

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

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

2507448 ONTARIO INC.

Respondent

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

APPLICATION RECORD

January 25, 2018

Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

Jeffrey Larry (LSO #44608D)
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Fax: 416.646.4301

Lawyers for the Applicant

TO: **2507448 Ontario Inc.**
581 Wellington Street West
Toronto ON M5V 1G3

AND TO: **Monica Goyal**
2 St. Clair Avenue West, Suite 1800
Toronto ON M4V 1L5

AND TO: **Olympia Trust Company**
2200, 125-9th Avenue SE
Calgary, AB T2G 0P6

AND TO: **Computershare Trust Company**
100 University Avenue, 11th Floor
Toronto ON M5J 2Y1

AND TO: **Zaherali Visram**
7 Laredo Court
North York, ON M2M 4H7

ANDTO: **Department of Justice Canada**
Ontario Regional Office
120 Adelaide Street West | Suite 400
Toronto, ON M5H 1T1

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

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TAB 1

1
CV-19-00613044-002L

Court File No:

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

BETWEEN:

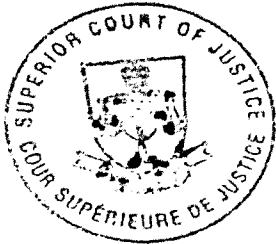
FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

2507448 ONTARIO INC.

Respondent



**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act*,
R.S.O. 1990, c. C.43**

NOTICE OF APPLICATION

TO THE RESPONDENTS:

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

THIS APPLICATION will come on for a hearing on a date to be set by the court at 330 University Ave., Toronto, Ontario.

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

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of

service, in the court office where the application is to be heard as soon as possible, but at least two days before the hearing.

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

Date: January 22nd 2019 Issued by: Ray Williams Ray Williams, Registrar
Local registrar

Address of court office:

330 University Ave.,
Toronto ON, M5G 1R8
7

TO: 2507448 Ontario Inc.
581 Wellington Street West
Toronto ON M5V 1G3

AND

TO: Monica Goyal
2 St. Clair Avenue West, Suite 1800
Toronto ON M4V 1L5

AND

TO: Olympia Trust Company
2200, 125-9th Avenue SE
Calgary, AB T2G 0P6

AND

TO: Computershare Trust Company
100 University Avenue, 11th Floor
Toronto ON M5J 2Y1

AND

TO: Zaherali Visram
7 Laredo Court
North York, ON M2M 4H7

APPLICATION

The Applicant will make an application for an order:

- a) if necessary, abridging the time for and validating the manner of service of the Notice of Application and Application Record in respect of this application and dispensing with further service thereof;
- b) appointing RSM Canada LLP as receiver (the "Receiver") of the Property (as defined below); and
- c) such further and other relief which this Honourable Court deems appropriate and just.

THE GROUNDS FOR THE APPLICATION ARE:

A. *The parties*

- 1. The applicant, First Source Financial Management Inc. ("First Source") is an Ontario corporation in the business of providing mortgage financing.
- 2. The respondent, 2507448 Ontario Inc. ("250"), is an Ontario corporation that owns the property located at 581 Wellington Street West, Toronto, Ontario, having the legal description of PT LT 23 SEC L PL Military Reserve Toronto Parts 1, 14 & 15, 63R2301; S/T & T/W CA540861; City of Toronto (the "Property").

B. *The Loan*

- 3. On November 23, 2017, First Source entered into a commitment to loan 250 the principal amount of \$3,500,000 (the "Loan").

4. The Loan transaction closed on April 4, 2018 at which time First Source advanced \$3,500,000 to 250. The Loan was secured by, among other security, a first mortgage (the "Mortgage") against the Property in the amount of \$3,500,000 registered in the Land Registry Office No. 80 on April 4, 2018 as Instrument No.AT4834357 (the "Charge").
 5. In addition to the Charge, 250 also gave First Source an assignment of rents in respect of the Property (the "General Assignment of Rents") and a general security agreement, among other sources of security.
 6. First Source registered its security over the personal property of 250 under the *Personal Property Security Act* on April 4, 2018.
 7. The interest on the Loan is 9% per annum for the first twelve months and, thereafter until the amount is fully repaid, 18% per annum.
 8. The Loan is due, in full, on May 2, 2019.
 9. The Loan was guaranteed by Del Terrelonge ("Terrelonge"). Terrelonge is an individual resident in Toronto, Ontario. Terrelonge is a business person.
- C. *The Loan is in default***
10. 250 has failed to make monthly interest payments of \$26,863.05 that were due for the months of September 2018 to January 2019. Since August 2018, 250 has also defaulted on its obligation to pay property taxes.

11. As a result of these events of default, the Loan is in default and the entire amount of the Loan is now immediately due and payable.

D. The demand for payment

12. 250 is indebted to First Source in the total amount of \$3,690,301.02 (the "Debt") as of January 17, 2019 inclusive of interest, administrative fees and legal fees, all as contemplated in the Mortgage.

13. On October 10, 2018, First Source made a written demand for payment and issued a Notice of Intention to Enforce Security under section 244 of the *Bankruptcy and Insolvency Act*.

14. Despite the demand, the Loan remains in default.

E. The appointment of a receiver

15. First Source is entitled under the terms of the Loan to appoint a Receiver in the event the Loan is in default.

16. The appointment of a Receiver is necessary, just and convenient.

17. RSM Canada LLP has consented to its appointment as Receiver, if so appointed.

18. Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

19. Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

20. Rules 16.08 and 3.02 of the *Rules of Civil Procedure*; and

21. Such further and other grounds as counsel may advise.

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

- (a) The affidavit of David Mandel, sworn January 22, 2019, and the exhibits thereto;
- (b) The consent of RSM Canada LLP; and
- (c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

January 22, 2019

Paliare Roland Rosenberg Rothstein LLP
Barristers
155 Wellington Street West, 35th Floor
Toronto, Ontario M5V 3H1

Jeffrey Larry (LSO# 44608D)
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daniel.rosenbluth@paliareroland.com

Lawyers for the Applicant

First Source Financial Management Inc.
Applicant

-and- 2507448 Ontario Inc.
Respondent

Court File No *CV-19-00613044-00CL*

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT
TORONTO**

NOTICE OF APPLICATION

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
Fax: (416) 646-4301

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Lawyers for the Applicant

TAB 2

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

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

2507448 ONTARIO INC.

Respondent

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

AFFIDAVIT OF DAVID MANDEL

I, David Mandel, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am an officer and director of First Source Financial Management Inc. ("First Source"), the applicant in this matter and a secured creditor of the respondent. As such have knowledge of the matters to which I hereinafter depose.

A. *The parties*

2. First Source is an Ontario corporation in the business of providing mortgage financing. It is the first mortgagee on the Property (as defined below).

3. The respondent, 2507448 Ontario Inc. ("250"), is an Ontario corporation that owns the property located at 581 Wellington Street West, Toronto, Ontario, having the

legal description of PT LT 23 SEC L PL Military Reserve Toronto Parts 1, 14 & 15, 63R2301; S/T & T/W CA540861; City of Toronto (the "Property"). A corporation profile report for 250 is attached as **Exhibit A** and a copy of a title search for the Property is attached as **Exhibit B**.

4. The Property is the site of a commercial building.

B. The Loan

5. On April 4, 2018 First Source completed a mortgage loan transaction (the "Loan") with 250 in accordance with a Letter of Commitment dated November 23, 2017, (the "Commitment"), a copy of which is attached as **Exhibit C**.

6. The Loan contemplated a facility in the amount of \$3,500,000, all of which has been advanced by First Source.

7. The Loan was due on May 2, 2019.

8. The interest rate on the Loan was 9% per annum for the first twelve months and, thereafter until the amount is fully repaid, 18% per annum.

9. 250's obligations under the Loan are guaranteed by Del Terrelonge ("Terrelonge"), a director and officer of 250.

C. Charges on the Property

10. The Loan was secured by the following charges registered on April 4, 2018 against the Property:

- (a) a first mortgage against the Property in the amount of \$3,500,000 registered in the Land Registry Office No. 80 as Instrument No. AT4834357 (the "Charge"), a copy of which is attached as **Exhibit D**;
- (b) a General Assignment of Rents registered against the Property as Instrument No. AT4834358, a copy of which is attached as **Exhibit E**;

11. The Charge expressly provides that First Source can appoint a receiver if the Loan is in default (at section 18 of Schedule A in the charge document).

12. The property search for the Property (attached above as Exhibit B) shows that in addition to the Charge, the following charges are registered against the Property:

- (a) a second charge registered in favour of Zaherali Visram in the amount of \$2,240,750; and
- (b) a third charge registered in favour of Monica Goyal, Olympia Trust Company, and Computershare Trust Company in the amount of \$575,000.

D. Additional Security – Personal Property

13. In addition to security over the Property, First Source also has security over the personal property of 250 and Terrelonge including by way of General Security Agreements with each of 250 and Terrelonge, copies of which are attached as **Exhibits F and G**.

14. First Source registered its security over the personal property of each of 250 and Terrelonge under the Personal Property Security Act ("PPSA") on April 4, 2018.

15. The search results under the PPSA Registration System for 250 are attached as **Exhibit H**. The search results reflect that in addition to First Source's registrations, the following registrations exist against 250 in Ontario:

Secured Creditor	Registration Date	Collateral
Monica Goyal, bare trustee	2016/11/03 (subordinated to First Source's registration on 2018/04/04)	General security agreement; general assignment of rents; assignment of plans and related agreements affecting the Property

16. Our lawyers also conducted an execution search in Toronto against 250. The search indicated that there are no executions registered against the company. Copies of the search documents are attached as **Exhibit I**.

E. The Loan is in default

17. There have been multiple events of default in respect of the Loan.

18. 250 has failed to make monthly interest payments of \$26,863.05 that were due for the months of September 2018 through January 2019 inclusive.

19. In addition, 250 has failed to pay property taxes when due, which failure is an event of default under section 15 of the Charge Terms attached as Schedule A to the Charge. Since August 2018, 250 has failed to provide First Source with proof of payments of property taxes as required. This is another event of default.

20. As a result of these events of default, the Loan is in default and the entire amount of the Loan is now immediately due and payable.

21. Since the Loan first went into default, First Source has been engaged in discussions with 250 regarding the prospects of restoring the Loan to good standing or, alternatively, having 250 refinance the Property. Those discussions have not yet resulted in any success. Unfortunately, a recent attempt at refinancing the Property failed in early January 2019.

F. The demand for payment

22. 250 is indebted to First Source in the total amount of \$3,690,301.02 (the "Debt") as of January 17, 2019 inclusive of interest, administrative fees and legal fees, all as contemplated in the Mortgage.

23. On October 10, 2018, First Source made a written demand for payment and issued a Notice of Intention to Enforce Security under section 244 of the *Bankruptcy and Insolvency Act* ("s. 244 Notice"). A copy of the demand letter and the enclosed s. 244 Notice is attached as **Exhibit J**.

24. Despite the demand, the Loan remains in default.

G. Current state of the Property


25. The Property is currently under construction, although the construction has stalled since approximately July 2018 due to 250's inability to obtain financing. I am advised by Terrelonge that he requires approximately \$600,000 in further financing in order to complete his intended construction project.

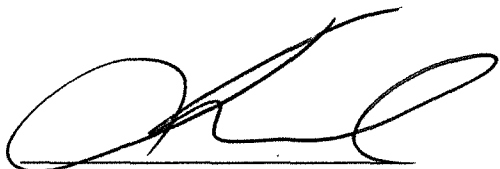
26. I understand from Terrelonge that he occasionally uses the Property as an office. I am not aware of any other commercial activities currently taking place on the premises.

H. This Application

27. First Source seeks the appointment of RSM Canada LLP to act as Receiver of the Property.

28. Given that the Property is currently stagnating and is not actively being developed by its owner, it is First Source's view that an immediate sale of the Property is in the best interests of 250's creditors generally.

SWORN BEFORE ME at the City of Toronto,)
in the Province of Ontario, this 22nd day of)
January, 2019)
)
A Commissioner for Taking Affidavits)


DAVID MANDEL

Maryam Shahid, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires March 29, 2020.

TAB A

Request ID: 022390785
Transaction ID: 69997278
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/11/21
Time Report Produced: 14:31:44
Page: 1

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
2507448	2507448 ONTARIO INC.	2016/03/03	
		Jurisdiction	
		ONTARIO	
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address	Date Amalgamated	Amalgamation Ind.	
DEL TERRELONGE 581 WELLINGTON STREET WEST	NOT APPLICABLE	NOT APPLICABLE	
	New Amal. Number	Notice Date	
TORONTO ONTARIO CANADA M5V 1J3	NOT APPLICABLE	NOT APPLICABLE	
		Letter Date	
Mailing Address		NOT APPLICABLE	
DEL TERRELONGE 581 WELLINGTON STREET WEST	Revival Date	Continuation Date	
	NOT APPLICABLE	NOT APPLICABLE	
TORONTO ONTARIO CANADA M5V 1J3	Transferred Out Date	Cancel/Inactive Date	
	NOT APPLICABLE	NOT APPLICABLE	
	EP Licence Eff.Date	EP Licence Term.Date	
	NOT APPLICABLE	NOT APPLICABLE	
	Number of Directors Minimum Maximum	Date Commenced in Ontario	Date Ceased in Ontario
	00001 00010	NOT APPLICABLE	NOT APPLICABLE
Activity Classification			
NOT AVAILABLE			

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Request ID: 022390785
Transaction ID: 69997278
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/11/21
Time Report Produced: 14:31:44
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2507448	2507448 ONTARIO INC.

Corporate Name History	Effective Date
2507448 ONTARIO INC.	2016/03/03

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
DEL TERRELONGE	97 BOULTON DRIVE TORONTO ONTARIO CANADA M4V 2V5

Date Began	First Director	
2016/05/31	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 022390785
Transaction ID: 69997278
Category ID: UNE

Province of Ontario
Ministry of Government Services

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Date Report Produced: 2018/11/21
Time Report Produced: 14:31:44
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2507448	2507448 ONTARIO INC.

