: Green Island Trading Company o/b Zhen Hai Hou & Ri Xin He & Shao Shan Chen & Mee Theng Chong & Lei Ding

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: May 24, 2016

TAB 7

Eunice Baltkois

From: Darren <dsederoff@rogers.com>
Sent: September-16-16 4:12 PM
To: Jeremy Nemers
Subject: Undertakings
Attachments: Green Island Corp.pdf; ATT00001.txt

The Toronto-Dominion Bank

7080 WARDEN AVENUE
MARKHAM, ON L3R 5Y2

79265048

DATE 2016-09-16
YYYYMMDD

Transit-Serial No. 1882-79265048

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

\$ *****12,000.00

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

*****00/100 Canadian Dollars

Re

The Toronto-Dominion Bank
Toronto, Ontario
Canada M5K 1A2Authorized Officer
Counter Signed

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND DRAFTS ON CANADA

⑈ 79265048 ⑈ ⑈ 0961200041 ⑈

⑈ 3808 ⑈

The Toronto-Dominion Bank

7080 WARDEN AVENUE
MARKHAM, ON L3R 5Y2

79265049

DATE 2016-09-16
YYYYMMDD

Transit-Serial No. 1882-79265049

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

\$ *****7,772.00

SEVEN THOUSAND SEVEN HUNDRED SEVENTY TWO**
Authorized signature required for amounts over CAD \$5,000.00

*****00/100 Canadian Dollars

Re

The Toronto-Dominion Bank
Toronto, Ontario
Canada M5K 1A2Authorized Officer
Counter Signed

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND DRAFTS ON CANADA

⑈ 79265049 ⑈ ⑈ 0961200041 ⑈

⑈ 3808 ⑈

The Toronto-Dominion Bank

7080 WARDEN AVENUE
MARKHAM, ON L3R 5Y2

79265050

DATE 2016-09-16
YYYYMMDD

Transit-Serial No. 1882-79265050

Pay to the Order of MSI SPERGEL INC., IN TRUST \$ *****9,000.00

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

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

Authorized Officer [Signature] Number 2016
Countersigned [Signature]

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND DRAFTS ON CANADA

⑈ 79265050 ⑈ ⑆ 09612004 ⑈

10358 (1215)

THIS DOCUMENT IS PRINTED ON WATERMARKED PAPER. SEE BACK FOR INSTRUCTIONS.

The Toronto-Dominion Bank

7080 WARDEN AVENUE
MARKHAM, ON L3R 5Y2

79265047

DATE 2016-09-16
YYYYMMDD

Transit-Serial No. 1882-79265047

Pay to the Order of MSI SPERGEL INC., IN TRUST \$ *****50,000.00

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

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

Authorized Officer [Signature] Number 7104
Countersigned [Signature]

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND DRAFTS ON CANADA

⑈ 79265047 ⑈ ⑆ 09612004 ⑈



Health Canada Santé Canada

Address Locator: 0300A
Ottawa ON K1A 1B9

MMAD-118867-13
Client ID: 141517

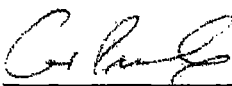
**PERSONAL-USE PRODUCTION LICENCE
DRIED MARIJUANA FOR MEDICAL PURPOSES**

You have met the requirements to be issued a licence pursuant to section 29 of the *Marijuana Medical Access Regulations (MMAR)*. You are hereby licenced to produce dried marijuana for your medical purpose in accordance with your licence. This document serves as proof of your authority to produce marijuana for a medical purpose. You should have this document with you at all times in case you are required to show proof to the police.