Administrator:
Name (Individual / Corporation)

Address

DEL
TERRELONGE

97 BOULTON DRIVE

TORONTO
ONTARIO
CANADA M4V 2V5

Date Began	First Director
2016/05/31	NOT APPLICABLE

Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

Administrator:
Name (Individual / Corporation)

Address

DEL
TERRELONGE

97 BOULTON DRIVE

TORONTO
ONTARIO
CANADA M4V 2V5

Date Began	First Director
2016/05/31	NOT APPLICABLE

Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

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Request ID: 022390785
Transaction ID: 69997278
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/11/21
Time Report Produced: 14:31:44
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2507448

2507448 ONTARIO INC.

Last Document Recorded

Act/Code Description

Form

Date

CIA CHANGE NOTICE

1

2016/11/02 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

Request ID: 022390786
Transaction ID: 69997279
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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Date Report Produced: 2018/11/21
Time Report Produced: 14:31:44
Page: 1

CORPORATION DOCUMENT LIST

Ontario Corporation Number
2507448

Corporation Name
2507448 ONTARIO INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	CHANGE NOTICE PAF: TERRELONGE, DEL	1	2016/11/02 (ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: TERRELONGE, DEL	1	2016/06/29
CIA	INITIAL RETURN PAF: COSTA, DIANNE	1	2016/06/15
BCA	ARTICLES OF INCORPORATION	1	2016/03/03 (ELECTRONIC FILING)

THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

ALL "PAF" (PERSON AUTHORIZING FILING) INFORMATION IS DISPLAYED EXACTLY AS RECORDED IN ONBIS. WHERE PAF IS NOT SHOWN AGAINST A DOCUMENT, THE INFORMATION HAS NOT BEEN RECORDED IN THE ONBIS DATABASE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

TAB B

PROPERTY DESCRIPTION: PT LT 23 SEC L PL MILITARY RESERVE TORONTO PARTS 1, 14 & 15, 63R2301; S/T & T/W CA540961; CITY OF TORONTO

PROPERTY REMARKS: PLANNING ACT CONSENT AS IN CT469488.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2003/05/26

OWNERS' NAMES
2507448 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2003/05/23 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2003/05/26 **						
63R2301	1981/04/14	PLAN REFERENCE				C
CT824656	1986/10/24	AGREEMENT			CITY OF TORONTO	C
REMARKS: COLLATERAL						
63R4953	1991/04/18	PLAN REFERENCE				C
CA540961	1998/05/29	TRANSFER		*** COMPLETELY DELETED ***	ROICK & ASSOCIATES INC.	
CA777584	2002/07/15	CHARGE		*** COMPLETELY DELETED ***	THE TORONTO-DOMINION BANK	
AT1558256	2007/08/29	TRANSFER		*** COMPLETELY DELETED ***	ROICK & ASSOCIATES INC.	
REMARKS: PLANNING ACT STATEMENTS						
AT1558257	2007/08/29	CHARGE		*** COMPLETELY DELETED ***	THORNBRIDGE PUSHKIN HOLDINGS LTD.	
THORNBRIDGE PUSHKIN HOLDINGS LTD.						
ROMSPEN INVESTMENT CORPORATION						

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

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1561867	2007/08/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
		REMARKS: RE: CA777584				
AT1581033	2007/09/20	CHARGE		*** COMPLETELY DELETED *** THORNRIIDGE PUSHKIN HOLDINGS LTD.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	
AT1581080	2007/09/20	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** THORNRIIDGE PUSHKIN HOLDINGS LTD.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	
		REMARKS: CHARGE AT1581033 THIS NOTICE MAY BE DELETED UPON DELETION OF AT1581033				
AT1581599	2007/09/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROMSPEN INVESTMENT CORPORATION		
		REMARKS: RE: AT1558257				
AT2675203	2011/04/27	TRANSFER		*** COMPLETELY DELETED *** THORNRIIDGE PUSHKIN HOLDINGS LTD.	MONK DEVELOPMENT CORPORATION	
AT2675204	2011/04/27	CHARGE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	THORNRIIDGE PUSHKIN HOLDINGS LTD.	
AT2675240	2011/04/27	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	THORNRIIDGE PUSHKIN HOLDINGS LTD.	
		REMARKS: AT2675204.				
AT2675298	2011/04/27	CHARGE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
AT2675482	2011/04/27	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
		REMARKS: AT2675298				
AT2675488	2011/04/27	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
		REMARKS: AT2675298, AT2675482				
AT2678652	2011/04/29	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
		REMARKS: AT2675298				
AT2682671	2011/05/03	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: AT2675298						
AT2682672	2011/05/03	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	B2B TRUST	
REMARKS: AT2675298.						
AT2696038	2011/05/19	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	B2B TRUST	
REMARKS: AT2675298. TRANSFER \$29,000.00						
AT2696042	2011/05/19	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
REMARKS: AT2675298						
AT2696866	2011/05/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** DUCA FINANCIAL SERVICES CREDIT UNION LTD.		
REMARKS: AT1581033.						
AT2704411	2011/05/30	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
REMARKS: AT2675298						
AT2711208	2011/06/03	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
REMARKS: AT2675298						
AT2807511	2011/09/08	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	B2B TRUST THE BANK OF NOVA SCOTIA TRUST COMPANY	
REMARKS: AT2675298.						
AT2807521	2011/09/08	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	B2B TRUST OLYMPIA TRUST COMPANY	
REMARKS: AT2675298.						
AT2808274	2011/09/08	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR, IN TRUST	
REMARKS: AT2675298						
AT2808300	2011/09/08	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
REMARKS: AT2675298						

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2823427	2011/09/27	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	B2B TRUST	
		REMARKS: AT2675298.				
AT2845967	2011/10/20	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	OLYMPIA TRUST COMPANY	
		REMARKS: AT2675298. TRANSFER A \$63,000.00 INTEREST				
AT2892272	2011/12/09	CHARGE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	VISRAM, ZAHERALI	
AT2892528	2011/12/09	DISCH OF CHARGE		*** COMPLETELY DELETED *** THORNBRIDGE PUSHKIN HOLDINGS LTD.		
		REMARKS: AT2675204.				
AT2901324	2011/12/20	POSTPONEMENT		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR B2B TRUST OLYMPIA TRUST COMPANY THE BANK OF NOVA SCOTIA TRUST COMPANY	VISRAM, ZAHERALI	
		REMARKS: AT2675298 TO AT2892272				
AT3103955	2012/08/17	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	VISRAM, ZAHERALI	
		REMARKS: AT2892272				
AT3103991	2012/08/17	POSTPONEMENT		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR B2B TRUST OLYMPIA TRUST COMPANY THE BANK OF NOVA SCOTIA TRUST COMPANY	VISRAM, ZAHERALI	
		REMARKS: AT2675298 TO AT-2892272				
AT3318212	2013/06/06	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC.	
		REMARKS: AT2675298.				
AT3389167	2013/08/27	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR OLYMPIA TRUST COMPANY CENTRO MORTGAGE INC.	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: RE:AT2675298				
AT3525234	2014/02/21	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	CENTRO MORTGAGE INC.	
		REMARKS: AT2675298.				
AT3525257	2014/02/21	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	CHONG, DAVID WILLIAMS, ALVIN E. AMBALAVANAR MEDICINE PROFESSIONAL CORPORATION COWDEN, BRADLEY COLANGELO, BRYAN	
		REMARKS: AT2675298.				
AT4174187	2016/03/23	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** B2B TRUST	OLYMPIA TRUST COMPANY	
		REMARKS: AT2675298				
AT4215386	2016/05/10	TRANS POWER SALE	\$4,100,000	VISRAM, ZAHERALI	2507448 ONTARIO INC.	C
		REMARKS: AT2892272.				
AT4215387	2016/05/10	CHARGE		*** COMPLETELY DELETED *** 2507448 ONTARIO INC.	1220356 ONTARIO LIMITED 768124 ONTARIO INC. ADLER FAMILY TRUST MISIM INVESTMENTS LIMITED JAZ-MAN DEVELOPMENT CORPORATION JERICO DEVELOPMENT CORPORATION GABRETTA INVESTMENTS LIMITED TAURO, LUCIANO MELE, MICHELE	
AT4215388	2016/05/10	CHARGE		*** COMPLETELY DELETED *** 2507448 ONTARIO INC.	VISRAM, ZAHERALI	
AT4221834	2016/05/19	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2507448 ONTARIO INC.	1220356 ONTARIO LIMITED 768124 ONTARIO INC. ADLER FAMILY TRUST MISIM INVESTMENTS LIMITED JAZ-MAN DEVELOPMENT CORPORATION JERICO DEVELOPMENT CORPORATION GABRETTA INVESTMENTS LIMITED	

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
					TAURO, LUCIANO MELE, MICHELE	
REMARKS: AT4215387.						
AT4392140	2016/11/03	CHARGE	5575,000	2507448 ONTARIO INC.	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
AT4392157	2016/11/03	NO ASSGN RENT GEN		2507448 ONTARIO INC.	OLYMPIA TRUST COMPANY GOYAL, MONICA	C
REMARKS: AT4392140						
AT4393968	2016/11/07	CHARGE	52,240,750	2507448 ONTARIO INC.	VISRAM, ZAHERALI	C
AT4410539	2016/11/24	POSTPONEMENT		MONICA GOYAL, BARE TRUSTEE OLYMPIA TRUST COMPANY	VISRAM, ZAHERALI	C
REMARKS: AT4392140 TO AT4393968						
AT4410579	2016/11/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** VISRAM, ZAHERALI		
REMARKS: AT4215388.						
AT4436800	2016/12/16	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	OLYMPIA TRUST COMPANY ARIF, ABDUL KARIM	C
REMARKS: AT4392140.						
AT4449460	2017/01/05	CHARGE		*** COMPLETELY DELETED *** 2507448 ONTARIO INC.	OLYMPIA TRUST COMPANY GOYAL, MONICA	
AT4449788	2017/01/05	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2507448 ONTARIO INC.	OLYMPIA TRUST COMPANY GOYAL, MONICA	
REMARKS: 4449460						
AT4460140	2017/01/16	NOTICE	51	OLYMPIA TRUST COMPANY ARIF, ABDUL KARIM	2507448 ONTARIO INC.	C
REMARKS: AT4392140						
AT4464143	2017/01/19	TRANSFER OF CHARGE		OLYMPIA TRUST COMPANY ARIF, ABDUL KARIM	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
REMARKS: AT4392140.						
AT4464937	2017/01/19	NOTICE		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				2507448 ONTARIO INC.	1220356 ONTARIO LIMITED 678124 ONTARIO INC. ADLER FAMILY TRUST MISIM INVESTMENTS LIMITED JAZ-MAN DEVELOPMENT CORPORATION JERICO DEVELOPMENT CORPORATION GABRETTA INVESTMENTS LIMITED TAURO, LUCIANO MELE, MICHELE	
		REMARKS: AT4215387				
AT4467265	2017/01/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** OLYMPIA TRUST COMPANY GOYAL, MONICA		
		REMARKS: AT4449460.				
AT4481194	2017/02/07	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4513211	2017/03/16	NOTICE	\$2	2507448 ONTARIO INC.	VISRAM, ZAHERALI	C
		REMARKS: AT4393968				
AT4520256	2017/03/27	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4535318	2017/04/11	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4570560	2017/05/17	NOTICE	\$2,624,250	OLYMPIA TRUST COMPANY, GOYAL, MONICA	2507448 ONTARIO INC.	C
		REMARKS: AT4392140				
AT4612827	2017/06/29	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4648602	2017/08/08	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
		REMARKS: AT4392140.				

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
AT4722991	2017/11/01	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4731884	2017/11/14	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4761477	2017/12/15	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4764223	2017/12/19	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4799171	2018/02/08	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4824592	2018/03/20	NOTICE	\$3,583,500	OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY GOYAL, MONICA	2507448 ONTARIO INC.	C
		REMARKS: AT4392140, AT4436800, AT44460140, AT4464143, AT4481194, AT4520256, AT4535318, AT4570560, AT4612827, AT4648602, AT4722991, AT4731884, AT4764223 AND AT4799171				
AT4832936	2018/04/03	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4834357	2018/04/04	CHARGE	\$3,500,000	2507448 ONTARIO INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
AT4834358	2018/04/04	NO ASSGN RENT GEN		2507448 ONTARIO INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
		REMARKS: AT4834357.				
AT4834365	2018/04/04	POSTPONEMENT		VISRAM, ZAHERALI	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
		REMARKS: AT4393968 TO AT4834357				

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AT4834366	2018/04/04	POSTPONEMENT		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
REMARKS: AT4392140 AND AT4392157 TO AT4834357 AND AT4834358						
AT4835083	2018/04/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1220356 ONTARIO LIMITED 768124 ONTARIO INC. ADLER FAMILY TRUST MISIM INVESTMENTS LIMITED JAZ-MAN DEVELOPMENT CORPORATION JERICO DEVELOPMENT CORPORATION GABRETTA INVESTMENTS LIMITED TAURO, LUCIANO MELE, MICHELE		
REMARKS: AT4215387.						
AT4835341	2018/04/05	NOTICE	\$1,375,750	2507448 ONTARIO INC.	VISRAM, ZAHERALI	C
REMARKS: AT4393968						
AT4864798	2018/05/16	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY OF CANADA	GOYAL, MDNICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY OF CANADA	C
REMARKS: AT4392140, AT4392140, AT4436800, AT4460140, AT4464143, AT4481194, AT4520256, AT4535318, AT4570560, AT4612827, AT4648602, AT4722991, AT4731884, AT4761477, AT4764223, AT4799171, AT4824592 AND AT4832936						
AT4885660	2018/06/14	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY OF CANADA	GOYAL, MDNICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY OF CANADA	C
REMARKS: AT4392140, AT4392140, AT4436800, AT4460140, AT4464143, AT4481194, AT4520256, AT4535318, AT4570560, AT4612827, AT4648602, AT4722991, AT4731884, AT4761477, AT4764223, AT4799171, AT4824592, AT4832936 AND AT4864798.						
AT4943186	2018/08/24	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY OF CANADA	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY OF CANADA	C
REMARKS: AT4392140.						

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Properties

PIN 21241 - 0114 LT *Interest/Estate* Fee Simple
Description PT LT 23 SEC L PL MILITARY RESERVE TORONTO PARTS 1, 14 & 15, 63R2301; S/T & T/W CA540961; CITY OF TORONTO
Address 581 WELLINGTON ST W
TORONTO

Source Instruments

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
AT2892272	2011 12 09	Charge/Mortgage

Consideration

Consideration \$4,100,000.00

Transferor(s)

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

Name VISRAM, ZAHERALI
Address for Service 7 Laredo Court, Toronto, ON

I am at least 18 years of age.

The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

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

Transferee(s)*Capacity**Share*

<i>Name</i>	<i>Capacity</i>	<i>Share</i>
2507448 ONTARIO INC.	Registered Owner	
<i>Address for Service</i> 75 INTERNATIONAL BLVD., SUITE 400 TORONTO, ONTARIO		

Document(s) to be Deleted

The encumbrance(s) listed in the related deletions field is/are subsequent in priority to the charge and is/are to be deleted

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
AT2675298,	2011/04/27	Charge/Mortgage
AT2675482	2011/04/27	Notice
AT2678652	2011/04/29	Notice
AT2682671	2011/05/03	Notice
AT2682672	2011/05/03	Transfer Of Charge
AT2696038	2011/05/19	Transfer Of Charge
AT2696042	2011/05/19	Notice
AT2704411	2011/05/30	Notice
AT2711208	2011/06/03	Notice
AT2807511	2011/09/08	Transfer Of Charge
AT2807521	2011/09/08	Transfer Of Charge
AT2808274	2011/09/08	Notice
AT2808300	2011/09/08	Notice
AT2823427	2011/09/27	Transfer Of Charge
AT2845967	2011/10/20	Transfer Of Charge
AT2901324	2011/12/20	Postponement Of Interest
AT3103955	2012/08/17	Notice
AT3103991	2012/08/17	Postponement Of Interest
AT3318212	2013/06/06	Transfer Of Charge
AT3389167	2013/08/27	Notice
AT3525234	2014/02/21	Transfer Of Charge
AT3525257	2014/02/21	Transfer Of Charge
AT2892272	2011/12/09	Charge/Mortgage
AT4174187	2016/03/23	Transfer Of Charge

Statements

The document is authorized under the charge and the Mortgages Act.
The sale proceedings and transfer comply with the charge, the Mortgages Act, and if applicable the Bankruptcy and Insolvency Act (Canada), the Condominium Act, the Construction Lien Act and the Farm Debt Mediation Act (Canada).
The charge was in default at the time notice of sale was given and continues to be in default and the money has been advanced under the charge.
This transaction is not subject to any writs of execution
Title to the land is not subject to spousal rights under the Family Law Act
Schedule: The Notice of Sale was given on December 18, 2013. Instrument No. AT2675488 as a Notice of Assignment of Rents relating to Instrument No. AT2675298 and is to be deleted from property.

Signed By

Alnaz Ismail Jiwa 215-805 Middlefield Road acting for Signed 2016 05 10
Scarborough Transferor(s)
M1V 4Z6

Tel 416-494-2484
Fax 416-494-3907

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

William Samis 5255 YONGE STREET, SUITE acting for Signed 2016 05 10
13009 Transferee(s)
Toronto
M2N 6P4

Tel 416-923-7399
Fax 416-927-0305

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

Submitted By

WILLIAM SAMIS LAW OFFICE 5255 YONGE STREET, SUITE 2016 05 10
13009
Toronto
M2N 6P4

Tel 416-923-7399
Fax 416-927-0305

Fees/Taxes/Payment

Statutory Registration Fee	\$62.85
Provincial Land Transfer Tax	\$59,975.00
Municipal Land Transfer Tax	\$59,225.00
Total Paid	\$119,262.85

File Number

Transferor Client File Number : 16-0004

PROVINCIAL AND MUNICIPAL LAND TRANSFER TAX STATEMENTS

In the matter of the conveyance of: 21241 - 0114 PT LT 23 SEC L PL MILITARY RESERVE TORONTO PARTS 1, 14 & 15,
63R2301; S/T & T/W CA540961; CITY OF TORONTO

BY: VISRAM, ZAHERALI

TO: 2507448 ONTARIO INC.

Registered Owner

1. DIANNE COSTA

I am

- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- (c) A transferee named in the above-described conveyance;
- (d) The authorized agent or solicitor acting in this transaction for _____ described in paragraph(s) () above.
- (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for 2507448 ONTARIO INC. described in paragraph(s) (C) above.
- (f) A transferee described in paragraph() and am making these statements on my own behalf and on behalf of _____ who is my spouse described in paragraph() and as such, I have personal knowledge of the facts herein deposed to.

2. I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein:

does not contain a single family residence or contains more than two single family residences.

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

(a) Monies paid or to be paid in cash	1,750,000.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	2,350,000.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	4,100,000.00
(h) VALUE OF ALL CHATTELS -items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	4,100,000.00

PROPERTY Information Record

A. Nature of Instrument: Transfer: Power Of Sale
LRO 80 Registration No. AT4215386 Date: 2016/05/10

B. Property(s): PIN 21241 - 0114 Address 581 WELLINGTON ST W Assessment 1904062 - 17002050
TORONTO Roll No

C. Address for Service: 75 INTERNATIONAL BLVD., SUITE 400
TORONTO, ONTARIO

D. (i) Last Conveyance(s): PIN 21241 - 0114 Registration No. AT2675203
(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes No Not known

E. Tax Statements Prepared By: William Samis
5255 YONGE STREET, SUITE 13009
Toronto M2N 6P4

Properties

PIN 21241 - 0114 LT
 Description PT LT 23 SEC L PL MILITARY RESERVE TORONTO PARTS 1, 14 & 15, 63R2301; S/T & T/W CA540961; CITY OF TORONTO
 Address 581 WELLINGTON ST W
 TORONTO

Consideration

Consideration \$1,375,750.00

Applicant(s)

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

Name 2507448 ONTARIO INC.
 Address for Service 581 Wellington Street West, Toronto,
 ON M5V 1J3

I, Del Torrelenge, President, have the authority to bind the corporation.

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

Party To(s)*Capacity**Share*

Name VISRAM, ZAHERALI
 Address for Service 7 Laredo Court, North York, ON M2M 4H7

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

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, AT4393968 registered on 2016/11/07 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration number(s)AT4393968, AT4153211

Signed By

Esmat Visram 215-805 Middlefield Road acting for Signed 2018 04 05
 Scarborough Applicant(s)
 M1V 4Z6

Tel 416-494-2484

Fax 416-494-3907

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

Submitted By

ALNAZ ISMAIL JIWA LAW OFFICE 215-805 Middlefield Road 2018 04 05
 Scarborough
 M1V 4Z6

Tel 416-494-2484

Fax 416-494-3907

Fees/Taxes/Payment

Statutory Registration Fee \$63.65
 Total Paid \$63.65

File Number

Party To Client File Number : 16-0004

MORTGAGE AMENDMENT AGREEMENT

THIS AGREEMENT made as of the March 16, 2018

Between:

2507448 ONTARIO INC.
(the "Chargor")

and

ZAHERALJ VISRAM
(The "Second Chargee")

WHEREAS the parties registered a charge in the Land Registry Office for the Land Titles Division of Toronto, on November 7, 2016, as Instrument No. AT4393968 (the "Second Charge"), on the property municipally known as 581 Wellington Street West, Toronto and legally described as that Part of Lot 23, Section L, Plan Military Reserve designated as parts 1, 14 & 15, R-Plan 63R23021, City of Toronto, as in Pin No. 21241-0114LT (the "Property"), to secure the repayment of the principal sum of \$2,240,750.00, together with interest thereon upon the terms contained in the Second Charge;

AND WHEREAS by a Notice registered on March 16, 2017, as Instrument No. AT4153214, the Chargor prepaid the sum of \$500,000.00 to the Chargee and reduced the amount owing on the Second Charge \$1,740,750.00 which was to be paid off in full on November 30, 2016;

AND WHEREAS the Chargor has requested to have the Second Charge extended for one year on the following terms.

NOW THEREFORE in consideration of the sum of \$2.00 and other good consideration, the parties agree to amend the Second Charge as follows:

1. The Chargor shall repay to the Chargee the sum of \$405,000.00, whereupon the principal amount on the Second Mortgage shall be reduced to \$1,335,750.00;
2. The Chargor shall pay the sum of \$195,000.00 to the Chargee for its fees earned for the granting extension on terms set out hereinafter;
3. The Chargor shall pay the sum of \$40,000.00 to the Chargee for granting extension of the Charge and this amount shall be added to the principal amount of \$1,335,750.00, thereby the new principal amount shall be \$1,375,750.00, and this extension shall be granted on terms set out hereinafter;
4. The term of the Second Charge in the amount of \$1,375,750.00 shall be for one year, and become due and owing on March 16, 2019;
5. The interest on the amount outstanding shall be calculated at 12% per annum, calculated and payable monthly;
6. The first payment of interest shall be March 20, 2018;
7. The monthly interest shall be \$13,757.50;
8. The Chargor may renew this Charge for one more term of a year at the same interest rates and with payment of a 3% fee on the amount then owing;

9. In consideration of the Chargee extending the term of the second Charge, plus other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor, Del Terrelonge:
- a. personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness for as per the terms contained in the Second Mortgage;
 - b. guarantees that Chargor will promptly pay the full amount of principal and interest of the Charge as and when the same will, in any manner, be or become due, either according to the terms and conditions provided by the terms of the Charge or amendments made thereto, by reason of a default by the Chargor; and
 - c. to the extent permitted by law, the Guarantor waives all defenses, counterclaims or offsets that are legally available to the Guarantor with respect to the payment of the debt of the Chargor;
10. On the sale of the first unit, the first mortgagee will receive the first \$1,000,000.00, the Second mortgagee (Visram mortgage) will receive the next \$1,125,750.00 and the balance will be paid to the 3rd mortgagee.
11. In the event the First Mortgage granted by the Chargor on the said lands shall be in default, the Second Mortgage shall be deemed to be in default;
12. all other terms and conditions as stipulated in the Charge registered as AT4215388, shall remain effective between the parties except that the terms of this agreement shall supercede any terms inconsistent with the terms of this agreement.

Signed, sealed and delivered in the presence of:

L.D. V.K.S.

Signed, sealed and delivered in the presence of:

) 2507448 ONTARIO INC.

)
)
)
)
)

Name: Del Terrelonge
Title: President
I have authority to bind the corporation
(Chargor)

_____ DEL TERRELONGE, as Guarantor

)
)
)
)

_____ Zaherali Visarm (Second Mortgagee)

- 9. In consideration of the Chargee extending the term of the second Charge, plus other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor, Del Terrelonge:
 - a. personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness for as per the terms contained in the Second Mortgage;
 - b. guarantees that Chargor will promptly pay the full amount of principal and interest of the Charge as and when the same will, in any manner, be or become due, either according to the terms and conditions provided by the terms of the Charge or amendments made thereto, by reason of a default by the Chargor; and
 - c. to the extent permitted by law, the Guarantor waives all defenses, counterclaims or offsets that are legally available to the Guarantor with respect to the payment of the debt of the Chargor;
- 10. On the sale of the first unit, the first mortgagee will receive the first \$1,000,000.00, the Second mortgagee (Visram mortgage) will receive the next \$1,125,750.00 and the balance will be paid to the 3rd mortgagee.
- 11. In the event the First Mortgage granted by the Chargor on the said lands shall be in default, the Second Mortgage shall be deemed to be in default;
- 12. all other terms and conditions as stipulated in the Charge registered as AT4215388, shall remain effective between the parties except that the terms of this agreement shall supercede any terms inconsistent with the terms of this agreement.

Signed, sealed and delivered
in the presence of:

) 2507448 ONTARIO INC.

)

)

)

)

) _____
Name: Del Terrelonge

Title: President

I have authority to bind the corporation
(Chargor)

DEL TERRELONGE, as Guarantor

Signed, sealed and delivered
in the presence of:

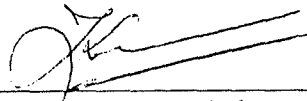
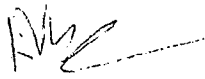
)

)

)

)

) _____
Zaherali Visarm (Second Mortgagee)



We, the first mortgagee registered on title of subject property, have reviewed the above Mortgage Amendment Agreement and hereby approve the contents of the Agreement in its entirety and hereby authorize it to be registered on title.

Signed, sealed and delivered in the presence of:

) FIRST SOURCE FINANCIAL MANAGEMENT INC.
)
)
)

Name:
Title:
I have authority to bind the corporation
(First Mortgagee)

We, the third mortgagees registered on title of subject property, have reviewed the above Mortgage Amendment Agreement and hereby approve the contents of the Agreement in its entirety and hereby authorize it to be registered on title.

Signed, sealed and delivered in the presence of:

) *Monica Goyal*
)
)
)

Monica Goyal
Third Chargee - holding 16.64% of share

Signed, sealed and delivered in the presence of:

) OLYMPIA TRUST COMPANY
)
)
)

Name:
Title:
I have authority to bind the corporation
Third Chargee - holding 69.51% share

Signed, sealed and delivered in the presence of:

) COMPUTERSHARE TRUST COMPANY
)
)
)

Name: **Noel Carnell**
Title: **Director Broker Products**
I have authority to bind the corporation
Third Chargee - holding 13.85 % share

36

We, the first mortgagee registered on title of subject property, have reviewed the above Mortgage Amendment Agreement and hereby approve the contents of the Agreement in its entirety and hereby authorize it to be registered on title.

Signed, sealed and delivered in the presence of:

) FIRST SOURCE FINANCIAL MANAGEMENT INC.
)
)
)

Name:
Title:
I have authority to bind the corporation
(First Mortgagee)

We, the third mortgagees registered on title of subject property, have reviewed the above Mortgage Amendment Agreement and hereby approve the contents of the Agreement in its entirety and hereby authorize it to be registered on title.

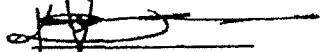
Signed, sealed and delivered in the presence of:

)
)
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)

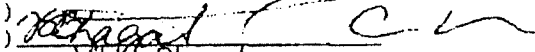
Monica Goyal
Third Chargee

Signed, sealed and delivered in the presence of:

) OLYMPIA TRUST COMPANY
)
)
)



Karina Villanueva



Name: Vibha Bhagat
Title: Manager
I have authority to bind the corporation
Third Chargee

Cora Dumais
Team Lead

Signed, sealed and delivered in the presence of:

) COMPUTERSHARE TRUST COMPANY
)
)
)

Name:
Title:
I have authority to bind the corporation
Third Chargee

TAB C



FIRST SOURCE
MORTGAGE CORPORATION

2507448 Ontario Inc.
581 Wellington Street West
Toronto, ON
M5V 1G3

November 23, 2017

By email: dl@rhcd-22.com

Re: First Mortgage on a site of approximately 4,768 square foot currently improved with an approximately 6,824 square foot, two story commercial building. The building is to be renovated into 3 condominium apartment units with the addition of underground parking and adding a third floor with a roof top deck. The site has a municipal address of 581 Wellington Street West, Toronto, Ontario (the "Property").

Dear Sir:

FIRST SOURCE MORTGAGE CORPORATION and its investors and First Source Financial Management ("First Source" or the "Lender(s)"), licensed under the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, is pleased to advise you, 2507448 Ontario Inc. (the "Borrower"), that the Borrower's recent application for a loan to be secured by a first mortgage has been approved subject to the following terms and conditions:

ARTICLE 1.00

MORTGAGE DETAILS

1.01 Loan Amount: The lesser of: (i) \$3,500,000 or (ii) 65.7% of "as is" value. The value shall be determined based on an "as is" appraised value. An appraisal to be prepared by a bona fide appraiser approved by the Lender. Funds shall be advanced in one advance, as hereinafter set out, (the "Loan" or "Loan Facility").