HOLDER OF LICENCE INFORMATION	
NAME:	Rixin He
DATE OF BIRTH:	28-Jan-1961
ADDRESS:	10 Prairie Dunes Pl., Concord, ON, L4K 2E4, Canada
GENDER:	Male
MAILING ADDRESS:	10 Prairie Dunes Pl., Concord, ON, L4K 2E4, Canada
LICENCE #:	APPL-RH-01-HB2370928-61-13-A

TERMS AND CONDITIONS	
PRODUCTION SITE:	B6-38 Metropolitan Rd., Toronto, ON, M1R 2T6, Canada
MODE OF PRODUCTION:	Indoor
PRODUCTION QUANTITIES:	The maximum number of marijuana plants that you may have under production at the production site at any time under this <i>Personal-Use Production Licence</i> is 195 PLANTS (indoor) or 0 PLANTS (outdoor).
STORAGE SITE:	B6-38 Metropolitan Rd., Toronto, ON, M1R 2T6, Canada
STORAGE QUANTITIES:	The maximum quantity of dried marijuana that you may keep at the storage site at any time under this <i>Personal-Use Production Licence</i> is: 8745 grams and it must be stored indoors.

EXPIRY DATE
This <i>Personal-Use Production Licence</i> expires on: 31-Mar-2014

ISSUED BY:  <small>Louise Proulx A. Directeur, Bureau du cannabis médical A. Directeur, Bureau of Medical Cannabis Contrôle des substances & Tobacco Direction Direction des substances contrôlées et de la lutte au tabagisme Health Canada Santé Canada</small>	DATE OF ISSUE: 28-Jun-2013
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PLEASE READ ALL ENCLOSED DOCUMENTS

ENCLOSED DOCUMENTS: Information you should know about your *Authorization to Possess* dried marijuana and / or *Licence to Produce*

All inquiries regarding this licence should be directed to the Marijuana Medical Access Program toll-free number: 1-866-337-7705.

Canada



Health Canada
Santé Canada

Address Locator: 03604
Ottawa ON K1A 1B9

MMAD-122455-13
Client ID: 150685

PERSONAL - USE PRODUCTION LICENCE
DRIED MARIHUANA FOR MEDICAL PURPOSES

You have met the requirements to be issued a licence pursuant to section 29 of the *Marihuana Medical Access Regulations (MMAR)*. You are hereby licenced to produce dried marihuana for your medical purpose in accordance with your licence. This document serves as proof of your authority to produce marihuana for a medical purpose. You should have this document with you at all times in case you are required to show proof to the police.

HOLDER OF LICENCE INFORMATION

NAME: Mee Theng Chong DATE OF BIRTH: 05-Aug-1961
ADDRESS: 20-38 Greensborough Village Cir., Markham,
ON, L6E 0C7, Canada GENDER: Female
MAILING ADDRESS: 20-38 Greensborough Village Cir., Markham, ON, L6E 0C7, Canada
LICENCE #: APPL-MTC-08-C40841448-61-13-A

TERMS AND CONDITIONS

PRODUCTION SITE: 38E-38 Metropolitan Rd., Toronto, ON, M1R 2T3, Canada
MODE OF PRODUCTION: Indoor
PRODUCTION QUANTITIES: The maximum number of marihuana plants that you may have under production at the production site at any time under this *Personal-Use Production Licence* is 171 PLANTS (indoor) or 0 PLANTS (outdoor).
STORAGE SITE: 20-38 Greensborough Village Cir., Markham, ON, L6E 0C7, Canada
STORAGE QUANTITIES: The maximum quantity of dried marihuana that you may keep at the storage site at any time under this *Personal-Use Production Licence* is: 7695 grams and it must be stored indoors.

EXPIRY DATE

This *Personal-Use Production Licence* expires on: 31-Mar-2014

ISSUED BY:

Louis Provencher
A: Directeur, Bureau du cannabis médical
A: Directeur, Bureau of Medical Cannabis
Controlled Substances & Tobacco Directorate
Direction des substances contrôlées et de la toxicomanie
Health Canada, Santé Canada

DATE OF ISSUE:
19-Aug-2013

PLEASE READ ALL ENCLOSED DOCUMENTS

ENCLOSED DOCUMENTS: Information you should know about your *Authorization to Possess* dried marihuana and / or *Licence to Produce*

All inquiries regarding this licence should be directed to the Marihuana Medical Access Program toll-free number: 1-866-337-7705.