1.02 Interest Rate: 9.00% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 12 months and after 12 months the rate on funds advanced shall be fixed at (ii) 18% calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

This Loan will be administered on behalf of the Lender(s), and where applicable, at a cost to the Lender(s) of approximately 0.75%, which cost is subject to any H.S.T. (the "HST Administration Tax"). The HST Administration Tax only is for the account of the Borrower and an estimated amount is to be deducted from the Loan Advance. The Lender shall advise the Borrower of the HST Administration Tax on or before Closing.

1.03 Term: 12 months plus 1 day from the Interest Adjustment Date. With at least 90 days' notice the Borrower shall have the option to extend the mortgage for an additional twelve (12) months at

then market rates, subject to the Lenders approval at their sole discretion plus a fee of 1% of the loan amount provided the loan is in good standing and all taxes and insurance are current.

- 1.04 Amortization:** Nil.
- 1.05 Guarantor:** Del Terrelonge and any other entities having any beneficial interest in the Property on a joint and several basis (Collectively the "Guarantor").
- 1.06 Repayable:** Interest only. Payable monthly on the first day of the month and compounded monthly.
- 1.07 Interest Adjustment Date:** The 1st day of the month following the first advance.
- 1.08 Closing Date:** The loan shall be made on (i) December 12, 2017 or a date mutually agreed upon by First Source and the Borrower. If the date of the advance is more than 10 business days past the aforesaid date, this commitment will be at our option, null and void. In the event First Source agrees to an extension of more than 10 business days beyond the date specified, the new rate and any costs attributable thereto, will be subject to the then current market terms and conditions as at that date.
- 1.09 Prepayment Privileges:** Closed for 6 months and then open on any payment date with 15 days prior written notice and the payment of one month's interest as a bonus save and except an allowance for partial discharge of arm's length sale of the first floor condominium unit and related parking space(s) and/or lockers with a principle pay down of \$1,000,000 subject to their having been no default under the terms of the charge up to the date of the partial discharge. The mortgage shall be fully open for repayment without Penalty or Bonus during the last 15 days of the term.
- 1.10 Purpose:** The purpose is to refinance the existing debt on the property by repaying the existing first mortgage and partially repaying the existing second mortgage.
- 1.11 Security:**
- 1) Promissory Note from the Borrower.
 - 2) First Charge on the Property in favour of First Source Financial Management Inc.
 - 3) First General Assignment of all permits, plans, approvals, reports, and other contracts held by or in possession of the Borrower as well as those in process or reasonably expected during the term of this mortgage as reasonably required by the Lender or Lenders Solicitor relating to the development of the Property.
 - 4) First General Security Agreement ("GSA") against all personal property of the Borrower.
 - 5) First Assignment of rents and leases.
 - 6) Guarantees as aforesaid together with General Security Agreements.
 - 7) Subordination and Postponement of Claim from shareholders of the Borrower.
 - 8) Mortgage to include a covenant of no subsequent financing without consent of the Lender, not to be unreasonably withheld. The Lender acknowledges the existing second mortgage to be partially paid down from proceeds of this loan (estimated remaining balance of \$1,200,000) and a third participating finance charge registered at no more than \$4,226,000 as the construction facility.
 - 9) Such other reasonable legal security as requested by the Lender and/or its legal counsel.

ARTICLE 2.00

LENDER FEE

- 2.01 **Lender Fee:** In consideration of First Source obtaining this Commitment, the Borrower hereby agrees to pay a fee (the "Lender Fee") in the amount of 1.75% of the Loan Amount;
- a) \$20,000 by cheque upon acceptance of this Commitment (the "First Deposit"). All of the First Deposit shall be applied in satisfaction of the Lender Fee or all of the First Deposit shall be forfeited if the Mortgage Amount is not advanced by the Lender due to any cause whatsoever, save and except default of the Lender.
 - b) The balance of the Lender Fee shall be payable from the closing proceeds on the closing date.

The Lender Fee is deemed earned upon acceptance and execution of this Commitment. The Lender shall have an interest in the Property for the Lender Fee and if not paid, and if litigation proceedings are commenced, the Lender shall be entitled to a Certificate of Pending Litigation against the Property. The Borrower acknowledges that the Lender Fee is a reasonable estimate of the Lender's costs incurred in sourcing, investigating and underwriting and preparing the Loan.

ARTICLE 3.00

CONDITIONS OF THIS COMMITMENT

3.01 Lender Conditions: This Commitment is conditional for the benefit of the Lender upon the Borrower providing First Source with satisfactory evidence of the following prior to the advance:

- a) **Appraisal:** Review and approval of an appraisal from an appraiser approved by the Lender confirming an "as is" value confirming a value of not less than \$5,325,000. The Appraisal is to be addressed to the Lender and its lending clients or a Letter of Reliance provided. All appraisals are for the account of the Borrower.
- b) **Environmental & Soil Reports:** Review and approval by the Lender of a current satisfactory Phase I, and if required by the Lender's Environmental Consultant a Phase II Environmental Site Assessment Reports addressed to the Lender and its lender clients, or a Reliance Letter, prepared by a reputable environmental firm or other evidence the Lender in its sole discretion finds satisfactory. The Lender acknowledges that a certain part of the Property requires remediation.
- c) **Credit Rating:** Review of the Borrower's financial position including without limiting the generality of the foregoing, recent financial statements, credit bureau reports, notices of assessment, statements of Net Worth. The Borrower and Guarantor hereby consent to credit inquiries and to any disclosure of personal or credit information to any other credit grantors or to any consumer reporting agency.
- d) **Inspection and Meeting with Principals:** First Source being satisfied with its inspection of the Property and its meeting with the principals of the Borrower. The Borrower hereby agrees to provide access to the Property for initial inspection and any subsequent inspection and at least one of the principals will make him/herself available to meet at the Property.
- e) **First Source Forms:** The Borrower delivering completed and signed Mortgage Application, Net Worth Statement and Background Check Consent Form on such forms as reasonably required by First Source.

- f) **Financial Statements:** Receipt and approval of financial statements for the Borrower, including cost spent to date and construction budget for the project.
- g) **Existing Mortgages:** Confirmation of current outstanding balances and that all loans are in good standing for all existing mortgages on the property.
- h) **Subsequent Mortgages Funding Construction:** Borrower to provide lender with details of prior encumbrancers funding programs, amounts funded, cost to complete, status of construction lien holdbacks, statutory declarations for all advances against costs in place and to provide a copy of a detailed construction budget used to reference the above.
- i) **Architectural Plans and Budgets:** Receipt of all architectural plans and final construction budget for the project.
- j) **Planners Report:** The Borrower will deliver to the Lender a planning report prepared by the Borrowers planner articulating where exactly in the planning stage the project is and the requirements for the approval of minor variance along with estimated timelines for the approval.

The Lender shall engage, at the Borrower's expense, the services of a 3rd party Development Consultant to review the Borrowers planners report and provide an opinion on variance approval of the property as follows: (1) Probability and timing the Minor Variance Approval for the renovation of the property including the addition of below-grading parking and a third floor. The Lender shall engage a Development Consultant to review the variance application.

The Said Report to be in a form and content acceptable to the Lender in its sole discretion.
- k) **Not For Construction:** The borrower shall covenant that no portion of the Loan shall be used for construction.
- l) **Other Documents:** Any other documents realized or required during the due diligence process of underwriting the loan.

ARTICLE 4.00

CONDITIONS OF FUNDING

The Lender shall not be obligated to make any loan advances unless the following requirements have been met to the Lender's satisfaction:

- 4.01 **Security in Place:** All security being in place in form and content satisfactory to the Lender, the Borrower and its solicitors acting reasonably;
- 4.02 **Execution of Documents:** The Borrower and Guarantor, if any, executing all documents necessary to give effect to the Mortgage and further including but not limited to the mortgage agreement, which shall contain *inter alia* the provisions, set out in Schedule "A".
- 4.03 **Title:** The Lender being satisfied with the title to the properties and obtaining at the Borrower's expense a satisfactory Title Insurance Policy for the Mortgage.
- 4.04 **Work Orders etc.:** The Lender obtaining satisfactory evidence that there are no outstanding work orders or notices of violations from any governmental departments affecting the Property. The Buildings can be demolished upon application for a Demolition Permit.
- 4.05 **Fire:** If required, the Borrower providing the Lender with satisfactory evidence that the Property has no infractions outstanding on file under the appropriate Fire Code.

- 4.06 **Costs Borne by the Borrower:** The Borrower paying for all costs incurred by either the Borrower or the Lender including legal, appraisal, insurance consulting as well as other costs that arise in relation to the Loan.
- 4.07 **Fire Insurance:** Receipt by the Lender of evidence that proper and adequate insurance is in place, which insurance shall include but not be limited to coverage for less than the full 100% "Replacement Cost" thereof, against the perils of "All Risk". The Borrower's risk advisor to review and ensure policy complies.
- Effect and maintain public liability insurance to such amounts of not less than \$5,000,000 on a per-occurrence basis. The Insurer or Insurers shall sign each policy of insurance and the policy shall contain a clause at least equivalent to IBC 3000 showing loss payable the mortgagees as their interest may appear in the first instance, the Borrower shall arrange for the insurance following completion of construction, if any to be subject to "Stated Amount Co-Insurance Clause" not exceeding 10% and "Replacement Cost Clause" of insurers and shall in this regard file values are required under these clauses.
- The insurance policy shall include the insurance of the foundation and all parts below ground level. Any provisions in any policies of insurance with respect to reconstruction in case of any loss, on "same or adjacent sites" shall have the requirement concerning "same or adjacent sites" deleted there from.
- Each policy of insurance shall show loss payable to the mortgagees as their interest may appear. All insurance policies shall be in form and scope satisfactory to First Source and its solicitors and the premiums on it shall be paid for a period of not less than six months. A third party consultant shall review the policies at the Borrower's cost prior to closing and at the Lender's option throughout the term.
- 4.08 **Borrower's Representations:** If, at any time before the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements or representations at any time made or furnished to the Lender by or on behalf of the Borrower/Guarantor, concerning the Borrower's or the Guarantor's financial condition and responsibility, the Lender shall, if such material discrepancy or inaccuracy cannot be rectified or nullified by the Borrower/Guarantor within thirty (30) days of written notification thereof to the Borrower/Guarantors from the Lender, be entitled forthwith to withdraw and cancel its obligations hereunder or decline to advance further funds as the case may be, and to declare any monies theretofore advanced, with interest to be forthwith due and payable.
- 4.09 **Material Change:** It is a condition for disbursement of funds that in the Lender's opinion the financial position of the Borrower and/or the Guarantor, and any of the properties given as security, and the Borrower's representations and warranties, shall not have suffered any adverse change; nor shall there be any action, suits, or pending proceedings of which the Borrower has knowledge except as otherwise disclosed to the Lender; and that no event shall have occurred, which materially and adversely affects the whole or part of the value of the properties or the financial position of the Guarantor. No change in the shareholding of the Borrower or Guarantor without the consent of the Lender, such consent not to be unreasonably withheld.
- 4.10 **Non-Merger:** The Borrower's obligations contained in this Commitment shall survive the execution and registration of the Mortgage and any other security documentation and all advances of funds under the Mortgage, and the Borrower agrees that those obligations shall not merge in the execution and registration of the Mortgage and other security. All terms and conditions of our Mortgage and other security documentation shall form part of this Commitment.

- 4.11 **Waiver:** The Lender's failure to insist upon strict performance of any obligation or covenant of this Commitment by the Borrower or to exercise any option or right herein shall not be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Lender shall have the right to insist upon strict performance by the Borrower of any and all of the terms of this Commitment and the Mortgage documentation.
- 4.12 **Lender's Solicitor:** The Lender being satisfied with the Lender's Solicitor's opinion on title, security and the validity, legality and binding effect of all aspects of this Mortgage transaction. The Borrower agrees that the Lender's solicitors shall prepare all mortgage and other documents related to this Mortgage for review and approval by the Borrower, such approval not to be unreasonably withheld. The Borrower shall have the choice of one of the two solicitors selected by the Lender.
- 4.13 **Taxes:** The Borrower prior to the advance or on the date of advance shall pay all taxes due and payable.
- 4.14 **Not a Joint Venture:** The Borrower and Lender acknowledge and agree that they are not entering into a joint venture or partnership agreement by virtue of this Loan transaction.
- 4.15 **Other Documentation** Any other information, documentation or security reasonably requested by the Lender and its solicitors in assessing, approving and funding of the facility requested.
- 4.16 **Identification:** Pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the "Act"), the Lender is required to ask for identification of the Borrower, the Guarantor and for information with respect to the source of funds, used in connection with the Borrower's equity in the Property. The Borrower and Guarantor hereby covenant and agree to provide prior to the first advance, such identification and information as may be reasonably required to ensure the Lender's compliance with the Act.
- 4.17 **Cancellation:** The Lender shall have the right to terminate and cancel its agreement to provide the mortgage herein to the Borrower and shall be relieved of all obligations in connection therewith in the event that the Borrower fails or is unable or unwilling to comply with the terms and conditions of this Commitment letter on or before the Closing Date including failing or refusing to execute documentation requested by the Lender or accepting the funds when advanced.

In the event the Loan is not advanced and the Commitment is terminated, through no fault of the Lender, the Deposit shall not be refundable to the Borrower and may be retained by the Lender as liquidated damages. Notwithstanding the foregoing, the Borrower shall be responsible for and pay the deficiency between the Lender Fee and the Deposit forthwith on demand, unless if caused by the default of the Lender. In addition, no termination of this Commitment shall limit or restrict or otherwise affect in any way: (i) the obligations of the Borrower to pay to the Lender any third party fees, costs and expenses in connection with the Loan; and (ii) any rights and remedies of the Lender against the Borrower arising from any breach of the Commitment by the Borrower including any claim for damages.

It is understood that the Lender has entered into this Commitment based on representations made by the Borrower and, if at any time there is or has been any material discrepancy or inaccuracy in any written or oral information, statements or representations heretofore or hereafter made or furnished to the Lender by or on behalf of the Borrower concerning the security or the Borrower's financial condition, then the Lender shall be entitled in its sole discretion to withdraw or cancel any obligation hereunder and decline to advance funds and

in addition to forfeiture of the Deposit, the Borrower shall be liable to pay 50% of the Lender Fee and all other expenses as hereinbefore set out.

- 4.18 **Legal Fees:** The Borrower hereby agrees to pay the reasonable legal fees required by the Lender's Solicitors for the completion of the legal services related to this Mortgage. Disbursements shall be in addition thereto. Borrower to deliver a \$5,000 retainer to Lenders lawyer forthwith upon request. The Borrower shall have the choice of two legal quotations for fees obtained from the solicitors selected by the Lender.
- 4.19 **Syndication:** The commitment is conditional upon the success of First Source Mortgage Corporation to syndicate a portion or the entire loan with a Lender (s) to be determined. The Borrower further acknowledges that the Mortgage will be registered in the name of First Source Financial Management Inc. unless otherwise specified prior to closing. First Source Financial Management Inc. is a related company and a licensed Mortgage Administrator in Ontario managing mortgage investments on behalf of First Source investors; license number 12594.

ARTICLE 5.00 BORROWER'S REPRESENTATIONS

- 5.01 **Borrower's Representations:** The Borrower represents and warrants that as of the date of acceptance of this Commitment and as of the Closing Date:
- (i) The Borrower and the Guarantor have the power, capacity and authority to enter into this Commitment and to perform and complete the transaction contemplated herein, all of which have been duly authorized where required by all necessary corporate action and that no consents are necessary;
 - (ii) the Borrower and the Guarantor have not withheld any information of a material nature relating to the Property or to the Borrower or Guarantor;
 - (iii) all existing environmental assessments, audits, tests and reports relating to the Properties within the knowledge of the Borrower have been delivered to the Lender.
 - (iv) to the best of its knowledge and belief, the Properties have no Environmental issues affecting same and a covenant and warranty with respect to same will be delivered to the Lender.
- 5.02 **Borrower's Acknowledgments:** The Borrower acknowledges and represents that:
- (i) it has considered the risks entailed in private borrowing and has been informed of the risks involved in the Loan;
 - (ii) the terms and the interest rate in this Commitment may be higher and more onerous than institutional lenders;
 - (iii) it has had an opportunity to consult its legal counsel and accountant or other financial advisors;
 - (iv) if the Lender does not advance the Loan by a certain date, the Borrower may be unable to satisfy the intended purpose for the Loan;
 - (v) In the event the Borrower is unable to pay monthly payments, Property taxes, fire insurance premiums or the principal amount when the Loan is due, the Lender could obtain a court judgment and enforce all remedies available by law and income could be seized to pay the judgment or the Lender could keep the Property or sell it.
 - (vi) When the Loan is due, if the Lender cannot or will not renew the Loan and cannot pay the outstanding balance the Property may have to be sold in order to repay the Loan; and
 - (vii) the Lender has disclosed the material risks of the Loan.
 - (viii) it has reviewed the loan with its trusted advisors and has determined the loan to be most suitable for its needs.

- 5.03 **Reporting Requirements:** The Borrower acknowledges and represents that:
- (i) Within 120 days of each fiscal year during the term of the Loan Facility to provide the Lender with financial statement for the Borrower and the Guarantor, if any.

ARTICLE 6.00

MISCELLANEOUS

- 6.01 **Survival of the Terms of Commitment:** Notwithstanding the registration of the Mortgage and the advances made pursuant to same, the terms and conditions of this commitment shall remain binding and effective on the parties hereto.
- 6.02 **Time is of the Essence:** Time shall be of the essence in this Commitment.
- 6.03 **Agreement in Writing:** No change to vary or to amend this Commitment is binding on the Lender unless made in writing and signed by all parties hereto. Except as provided herein, there are no representations, collateral agreements, warranties or conditions affecting this Commitment.
- 6.04 **Governing Law:** This Commitment shall be interpreted in accordance with the laws of the Province of Ontario.
- 6.05 **Notices:** All notices required or permitted to be given hereunder will be sufficiently given if sent by prepaid registered mail and addressed as follows:

In case of First Source to:
 1 Valleybrook Dr., Suite 100
 Toronto, Ontario M3B 2S7
 Attention: **Mr. David Mandel**
 By email: david@firstsourcemortgage.ca

In the case of the Borrower and the Guarantor to:
 2507448 Ontario Inc.
 581 Wellington Street West
 Toronto, ON M5V 1G3
 Attention: **Mr. Del Terrelonge**
 By email: d@rhed-22.com

Provided that the parties shall be entitled to designate another address (es) by giving written notice thereof to all other parties hereof. Any notice so mailed or emailed shall remain binding and effective on the parties hereto.

- 6.06 **General Provisions and Independent Legal Advice:** The Mortgage Advance is to be payable to the registered owner of the Property or the encumbrancers who are to be paid out from the Advance. Independent Legal Advice shall be required for any party guaranteeing the Mortgage, consenting to the Mortgage or postponing their interest to the Lender's security.
- 6.07 **Facsimile Transmission or Email:** The transmission of an executed copy of this Commitment by facsimile transmission or in "pdf" form by email shall be deemed to constitute execution and delivery of an original executed copy.
- 6.08 **Consent to Personal Information as Per Privacy Policy:** By signing this Commitment, the Borrower and Guarantor agree that any information, personal or otherwise, either that the Borrower or Guarantor has provided or will provide to the Lender or that the Borrower has

on file about the Borrower and Guarantor shall be retained and may be used as the Lender deems necessary in its sole discretion for the mortgage placement herein, collection of any arrears or deficiencies in the event of a default and any renewals or extensions of same. The Borrower and the Guarantor also agree that the Lender may retain this information on file for as long as the Lender deems appropriate. The Borrower and Guarantor also agree to any credit bureau search being carried out by the Lender from time to time, as the Lender deems necessary in its sole discretion, but no later than 90 days after the Mortgage is discharged.

By signing this Commitment with respect to the Property, the Borrower and Guarantor agrees that the Lender shall have the right to seek any information from any government agency, authority or office whether municipal, provincial or federal, Electric Safety Agency or Technical Safety Standards Agency at any time either before or after the registration of the Mortgage and before and after default with respect to only information on file at the entity about the said Borrower and Guarantor and/or the Property and the Lender shall have the right to retain such information which may be used as the Lender deems necessary in its sole discretion for the mortgage placement herein, collection of any arrears or deficiencies in the event of a default and any renewals or extensions of same. The Borrower and the Guarantor also agree that the Lender may retain this information on file for as long as the Lender deems appropriate, but no longer than 90 days after the Loan Facility is repaid, unless required by governmental legislation. The Borrower and the Guarantor also agree to any and all searches being carried out by the Lender from time to time, as the Lender deems necessary in its sole discretion.

- 6.09 **Counterparts:** This Commitment may be executed in counterparts and all counterparts so executed will constitute one agreement binding on the parties effective on execution.
- 6.10 **Assignment:** The Borrower acknowledges that all or a portion of the Loan may be sold or syndicated without further notice to or consent of the Borrower and the Lender may disclose, transfer and assign as they in their sole discretion deem advisable all financial and other information and materials, without restriction or notice as follows; (i) to any subsequent or proposed purchaser of the Loan or any subsequent lender and their respective third party advisors; and (ii) to any person in connection with the sale or assignment of the Loan. This Commitment is conditional on a portion of the Loan being satisfactorily assigned and funded. The Borrower also consents to the release, disclosure, exchange and sharing of all information and materials and to any publicity or advertising that refers to the financing. The Lender may sell transfer or assign the Loan or any interest therein from time to time without the consent of the Borrower at no cost to the Borrower. After any such assignment, the Lender shall have no further obligation to that part of the Loan assigned.
- 6.11 **Confidentiality:** The Borrower and the Guarantor acknowledge and agree that the terms herein are confidential between themselves and the Lender, their respective lawyers and consultants and agree not to disclose the information herein to any third party without the Lender's prior written consent, which shall not be unreasonably withheld.
- 6.12 **Successors and Assigns:** This Commitment and the rights and benefits arising here from may not be assigned by the Borrower to any other party without the prior written approval of the Lender.
- 6.13 **Interpretation:** This Commitment shall be read in conjunction with the Lender's form of charge documents and in all cases where the interpretation of the terms hereof and the intention of the parties hereto may be in question, where applicable, the terms recited in the relevant charge document shall prevail.

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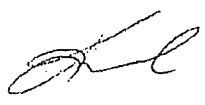
This Commitment is open for acceptance by the Borrower and the Guarantor until 5:00 PM on the 27th day of November, 2017 by which time and date a copy of this Commitment duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder.

If this Commitment is not accepted by the aforementioned time and date, it will become null and void and of no force and effect.

Yours truly,

FIRST SOURCE MORTGAGE CORPORATION

Per:



David Mandel – President

I am authorized to bind the corporation.

Principal Broker (License # 10434)

Mortgage Administrator (License # 12594)

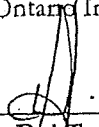
www.firstsourcemortgage.ca

david@firstsourcemortgage.ca

Accepted at Toronto, Ontario this 20 day of December 2017

2507448 Ontario Inc.

Per:

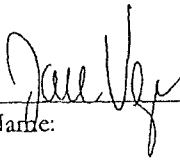
x _____ 

Borrower: Del Terrelonge

I have authority to bind the corporation

X _____ 

Guarantor: Del Terrelonge

x _____ 

Witness Name:

Address:

Tel:

SCHEDULE "A"

1. **Post-dated Cheques** The Borrower shall provide to the Lender post-dated cheques for each year of the term of the Mortgage. Each cheque is to be in the amount of the monthly instalment payable under the Mortgage. The Lender shall have the right to direct the Borrower to deliver one or more separate cheques for each monthly payment totalling the monthly instalment. Alternatively, the Borrower shall provide Pre-Authorized Payments to be drawn from the Borrowers chosen Bank at the Lenders request at any time and shall provide the Lender with all necessary information for this purpose as required. Post-dated Cheque should be made payable to "First Source Financial Management Inc." unless instructed otherwise.

2. **Administration Fee:** The Borrower agrees to pay to the Lender an administration fee of \$350.00, plus HST for each occurrence of any of the following events. If a default occurs a second time the Administration Fee shall be doubled.
 - a) Late Payment after a demand has been made;
 - b) Cheque Dishonored for any reason;
 - c) Failure to provide proof of payment of realty taxes within 30 days of the 31st day of January and June in each year of the term or after a demand being made;
 - d) Failure to provide proof of insurance coverage at least 10 business days prior to the maturity date of the initial policy delivered on Closing or after a demand being made;
 - e) Cancellation of insurance coverage shall be two times the applicable administration Fee and the penalty doubles again in the event the Borrower does not provide proof of reinstatement within 24 hours of notice by the Lender.
 - f) Failure to provide postdated cheques when required after a demand being made;
 - g) Failure to notify Lender of registration of lien;
 - h) Each construction advance;
 - i) Each property inspection relating to a second or further mortgage advance, default, insurance matter or any other matter at lenders sole discretion;
 - j) Request for Mortgage Statement;
 - k) Request for Discharge Statement or notice of default letter;
 - l) Default under any other mortgage, charge or encumbrance;
 - m) Each meeting required by the Borrower or Lender because of an issue that has arisen regarding the Loan Facility;
 - n) Each three telephone attendances and/or emails required by the Borrower or Lender because of an issue that has arisen regarding the Loan Facility;

3. **Holding Over:** In the event that the mortgage loan is not repaid upon maturity, unless the Lender has received at least thirty (30) days' notice and has agreed to an extension in writing and has received approval from its investors the interest rate on the mortgage loan shall continue at 18% compounded and calculated monthly or the that rate set out herein under "Interest Rate" until the earlier of discharge or sale, whichever comes first.

4. **Holding Over Fee:** If the Loan is not repaid in full on or before the Maturity Date, the Borrower shall be required to pay the Lender an Holding Over Fee, in addition to any and all other rates, fees, and costs to be paid to the Lender by the Borrower pursuant to this Commitment Letter. More particularly, this fee shall be earned by and payable to the Lender monthly, in advance, on the first

business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Borrower hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Borrower under the Commitment and Security Documents notwithstanding payment of the Over Holding Fee. The Borrower further acknowledges that the Lender, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and the Security for the Loan also secures the Over Holding Fee.

5. **Notice:** The mortgage will be registered and administered on behalf of the Lender by First Source Financial Management Inc., a related company and licensed mortgage administrator.
6. **Tax Deposits:** The Lender reserves the right to require the Borrower to pay monthly tax deposits to the Lender concurrently with each monthly installment in such amounts which the Lender in its discretion deems necessary to pay when due all taxes, assessments and similar charges affecting the Property.
7. **Due on Default:** In the event of default under this Mortgage, beyond an applicable cure period, at the option of the Lender, the full principal balance together with interest and costs on a substantial indemnity basis in relation thereto shall become immediately due and payable.
8. **Due on Sale:** The Borrower and the Guarantor hereby agree that in the event that the Property is sold, conveyed, transferred or assigned or there is a change in control of a corporate Borrower or corporate Guarantor, without Lender's written consent, which consent shall not be unreasonably withheld, the Lender shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Lender immediately due and payable together with the Lender's then current prepayment penalties and fees.
9. **No Subsequent Encumbrances:** The Borrower and the Guarantor hereby agree that in the event that a subsequent mortgage is placed on the Property without Lender's written consent, which consent shall not be unreasonably withheld, that the Lender shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Lender immediately due and payable together with the Lender's then current prepayment penalties and fees.
10. **Default of Prior Encumbrances:** If at any time or from time to time any default or breach of covenant occurs under any encumbrance registered against the Property and which encumbrance has priority over the Mortgage and which default is not cured within the grace periods permitted, it shall constitute default under the Mortgage and the Lender may pay all monies and take appropriate action to cure any default or breach under any encumbrance.
11. **Costs:** The Borrower covenants and agrees to pay all property tax, public utilities rates, charges, and insurance premiums as and when they become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Borrower to comply with this covenant shall constitute an event of default hereunder and entitles the Lender at its sole and absolute discretion to avail itself of remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs.
In addition, at the Lender's sole and absolute discretion, the Borrower agrees that the Lender may satisfy any charge, lien, any matter raised in the previous paragraph or other encumbrances now or

hereafter existing or to arise or to be claimed upon the charged lands and the amount so paid together with all costs associated therewith shall be a charge on the Property and/or Collateral Property and shall bear interest at Eighteen (18%) percent per annum, calculated and compounded monthly and shall be payable forthwith by the Borrower to the Lender, and in default of payment, the entire principal sum, accrued interest and costs, shall become payable at the sole and absolute discretion of the Lender and the remedies hereby given and available at law may be exercised forthwith without notice. In the event the Lender satisfying any such charge or claim, it shall be entitled to all equities and securities of the person(s) so satisfied and it may retain any discharge, cessation of charge or assignment of charge unregistered until paid.