Canada




Address Locator: 0300A
Ottawa ON K1A 1B9

MMAR-121285-13
Client ID: 146216

PERSONAL - USE PRODUCTION LICENCE
DRIED MARIJUANA FOR MEDICAL PURPOSES

You have met the requirements to be issued a licence pursuant to section 29 of the *Marijuana Medical Access Regulations (MMAR)*. You are hereby licensed to produce dried marijuana for your medical purpose in accordance with your licence. This document serves as proof of your authority to produce marijuana for a medical purpose. You should have this document with you at all times in case you are required to show proof to the police.

<u>HOLDER OF LICENCE INFORMATION</u>	
NAME:	Zhen-Hai Hou
DATE OF BIRTH:	11-Oct-1937
ADDRESS:	19 Edenbrook Cres., Richmond Hill, ON, L4B 4B5, Canada
GENDER:	Male
MAILING ADDRESS:	19 Edenbrook Cres., Richmond Hill, ON, L4B 4B5, Canada
LICENCE #:	APPL-ZHH-10-H34250936-37-13-A
<u>TERMS AND CONDITIONS</u>	
PRODUCTION SITE:	B6-38 Metropolitan Rd., Toronto, ON, M1R 2T6, Canada
MODE OF PRODUCTION:	Indoor
PRODUCTION QUANTITIES:	The maximum number of marijuana plants that you may have under production at the production site at any time under this <i>Personal-Use Production Licence</i> is 171 PLANTS (indoor) or 0 PLANTS (outdoor).
STORAGE SITE:	B6-38 Metropolitan Rd., Toronto, ON, M1R 2T6, Canada
STORAGE QUANTITIES:	The maximum quantity of dried marijuana that you may keep at the storage site at any time under this <i>Personal-Use Production Licence</i> is 7695 grams and it must be stored indoors.
<u>EXPIRY DATE</u>	
This <i>Personal-Use Production Licence</i> expires on: 31-Mar-2014	
ISSUED BY:	DATE OF ISSUE:
 <small>Louis Proulx A. Directeur, Bureau des cannabis médical A. Directeur, Bureau des cannabis médical Contrôle et régulation de l'accès à la drogue Direction des substances contrôlées et de la lutte au trafic illicite Health Canada - Santé Canada</small>	08-Aug-2013

PLEASE READ ALL ENCLOSED DOCUMENTS

ENCLOSED DOCUMENTS: Information you should know about your *Authorization to Possess* dried marijuana and / or *Licence to Produce*

All inquiries regarding this licence should be directed to the Marijuana Medical Access Program toll-free number: 1-866-337-7705.



Health Canada
Santé Canada

Address: Location: 1000
Ottawa, ON K1A 0H9

MMAD-121043-13
Client ID: 145732

**PERSONAL-USE PRODUCTION LICENCE
DRIED MARIJUANA FOR MEDICAL PURPOSES**

You have met the requirements to be issued a licence pursuant to section 29 of the *Marijuana Medical Access Regulations* (MMAR). You are hereby licensed to produce dried marijuana for your medical purpose in accordance with your licence. This document serves as proof of your authority to produce marijuana for a medical purpose. You should have this document with you at all times in case you are requested to show proof to the police.

HOLDER OF LICENCE INFORMATION

NAME: Siao Siao Chan DATE OF BIRTH: 13-Oct-1954
ADDRESS: 1612-161 Front St. W., Toronto, ON M5V 3R5, Canada GENDER: Female
MAILING ADDRESS: 1612-161 Front St. W., Toronto, ON M5V 3R5, Canada
LICENCE #: APP-SSC-10-130010013-43-13-A

TERMS AND CONDITIONS

PRODUCTION SITE: 364 St. Marysburg Rd., Toronto, ON M4P 2T3, Canada
MODE OF PRODUCTION: Indoor
PRODUCTION QUANTITIES: The maximum number of marijuana plants that you may have under production at the production site at any time under this *Personal-Use Production Licence* is 101 PLANTS (indoor) or 0 PLANTS (outdoor).
STORAGE SITE: 1612-161 Front St. W., Toronto, ON M5V 3R5, Canada
STORAGE QUANTITIES: The maximum quantity of dried marijuana that you may keep at the storage site at any time under this *Personal-Use Production Licence* is 300g grams and it must be stored indoors.