12. **Final Payment and Discharge:** The Borrower covenants and agrees that payment at maturity, or earlier if notice to prepay is delivered, of the Mortgage shall be by certified cheque, bank draft or money order. After payment in full of the principal sum and all other amounts hereby provided, a discharge of the Mortgage shall be prepared by the solicitor for the Lender, at the cost and expense of the Borrower within a reasonable time after such payment and such solicitor's fees shall not include attendance outside the office in order to deliver the said discharge or the attendance on a closing or registration of and the cost of registration of the said discharge. In the event the loan is not repaid at the time or times provided within the Mortgage or in the notice to prepay earlier, the Lender will not be required to accept payment of the principal monies without first receiving three (3) months additional months' notice in writing or receiving 3 months interest bonus in advance of the principal monies. No further monies, if any, will be advanced under the Loan, once notice to discharge is received by the Lender.
13. **Warranty - Urea Formaldehyde Foam insulation (UFFI) and Environmental:**
The Borrower covenants to the best of its knowledge and belief the Property has never had "UREA FORMALDEHYDE FOAM" insulation installed, asbestos, PCBs waste, radioactive material, noxious substances, or any contaminant as defined in the Environment Protection Act and that the Property is and will be environmentally sound and there are no and will be no restrictions which would economically affect any buildings on the Property. The terms and conditions of the environmental clause should be as the Lender's solicitor prepares.
14. **Receiver:** In the event due to default of the Borrower on the Property, beyond the applicable cure period, then the Lender in addition to any other rights which it may have, shall be entitled to appoint a receiver manager or receiver, either privately or court appointed to manage the building and to do all things necessary as an owner would be entitled to do to sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation. The terms and conditions of the receiver are to be further elaborated in the Mortgage as required by the Lender's lawyers.
15. **Management Costs:** In the event that the Lender or its agents takes possession of the Property as a result of default under the Mortgage, or in the event that the Lender or its agents commence Power of Sale proceedings, or if a receiver is appointed as a result of default under the Mortgage, the Lender, will be entitled to charge the Borrower. Said management costs shall be based on the higher of 5% of the mortgage principal plus applicable taxes, or \$15,000 per month which cost the Borrower acknowledges is a reasonable estimate for the time value and opportunity costs incurred for managing the Property(s), including but not limited to communicating with investors, dealing with professional advisors, appraisal companies, environmental engineers, building inspector, receiver, legal counsel, attending meetings, checking property taxes, work orders, liens or other matters acting generally in accordance with the requirements of a mortgage manager of a mortgaged property in default which amount is deemed not to be a penalty.
In addition to the Management Costs, the Lender or its agent will be entitled to an administration fee on the basis of \$350 per hour plus H.S.T., if applicable for each hour after the advance the

Lender or its agent are required to deal with default or potential default. This clause is also deemed to be proper notice to any subsequent charge or lien holder of the above-noted fees in the event of the Borrower's default.

16. **Default Abandonment:** Subject to Force Majeure, in the event of abandonment for a period in excess of fifteen (15) consecutive days, the Lender shall be entitled to, after giving the Borrower fifteen (15) days' notice of any abandonment or failure to continue business operations or any failure to construct with due diligence and provided the Borrower fails to rectify same, forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds, if any, as the case may be and to declare any monies theretofore advanced with interest to be forthwith due and payable at its sole option.
17. **Receipt of Funds:** Any payment received after 1:00 P.M. shall be deemed to have been made on the next Bank Business Day following receipt. For purposes of this paragraph, Saturday, Sunday Provincial and Federal Holidays shall be deemed to be non-business Bank Days.
18. **Possession:** In the event of default under the Mortgage by the Borrower beyond the applicable grace period and the Lender obtains possession of the Property and it determines, in its sole discretion, that the Property requires work and/or improvements in order to market the Property, then the Lender shall have the right, at its sole option, to complete such work on such terms as it deems advisable. The cost of completion of the servicing and work by the Lender and its agents and all expenses incidental thereto shall be added to the Loan amount, together with a management fee of fifteen per cent (15%) of the costs of the work and improvements completed by the Lender, provided that it is limited to bringing the Property only up to the condition it was at the time of the advance, unless work already has been started on a house and it may be completed. All costs and expenses, as well as said management fee, shall bear interest at the rate as herein provided for and shall form part of the Loan secured hereunder and the Lender shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of Mortgage principal and Interest hereunder or at law.

TAB D

Properties

PIN 21241 - 0114 LT *Interest/Estate* Fee Simple
Description PT LT 23 SEC L PL MILITARY RESERVE TORONTO PARTS 1, 14 & 15, 63R2301; S/T &
 TAW CA540961; CITY OF TORONTO
Address 581 WELLINGTON ST W
 TORONTO

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 2507448 ONTARIO INC.
Address for Service 581 Wellington Street West
 Toronto ON
 M5V 1G3

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

Chargee(s)*Capacity**Share*

Name FIRST SOURCE FINANCIAL MANAGEMENT INC.
Address for Service c/o First Source Mortgage Corporation
 1 Valleybrook Drive
 Suite 100
 Toronto ON M3B 2S7

Statements

Schedule: See Schedules

Provisions

Principal \$3,500,000.00 *Currency* CDN
Calculation Period monthly
Balance Due Date 2019/03/02
Interest Rate 9.00% per annum
Payments
Interest Adjustment Date 2018 04 01
Payment Date Interest only, first day of each month
First Payment Date 2018 05 01
Last Payment Date 2019 04 02
Standard Charge Terms 200727
Insurance Amount full insurable value
Guarantor Del Terrelonge

Additional Provisions

This Charge is collateral to a commitment letter dated November 23, 2017 between the Chargee and the Chargor.

Signed By

Christa-Lee Ann Callahan 1000-120 Adelaide St. W. acting for Signed 2018 04 04
 Toronto Chargor(s)
 M5H 3V1

Tel 416-363-2211

Fax 416-363-0645

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

Submitted By

SCHNEIDER RUGGIERO LLP 1000-120 Adelaide St. W. 2018 04 04
 Toronto
 M5H 3V1

Tel 416-363-2211

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LRO # 80 Charge/Mortgage

Received as AT4834357 on 2018 04 04 at 10:35

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

yyy mm dd Page 2 of 6

Submitted By

Fax 416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee	\$63.65
Total Paid	\$63.65

File Number

Chargee Client File Number : 40033/BM

SCHEDULE "A"

Where there is a conflict between the following terms and the standard charge terms, the Chargee, in its sole, subject and absolute discretion shall determine which terms shall govern.

1. **Post-dated Cheques:** The Chargor shall provide to the Chargee post-dated cheques for each year of the term of the mortgage. Each cheque is to be in the amount of the monthly instalment payable under the mortgage. The Chargee shall have the right to direct the Chargor to deliver one or more separate cheques for each monthly payment totalling the monthly instalment. Alternatively, the Chargor shall provide Pre-Authorized Payment to be drawn from the Chargors' chosen bank at the Chargees request at any time and shall provide the Chargee with all necessary information for this purpose as required.
2. **Interest Rate:** 9.00% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 12 months of the term; and thereafter the rate on mortgage balance outstanding shall be fixed at 18% calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.
3. **Prepayment Privileges:** Closed for the first six months of the term and then open on any payment date with at least 15 days prior written notice or the payment of one month's interest as a bonus save and except an allowance for partial discharge of arm's length sale of the first floor condominium unit and related parking space(s) and/or locker with a principle pay down of \$1,000,000 subject to their having been no default under the terms of the charge up to the date of the partial discharge. The mortgage shall be full open for repayment without Penalty or Bonus during the last 15 days of the term.
4. **Repayable:** Interest only, payable monthly on the first day of the month and compounded monthly, with the first such monthly payment to be due on or before April 1, 2018.
5. **Term:** 12 months plus 1 day from the Interest Adjustment Date. With at least 90 days' notice the Chargor shall have the option to extend the charge for an additional twelve (12) months at then market rates, subject to the Chargee's approval at their sole discretion plus a fee of 1% of the loan amount provided the loan is in good standing and all taxes and insurance are current.
6. **Administration Fee:** The Chargor agrees to pay to the Chargee an administration fee of \$350.00, plus HST for each occurrence of any of the following events. If a default occurs a second time the Administration Fee shall be doubled.
 - (a) Late Payment after a demand has been made;
 - (b) Cheque Dishonoured for any reason;
 - (c) Failure to provide proof of payment of realty taxes within 30 days of the 31st day of January and June in each year of the term or after a demand being made;
 - (d) Failure to provide proof of insurance coverage at least 10 business days prior to the maturity date of the initial policy delivered on Closing or after a demand being made;
 - (e) Cancellation of insurance coverage shall be two times the administration fee and the penalty doubles again in the event the Chargor does not provide proof of reinstatement within 24 hours of notice by the Chargee;
 - (f) Failure to provide postdated cheques when required after a demand being made;
 - (g) Failure to notify Chargee of registration of lien;
 - (h) Each construction advance;
 - (i) Each property inspection relating to a second or further mortgage advance, default, insurance matter or any other matter at Chargee's sole discretion;
 - (j) Request for Mortgage Statement;
 - (k) Request for Discharge Statement or notice of default letter;
 - (l) Default under any other mortgage, charge or encumbrance;
 - (m) Each meeting required by the Chargor or Chargee because of an issue that has arisen regarding the Loan Facility;
 - (n) Each three telephone attendances and/or emails required by the Chargor or Chargee because of an issue that has arisen regarding the Loan Facility;

The Chargor also agrees to pay any applicable HST on a portion of the monthly payments that may be required relating to the collection fees of the Chargee, as a result of syndication of the Mortgage.

7. **Holding Over:** In the event that the mortgage loan is not paid upon maturity, unless the Lender has received at least thirty (30) days' notice and has agreed to an extension in writing and has received approval from its investors the interest rate on the mortgage loan shall continue at 18% compounded and calculated monthly or the that rate set out herein under "Interest Rate" until the earlier of discharge or sale, whichever comes first.
8. **Holding Over Fee:** If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay the Chargee a Holding Over Fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiple by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security Documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and the Security for the Loan also secures the Over Holding Fee.
9. **Notice:** The mortgage will be registered and administered on behalf of the Chargee by First Source Financial Management Inc., a related company and licensed mortgage administrator.
10. **Tax Deposits:** The Chargee reserves the right to require the Chargor to pay monthly tax deposits to the Chargee concurrently with each monthly installment in such amounts which the Chargee in its discretion deems necessary to pay when due all taxes, assessments and similar charges affecting the Property.
11. **Due on Default:** In the event of default under this Mortgage, beyond an applicable cure period, at the option of the Chargee, the full principal balance together with interest and costs on a substantial indemnity basis in relation thereto shall become immediately due and payable.
12. **Due on Sale:** The Chargor and the Guarantor hereby agree that in the event that the Property is sold, conveyed, transferred or assigned or there is a change in control of a corporate Chargor or corporate Guarantor, without Chargee's written consent, which consent shall not be unreasonably withheld, the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee immediately due and payable together with the Chargee's then current prepayment penalties and fees.
13. **No Subsequent Encumbrances:** The Chargor and the Guarantor hereby agree that in the event that a subsequent mortgage is placed on the Property without Chargee's written consent, which consent shall not be unreasonably withheld, that the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee immediately due and payable together with the Chargee's then current prepayment penalties and fees.
14. **Default of Prior Encumbrances:** If at any time or from time to time any default or breach of covenant occurs under any encumbrance registered against the Property and which encumbrance has priority over the Mortgage and which default is not cured within the grace periods permitted, it shall constitute default under the Mortgage and the Chargee may pay all monies and take appropriate action to cure any default or breach under any encumbrance.
15. **Costs:** The Chargor covenants and agrees to pay all property tax, public utilities rates, charges, and insurance premiums as and when they become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Chargor to comply with this covenant shall constitute an event of default hereunder and entitles the Chargee at its sole and absolute discretion to avail itself of remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs.

In addition, at the Chargee's sole and absolute discretion, the Chargor agrees that the Chargee may satisfy any charge, lien, any matter raised in the previous paragraph or other encumbrances now or hereafter existing or to arise or to be claimed upon the charged lands and the amount so paid together with all costs associated therewith shall be a charge on the Property and/or Collateral Property and shall bear interest at Eighteen (18%) percent per annum, calculated and compounded monthly and shall be payable forthwith by the Chargor to the Chargee, and in default of payment, the entire principal sum, accrued interest and costs, shall become payable at the sole and absolute discretion of the Chargee and the remedies hereby given and available at law may be exercised forthwith without notice. In the event the Chargee satisfying any such

charge or claim, it shall be entitled to all equities and securities of the person(s) so satisfied and it may retain any discharge, cessation of charge or assignment of charge unregistered until paid.

- 16. **Final Payment and Discharge:** The Chargor covenants and agrees that payment at maturity, or earlier if notice to prepay is delivered, of the Mortgage shall be by certified cheque, bank draft or money order. After payment in full of the principal sum and all other amounts hereby provided, a discharge of the Mortgage shall be prepared by the solicitor for the Chargee, at the cost and expense of the Chargor within a reasonable time after such payment and such solicitor's fees shall not include attendance outside the office in order to deliver the said discharge or the attendance on a closing or registration of and the cost of registration of the said discharge.

In the event the loan is not repaid at the time or times provided within the Mortgage or in the notice to prepay earlier, the Chargee will not be required to accept payment of the principal monies without first receiving three (3) months additional months' notice in writing or receiving 3 months interest bonus in advance of the principal monies.

No further monies, if any, will be advanced under the Charge, once notice to discharge is received by the Chargee.

- 17. **Warranty - Urea Formaldehyde Foam insulation (UFFI) and Environmental:** The Chargor covenants to the best of its knowledge and belief the Property has never had "UREA FORMALDEHYDE FOAM" insulation installed, asbestos, PCBs waste, radioactive material, noxious substances, or any contaminant as defined in the Environment Protection Act and that the Property is and will be environmentally sound and there are no and will be no restrictions which would economically affect any buildings on the Property. The terms and conditions of the environmental clause should be as the Chargee's solicitor prepares.

- 18. **Receiver:** In the event due to default of the Chargor on the Property, beyond the applicable cure period, then the Chargee in addition to any other rights which it may have, shall be entitled to appoint a receiver manager or receiver, either privately or court appointed to manage the building and to do all things necessary as an owner would be entitled to do to sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation. The terms and conditions of the receiver are to be further elaborated in the Mortgage as required by the Chargee's lawyers.

- 19. **Management Costs:** In the event that the Chargee or its agents takes possession of the Property as a result of default under the Mortgage, or in the event that the Chargee or its agents commence Power of Sale proceedings, or if a receiver is appointed as a result of default under the Mortgage, the Chargee, will be entitled to charge the Chargor. Said management costs shall be based on the higher of 5% of the mortgage principal plus applicable taxes, or \$15,000.00 per month which cost the Chargor acknowledges is a reasonable estimate for the time value and opportunity costs incurred for amanging the Property(s), including but not limited to communicating with investors, dealing with professional advisors, appraisal companies, environmental engineers, building inspector, receiver, legal counsel, attending meetings, checking property taxes, work orders, liens or other matter acting genrally in accordance with the requirements of a mortgage manager of a mortgages property in default which amount is deemed not to be a penalty.