EXPIRY DATE

This *Personal-Use Production Licence* expires on: 31-Mar-2014

ISSUED BY:

Lisa Poon
Acting Director, Medical Access Division
Canadian Department of Health
Director for Regulatory Services, Health Canada
Ottawa, Ontario

DATE OF ISSUE:

01-Aug-2013

PLEASE READ ALL ENCLOSED DOCUMENTS

ENCLOSED DOCUMENTS: Information you should know about your *Authorization to Possess* dried marijuana and / or *Licence to Produce*

All inquiries regarding this licence should be directed to the Marijuana Medical Access Program toll-free number: 1-866-337-7705.

Canada



Health Canada
Santé Canada

Address Location: Ottawa
Ottawa, ON K1A 1B9

MMAD-116766-13
Client ID: 140208

PERSONAL - USE PRODUCTION LICENCE
DRIED MARIHUANA FOR MEDICAL PURPOSES

You have met the requirements to be issued a licence pursuant to section 49 of the *Marihuana Medical Access Regulations* (MMAR). You are hereby licenced to produce dried marihuana for your medical purpose in accordance with your licence. This document serves as proof of your authority to produce marihuana for a medical purpose. You should have this document with you at all times in case you are required to show proof to the police.

HOLDER OF LICENCE INFORMATION

NAME: Xiu-Lao Zeng DATE OF BIRTH: 10-Aug-1938
ADDRESS: 10 Prairie Dunes Pl., Concord, ON, L4K 2E4, Canada GENDER: Female
MAILING ADDRESS: 10 Prairie Dunes Pl., Concord, ON, L4K 2E4, Canada
LICENCE #: APPL-XTZ-08-Z04331116-38-13-A

TERMS AND CONDITIONS

PRODUCTION SITE: C6-38 Metropolitan Rd., Toronto, ON, M1R 2T6, Canada
MODE OF PRODUCTION: Indoor
PRODUCTION QUANTITIES: The maximum number of marihuana plants that you may have under production at the production site at any time under this *Personal-Use Production Licence* is 195 PLANTS (indoor) or 0 PLANTS (outdoor).
STORAGE SITE: C6-38 Metropolitan Rd., Toronto, ON, M1R 2T6, Canada
STORAGE QUANTITIES: The maximum quantity of dried marihuana that you may keep at the storage site at any time under this *Personal-Use Production Licence* is: 8775 grams and it must be stored indoors.

EXPIRY DATE

This *Personal-Use Production Licence* expires on: 06-Jun-2014

ISSUED BY:

Louis Proven
A/Directeur, Bureau du cannabis médical
A/Director, Bureau of Medical Cannabis
Controlled Substances & Tobacco Directorate
Direction des substances contrôlées et de la lutte au
tabacisme
Health Canada / Santé Canada

DATE OF ISSUE:

06-Jun-2013

PLEASE READ ALL ENCLOSED DOCUMENTS

ENCLOSED DOCUMENTS: Information you should know about your *Authorization to Possess* dried marihuana and / or *Licence to Produce*

All inquiries regarding this licence should be directed to the Marihuana Medical Access Program toll-free number: 1-866-337-7705.

Canada

ROYAL BANK OF CANADA

- and - 2292319 ONTARIO INC.

Applicant

Respondents

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**TRANSCRIPT BRIEF
(Motion Returnable October 13, 2016)**

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
P.O. Box 754
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSUC # 37934U)
Tel: (416) 865-3085
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 Spengel Inc., in its capacity as the court-appointed
receiver of 2292319 Ontario Inc.*