In addition to the Management Costs, the Chargee or its agent will be entitled to an administration fee on the basis of \$350 per hour plus HST, if applicable for each hour after the advance the Chargee or its agent are required to deal with default or potential default. This clause is also deemed to be proper notice to any subsequent charge or lien holder of the above-noted fees in the event of the Chargor's default.

- 20. **Default Abandonment:** Subject to Force Majeure, in the event of abandonment for a period in excess of fifteen (15) consecutive days, the Chargee shall be entitled to, after giving the Chargor fifteen (15) days' notice of any abandonment or failure to continue business operations or any failure to construct with due diligence and provided the Chargor fails to rectify same, forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds, if any, as the case may be and to declare any monies theretofore advanced with interest to be forthwith due and payable at its sole option.

- 21. **Receipt of Funds:** Any payment received after 1:00 P.M. shall be deemed to have been made on the next Bank Business Day following receipt. For purposes of this paragraph, Saturday, Sunday Provincial and Federal Holidays shall be deemed to be non-business Bank Days.

- 22. **Possession:** In the event of default under the Mortgage by the Chargor beyond the applicable grace period and the Chargee obtains possession of the Property and it determines, in its sole discretion, that the Property requires work and/or improvements in order to market the Property, then the Chargee shall have the right, at its sole option, to complete such work on such terms as it deems advisable. The cost of completion of the servicing and work by the Chargee and its agents and all expenses incidental thereto shall be added to the Loan amount, together with a management fee of fifteen per cent (15%) of the costs of the work and improvements completed by the Chargee, provided that it is limited to bringing the Property only up to the condition it was at the time of the advance, unless work already has been started on a house and it may be completed. All costs and expenses, as well as said management fee, shall bear interest at the

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rate as herein provided for and shall form part of the Loan secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of Mortgage principal and Interest hereunder or at law.

23. **Conflict:** In the event of any conflict between this Schedule "A" and the Standard Charge Terms this Schedule "A" shall prevail. In the event of any conflict between this Schedule "A" and the Commitment Letter between the Chargee and the Chargor, as amended, the Chargee shall prevail.

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TAB E

GENERAL ASSIGNMENT OF LEASES AND RENTS

TO: FIRST SOURCE FINANCIAL MANAGEMENT INC. (the "Chargee")

FROM: 2507448 ONTARIO INC. (the "Chargor")

RE: First Source Mortgage Corporation (the "Lender") loan in the principal amount of \$3,500,000 (the "Loan") to 2507448 Ontario Inc. (the "Borrower") as guaranteed by Del Terrelonge (the "Guarantor") secured against property municipally known as 581 Wellington Street West, Toronto, Ontario and legally described in PIN 21241-0144 (LT) (the "Charged Premises") pursuant to the terms of a commitment letter dated November 23, 2017 (the "Commitment Letter")

1. RECITALS

1.1 Description of Underlying Obligation

The Chargee has or is about to extend a mortgage loan in the amount of \$3,500,000.00 in favour of the Chargor pursuant to a Commitment Letter dated November 23, 2017, and the Chargee requires that the indebtedness of the Chargor pursuant to the Commitment Letter and under the Loan be further secured by a first collateral \$3,500,000.00 mortgage on the Charged Premises (the "Charge") and the presents hereinafter set out.

2. GRANTING CLAUSES

2.1 To secure the Chargor's obligations to the Chargee and to assure performance of the agreements contained herein, the Charge, the Commitment Letter and in any other loan document, Chargor assigns to Chargee, Chargor's right, title and interest in:

- (a) All oral and written leases, offers to lease with, or other agreements for use or occupancy made to or agreed to by any person or entity (including without limitation of the foregoing, Chargor and Chargee under the powers granted herein), and any and all amendments, extensions, renewals, modifications and replacements thereof pertaining to all or any part of the Charged Premises, whether such leases or other agreements have heretofore been made or as are in the future made or agreed to (such leases, offers to lease and other use or occupancy agreements being referred to as the "Leases");
- (b) The rents, issues and profits (collectively the "Rents") which may hereafter become due pursuant to any of the Leases pertaining to all or any part of the Charged Premises;
- (c) All rights, powers, privileges, options and other benefits (collectively the "Rights") of Chargor under the Leases, including without limitation the following:
 - (i) The immediate and continuing right to receive and collect all Rents, income, revenues, insurance proceeds, condemnation awards, moneys and security deposits or the like pursuant to any of the provisions thereof, whether as Rents or otherwise (except sums payable directly to any person other than the lessor thereunder);
 - (ii) The right to make all waivers and agreements, including waivers of obligations of lessees;
 - (iii) The right to give all notices, permissions, consents and releases, including consent to the subordination of the interest of a lessee;
 - (iv) The right to take such action upon the happening of a default under the Leases (including the commencement, conduct and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;

- (v) The right to do any and all other things whatsoever which Chargor, as lessor, is or may become entitled to under the Leases;
- (vi) The right to exercise any option; and
- (d) Any and all guarantees (the "**Guarantees**") of any of the Leases, and the rights, powers, privileges and other benefits of the Chargor under the Guarantees;

and Chargor authorizes Chargee in the event of Chargor's Default hereunder:

- (e) To manage the Charged Premises and let and relet the Charged Premises, or any part thereof according to Chargee's own discretion;
- (f) To prosecute or defend any suits in connection with the Charged Premises in the name of either or both of Chargee or Chargor as it may consider desirable;
- (g) To enforce or take any other action in connection with the Leases in the name of either or both of Chargee or Chargor;
- (h) To make such repairs to the Charged Premises as Chargee may deem advisable; and
- (i) To do anything in or about the Charged Premises that Chargee may reasonably deem advisable and that the Chargor has the right or power to do.

3. COVENANTS, REPRESENTATIONS AND WARRANTIES

3.1 Power Coupled with Interest

This Assignment of Leases and Rents confers upon Chargee a power coupled with an interest and cannot be revoked by the Chargor.

3.2 Notice of Lessor's Default

Chargor shall cause notice to be given to Chargee of any material default by the lessor known to the lessor under any of the Leases promptly upon the occurrence of such default, but in all events in sufficient time to afford to Chargee an opportunity to cure any such default prior to the lessee under the subject lease having any right to terminate the lease by reason of such default.

3.3 Chargee to be Creditor of Lessee

Chargee shall be and be deemed to be the creditor of each lessee in the Leases in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution, or receivership proceedings affecting such lessee (without obligation on the part of the Chargee, however, to file or make timely filings of claims in such proceedings or otherwise to pursue creditor's rights therein) and Chargor hereby assigns to Chargee any such money or award and any and all payments made or payable by lessees in lieu of rent with option to Chargee to apply any such money or award or payments received by Chargee in reduction of the indebtedness secured by or to be paid under the Charge. Chargor hereby appoints Chargee as its irrevocable attorney in fact to appear in any action and/or collect any such money, award or payment.

4. DEFAULTS AND REMEDIES

4.1 Defaults

A default under the Charge shall constitute a default ("**Default**") under this Assignment of Leases and Rents.

4.2 Exercise of the Assignment of Leases and Rents

- (a) Until Default shall have been made in payment of any sum as provided in the Charge, the Chargor shall be entitled to receive all Rents and other amounts payable under the Leases and Guarantees;

- (b) In the event of Default then in addition to the rights hereby assigned to the Chargee the Chargee may collect the Rents and/or manage the Charged Premises without regard to the adequacy of the security and without waiving such Default;
- (c) In the event Chargee elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Chargor such rights, this Assignment of Leases and Rents shall in no respect be terminated but instead remain in full force and effect until the indebtedness represented by the Charge is paid in full, it being the intent of the parties that Chargee shall, from time to time upon the occurrence of any Default under this Assignment of Leases and Rents and/or the Charge, have all the rights granted hereby.

4.3 Nature of Remedies

No delay or omission on the part of Chargee in the exercise of any remedy for a Default shall operate as a waiver hereof. The remedies available to Chargee under this Assignment of Leases and Rents shall be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and under the Charge. The said remedies shall be cumulative and concurrent and not alternative, may be pursued separately, successively or together against the Chargor, against the Charged Premises or any of them at sole discretion of Chargee and may be exercised as often as occasion therefrom shall arise.

4.4 Application of Rents

Chargee shall have the power to apply the Rents, in such order as Chargee may determine, to the payment of the indebtedness represented by the Charge and also toward the payment of any and all sums, monies, costs, charges and expenses incurred by Chargee in exercise of any of its rights under the Charge and all reasonable expenses for the care and management of the Charged Premises, including taxes, insurance, assessments, usual and customary commissions to a real estate broker for leasing real estate and collecting rents, and the reasonable expenses and fees of all attorneys, agents and servants, which expenses may be reasonably necessary to exercise the powers granted to the Chargee hereunder. The receipt by Chargee of any Rents pursuant to this Assignment after a Default hereunder and the exercise of any remedies provided for in the Charge or hereunder shall not cure such Default or affect or prejudice the exercise of such remedies.

4.5 Limitation of Chargee's Obligations

Chargee's obligations as to any Rents actually collected shall be discharged by application of such Rents for any of the purposes described in this Assignment of Leases and Rents. Chargee shall not be liable for uncollected rents or for any claim for damages or set off arising out of the Chargee's management of the Charged Premises. Chargee shall not be liable to any lessee for the return of any security deposit made under any lease of any portion of the Charged Premises unless Chargee shall have received such security deposit from the lessor or such lessee. Chargee shall not by reason of this Assignment of Leases and Rents or the exercise of any right granted herein be obligated to perform any obligation of the lessor under any of the Leases, nor shall Chargee be responsible for any act committed by the lessor, or any breach or failure to perform by the lessor with respect to any of the Leases. Nothing contained herein shall be deemed to have the effect of making the Chargee a mortgagee in possession of the Charged Premises or any part thereof.

4.6 Reimbursement

Chargor shall reimburse, indemnify and hold harmless Chargee for and from any and all expenses, losses, damages and liabilities which Chargee may reasonably incur by reason of this Assignment, any of the Leases or expenses, losses, damages and liabilities incurred in exercising any of the rights granted in this Assignment.

4.7 Authorization to Lessees

Each present and future lessee under any of the Leases is hereby authorized and directed to pay the rent payable thereunder to Chargee upon written demand from Chargee stating that a Default has occurred under the Charge without inquiry as to whether any such Default has occurred or whether Chargee is rightfully entitled to such rent.

4.8 Discharge

At the time of delivery of a discharge of the Charge the Chargee shall also deliver a release and re-conveyance of this Assignment of Leases and Rents to the Chargor.

5. MISCELLANEOUS

5.1 Modification of Loan Terms

If the time of payment of all indebtedness secured under the Charge or any part thereof be extended at any time or times, if the Charge be renewed, modified or replaced or if any security for the Charge be released, Chargor and any other parties now or hereafter liable therefor or interested in the Charged Premises shall be held to consent to such extensions, renewals, modifications, replacements and releases and their liability and the lien hereof shall not be released and the rights created hereby and thereby shall continue in full force, the right of recourse against all such parties being reserved by the Chargee.

5.2 Successors and Assigns

This Assignment of Leases and Rents shall enure to the benefit of and be binding upon the successors and assigns of the Chargor and Chargee and all persons and entities (including owners and lessees) which may hereafter obtain any interest in the Charged Premises.

5.3 No Merger

Notwithstanding the conveyance or transfer of title to any or all of the Charged Premises to any lessee under any of the Leases, the lessee's leasehold estate under such lease shall not merge into the fee estate and the lessee shall remain obligated under such lease as assigned by this Assignment.

5.4 Notices

Whenever Chargee or Chargor desires to give any notice to the other, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the last address theretofore specified by the addressee in a written notice given to sender. In case no other address has been so specified, notices hereunder shall be delivered or mailed to the following addresses:

Chargee:

1 Valleybrook Drive, Suite 100
Toronto Ontario, M3B 2S7

Attention: Mr. David Mandel

By email: david@firstsourcemortgage.ca

Chargor:

581 Wellington Street West
Toronto Ontario M5V 1G3

Attention: Del Terrelonge

By email: d@rhed-22.com

Any notice given in the manner specified herein shall be deemed to have been given on the day it is personally delivered or two business days after it is deposited in the mail.

5.5 Governing Law

This Assignment of Leases and Rents shall be governed by and construed in accordance with the law of the Province of Ontario.

5.6 Severability

If any term or provision contained in this Assignment of Leases and Rents or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Assignment of Leases and Rents or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Assignment of Leases and Rents shall be valid and enforceable to the fullest extent permitted by law.

5.7 Captions

The captions preceding the text of the paragraphs or sub paragraphs of this Assignment of Leases and Rents are inserted only for convenience of reference and shall not constitute a part of this Assignment of Leases and Rents, nor shall they in any way affect its meaning, construction or effect.

DATED this 16 day of ~~February~~, 2018.
March

2507448 ONTARIO INC.

Per: _____

Name: Del Terrelonge

Title: President

I have the authority to bind the corporation

TAB F

GENERAL SECURITY AGREEMENT

TO: FIRST SOURCE FINANCIAL MANAGEMENT INC.

FROM: 2507448 ONTARIO INC. (the "Debtor")

RE: First Source Mortgage Corporation (the "Lender") loan in the principal amount of \$3,500,000 (the "Loan") to 2507448 Ontario Inc. (the "Borrower") as guaranteed by Del Terrelonge (the "Guarantor") secured against property municipally known as 581 Wellington Street West, Toronto, Ontario and legally described in PIN 21241-0144 (LT) (the "Property") pursuant to the terms of a commitment letter dated November 23, 2017 (the "Commitment Letter")

SECURITY INTEREST

- (a) For value received, the undersigned hereby grants to the Lender a security interest (the "Security Interest") in the undertaking of the Debtor, and in all of the Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore and relating to the Property (hereinafter collectively called "Collateral"), and including, without limitation, all of the following, now owned or hereafter owned or acquired by or on behalf of the Debtor:
 - (i) all inventory of whatever kind and wherever situate;
 - (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
 - (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (the "Debts");
 - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of the Debts, Chattel Paper or Documents of Title by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (v) all contractual rights and insurance claims;
 - (vi) all patents, industrial designs, trade-marks, trade secrets and know-how, including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively, "Intellectual Property"); and
 - (vii) without in any way limiting the foregoing, all cash and reserve accounts of the Debtor.
- (b) The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security Interest, the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- (c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in the

Personal Property Security Act of the Province of Ontario, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A., and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

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

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

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

- (a) the Collateral is genuine and owned by the Debtor free of all prior security interests, mortgages, liens, claims, charges, licences, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "**Encumbrances**"), save for the Security Interest and those Encumbrances shown on Schedule A;
- (b) all Intellectual Property applications and registrations are valid and in good standing, and the Debtor is the owner of the applications and registrations;
- (c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Debtor**"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise;
- (d) the locations specified in Schedule B are accurate and complete; and
- (e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of the Debtor's rights in the Collateral to the Lender will not result in a breach of any agreement to which the Debtor is a party.

4. COVENANTS OF THE DEBTOR

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

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of the Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all prior Encumbrances, except for the Security Interest, licences which are compulsory under federal or provincial legislation and those shown on Schedule A, and not to sell, exchange, transfer, assign, lease license or otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender or as may be required by law or contract; provided always that, until default, Debtor may, in the ordinary

course of the Debtor's business, sell or lease inventory and, subject to Clause 7 hereof, use Money available to the Debtor;

- (b) to notify the Lender promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting the Debtor or Collateral, (iv) any loss or damage to Collateral;
 - (iv) any default by any Account Debtor in payment or other performance of his /her obligations with respect to Collateral; and
 - (v) the return to or repossession by the Debtor of Collateral.
- (c) to keep Collateral in good order, condition and repair and not to use Collateral in violations of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by the Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by the Lender; to apply to register all existing and future copyrights, trademarks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignment, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral all in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or Collateral as and when the same become due and payable;
- (f) to insure Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct, with loss payable to the Lender and the Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;
- (g) to prevent Collateral, save Inventory sold or leased as permitted hereby or intended to be affixed to real property, from being or becoming an accession to other property not covered by this Security Agreement;
- (h) to carry on and conduct the business of the Debtor in a proper and efficient manner, so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) to deliver to the Lender from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to Collateral: and

- (v) such information concerning Collateral, the Debtor and the Debtor's business and affairs as the Lender may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

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

6. SECURITIES

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

7. COLLECTION OF DEBTS

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

8. INCOME FROM AND INTEREST ON COLLATERAL

- (a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral, except as required by law or contract and if The Lender receives any such Money prior to default, The Lender shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- (b) After default the Debtor will not request or receive any Money constituting income from or interest on Collateral except as required by law or contract, and if the Debtor receives any such Money without any request by it, the Debtor will pay the same promptly to the Lender.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- (a) Whether or not default has occurred, the Debtor authorizes the Lender:
 - (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and deal with accordingly;
 - (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.
- (b) If the Debtor receives any such increase or profits (other than Money) or payments or distributions, the Debtor will deliver the same promptly to the Lender to be held by the Lender as herein provided.

10. DISPOSITION OF MONEY

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

11. EVENTS OF DEFAULT

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

- (a) the non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between the Debtor and the Lender;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to the Debtor, if an individual;
- (c) the bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy which is not being defended by the Debtor; the making of an assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor of any assets of the Debtor or the institution by or against or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise which is not being defended by the Debtor;
- (d) the institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding-up of affairs of the Debtor which is not being defended by the Debtor;
- (e) if any prior Encumbrance affecting Collateral becomes enforceable against Collateral;
- (f) if the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or if distress or analogous process is levied upon the assets of the Debtor or any part thereof; and
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to the Lender to extend any credit to or to enter into this or any other agreement with the Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Lender at or prior to the time of such execution.

12. ACCELERATION

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

13. REMEDIES

- (a) Upon default, the Lender may appoint or re-appoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of

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

- (b) Upon default, the Lender may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and the Lender, and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or proceeds, and whether or not in the Lender's possession, and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law, and Debtor agrees upon request from The Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by The Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as maybe required by the P.P.S.A..

- (h) Upon default and receiving written demand from the Lender, the Debtor shall take such further action as may be necessary to evidence and effect any assignment or licensing of Intellectual Property to whomever the Lender directs, including to the Lender. The Debtor appoints any officer or director or branch manager of the Lender upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on the Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

- (a) The Debtor hereby authorizes the Lender to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which the Debtor's business is carried on and Collateral and records relating thereto are situate) as the Lender may deem appropriate to perfect on any ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein-mentioned branch of the Lender the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Without limiting any other right of the Lender, whenever Indebtedness is immediately due and payable or the Lender has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), the Lender may, in its sole discretion, set off against Indebtedness any and all amounts then owned to the Debtor by the Lender in any capacity, whether or not due, and the Lender shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Lender's records subsequent thereto.
- (c) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all of such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate accruing on the indebtedness, obligations and liabilities of the Debtor to the Lender.
- (d) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name, at the Lender's option, and may endorse the Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- (e) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (f) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by the Lender.
- (g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement

and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against the Lender. If more than one the Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

- (h) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (i) Subject to the requirements of Clauses 13(g) and 14(j) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of the Lender, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of the Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to the Lender. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.
- (j) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the Lender, and is intended to be a continuing Security Agreement, and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein-mentioned branch of the Lender shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all indebtedness contracted for or created before the receipt of such notice by the Lender, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.
- (k) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (l) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with and grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (m) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (n) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (o) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.
- (p) The Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term the "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:
 - (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of the amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
 - (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Lender at the time of amalgamation and any "Indebtedness" of the amalgamated company to the Lender thereafter arising. The Security Interest shall attach to "Collateral" owned by each company

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

- (q) This security agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario, as the same may from time to time be in effect, including, where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

The Debtor hereby acknowledges receipt of a copy of this Security Agreement.

DATED this 16 day of ~~February~~, 2018.

March

2507448 ONTARIO INC.

Per: _____

Name: Del Terrelonge

Title: President

I have the authority to bind the corporation

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SCHEDULE A

1. None.

SCHEDULE B

1. Location of the Debtor's Business Operations:

581 Wellington Street West
Toronto Ontario M5V 1G3

2. Locations of Records relating to Collateral:

581 Wellington Street West
Toronto Ontario M5V 1G3

3. Locations of Collateral:

581 Wellington Street West
Toronto Ontario M5V 1G3

TAB G

GENERAL SECURITY AGREEMENT

TO: FIRST SOURCE FINANCIAL MANAGEMENT INC.

FROM: DEL TERRELONGE (the "Debtor")

RE: First Source Mortgage Corporation (the "Lender") loan in the principal amount of \$3,500,000 (the "Loan") to 2507448 Ontario Inc. (the "Borrower") as guaranteed by Del Terrelonge (the "Guarantor") secured against property municipally known as 581 Wellington Street West, Toronto, Ontario and legally described in PIN 21241-0144 (LT) (the "Property") pursuant to the terms of a commitment letter dated November 23, 2017 (the "Commitment Letter")

SECURITY INTEREST

- (a) For value received, the undersigned hereby grants to the Lender a security interest (the "Security Interest") in the undertaking of the Debtor, and in all of the Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore and relating to the Property (hereinafter collectively called "Collateral"), and including, without limitation, all of the following, now owned or hereafter owned or acquired by or on behalf of the Debtor:
- (i) all inventory of whatever kind and wherever situate;
 - (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
 - (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (the "Debts");
 - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of the Debts, Chattel Paper or Documents of Title by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (v) all contractual rights and insurance claims;
 - (vi) all patents, industrial designs, trade-marks, trade secrets and know-how, including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively, "Intellectual Property"); and
 - (vii) without in any way limiting the foregoing, all cash and reserve accounts of the Debtor.
- (b) The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security Interest, the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- (c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in the

Personal Property Security Act of the Province of Ontario, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A., and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

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

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

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

- (a) the Collateral is genuine and owned by the Debtor free of all prior security interests, mortgages, liens, claims, charges, licences, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule A;
- (b) all Intellectual Property applications and registrations are valid and in good standing, and the Debtor is the owner of the applications and registrations;
- (c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise;
- (d) the locations specified in Schedule B are accurate and complete; and
- (e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of the Debtor's rights in the Collateral to the Lender will not result in a breach of any agreement to which the Debtor is a party.

4. COVENANTS OF THE DEBTOR

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

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of the Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all prior Encumbrances, except for the Security Interest, licences which are compulsory under federal or provincial legislation and those shown on Schedule A, and not to sell, exchange, transfer, assign, lease license or otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender or as may be required by law or contract; provided always that, until default, Debtor may, in the ordinary

course of the Debtor's business, sell or lease inventory and, subject to Clause 7 hereof, use Money available to the Debtor;

- (b) to notify the Lender promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting the Debtor or Collateral, (iv) any loss or damage to Collateral;
 - (iv) any default by any Account Debtor in payment or other performance of his /her obligations with respect to Collateral; and
 - (v) the return to or repossession by the Debtor of Collateral.
- (c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by the Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by the Lender; to apply to register all existing and future copyrights, trademarks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignment, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral all in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or Collateral as and when the same become due and payable;
- (f) to insure Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct, with loss payable to the Lender and the Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;
- (g) to prevent Collateral, save Inventory sold or leased as permitted hereby or intended to be affixed to real property, from being or becoming an accession to other property not covered by this Security Agreement;
- (h) to carry on and conduct the business of the Debtor in a proper and efficient manner, so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) to deliver to the Lender from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to Collateral: and

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- (v) such information concerning Collateral, the Debtor and the Debtor's business and affairs as the Lender may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

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

6. SECURITIES

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

7. COLLECTION OF DEBTS

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

8. INCOME FROM AND INTEREST ON COLLATERAL

- (a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral, except as required by law or contract and if The Lender receives any such Money prior to default, The Lender shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- (b) After default the Debtor will not request or receive any Money constituting income from or interest on Collateral except as required by law or contract, and if the Debtor receives any such Money without any request by it, the Debtor will pay the same promptly to the Lender.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- (a) Whether or not default has occurred, the Debtor authorizes the Lender:
 - (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and deal with accordingly;
 - (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.
- (b) If the Debtor receives any such increase or profits (other than Money) or payments or distributions, the Debtor will deliver the same promptly to the Lender to be held by the Lender as herein provided.

10. DISPOSITION OF MONEY

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

11. EVENTS OF DEFAULT

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

- (a) the non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between the Debtor and the Lender;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to the Debtor, if an individual;
- (c) the bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy which is not being defended by the Debtor; the making of an assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor of any assets of the Debtor or the institution by or against or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise which is not being defended by the Debtor;
- (d) the institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding-up of affairs of the Debtor which is not being defended by the Debtor;
- (e) if any prior Encumbrance affecting Collateral becomes enforceable against Collateral;
- (f) if the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or if distress or analogous process is levied upon the assets of the Debtor or any part thereof; and
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to the Lender to extend any credit to or to enter into this or any other agreement with the Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Lender at or prior to the time of such execution.

12. ACCELERATION

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

13. REMEDIES

- (a) Upon default, the Lender may appoint or re-appoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of

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

- (b) Upon default, the Lender may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and the Lender, and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or proceeds, and whether or not in the Lender's possession, and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law, and Debtor agrees upon request from The Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of; preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by The Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as maybe required by the P.P.S.A..

- (h) Upon default and receiving written demand from the Lender, the Debtor shall take such further action as may be necessary to evidence and effect any assignment or licensing of Intellectual Property to whomever the Lender directs, including to the Lender. The Debtor appoints any officer or director or branch manager of the Lender upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on the Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

- (a) The Debtor hereby authorizes the Lender to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which the Debtor's business is carried on and Collateral and records relating thereto are situate) as the Lender may deem appropriate to perfect on any ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein-mentioned branch of the Lender the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Without limiting any other right of the Lender, whenever Indebtedness is immediately due and payable or the Lender has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), the Lender may, in its sole discretion, set off against Indebtedness any and all amounts then owned to the Debtor by the Lender in any capacity, whether or not due, and the Lender shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Lender's records subsequent thereto.
- (c) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all of such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate accruing on the indebtedness, obligations and liabilities of the Debtor to the Lender.
- (d) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name, at the Lender's option, and may endorse the Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- (e) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (f) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by the Lender.
- (g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement

and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against the Lender. If more than one the Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

- (h) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (i) Subject to the requirements of Clauses 13(g) and 14(j) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of the Lender, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of the Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to the Lender. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.
- (j) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the Lender, and is intended to be a continuing Security Agreement, and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein-mentioned branch of the Lender shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by the Lender, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.
- (k) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (l) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with and grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (m) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (n) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (o) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.
- (p) The Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term the "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:
 - (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of the amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
 - (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Lender at the time of amalgamation and any "Indebtedness" of the amalgamated company to the Lender thereafter arising. The Security Interest shall attach to "Collateral" owned by each company

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

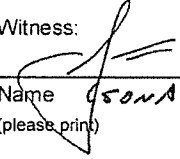
(q) This security agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario, as the same may from time to time be in effect, including, where applicable, the P.P.S.A.

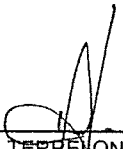
15. COPY OF AGREEMENT

The Debtor hereby acknowledges receipt of a copy of this Security Agreement.

DATED this 16 day of ~~February~~ March, 2018.

Witness:


Name LEONARD DESVIGNES
(please print)



DEL TERRELONGE

SCHEDULE A

1. None.

SCHEDULE B

1. Location of the Debtor's Business Operations:

581 Wellington Street West
Toronto Ontario M5V 1G3

2. Locations of Records relating to Collateral:

581 Wellington Street West
Toronto Ontario M5V 1G3

3. Locations of Collateral:

581 Wellington Street West
Toronto Ontario M5V 1G3

TAB H



Search Results
ID=5781596

CORPORATE SERVICES LTD.

84

Current: 18/01/2019 09:44:19
Submitted: 18/01/2019 09:44:12
Completed: 18/01/2019 09:44:14

Your Ref No. ESCWEB5781596

PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/18/2019
TIP73508 ENQUIRY REQUEST 09:44:13

FILE CURRENCY 17JAN 2019
CHANGE ACCOUNT (Y/N) : N ACCOUNT NUMBER : 009313 0001 ACCOUNT CODE : ESCVFDE

SEARCH TYPE (BD,IN,IS,MV) : BD
SEARCH CRITERIA : 2507448 Ontario Inc.

SUB-SEARCH

RETRIEVE REGISTRATIONS RECORDED SINCE (DDMMYYYY) :
RESPONSE TYPE (V,P) : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE :
RESPONSE MAILING ADDRESS
NAME :
ADDRESS :
CITY : PROV :
POSTAL CODE :
PRINT RESPONSE LOCALLY (Y/N) : N

PSSME19 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/18/2019
TIP73508 RESPONSE SUMMARY/HIGH VOLUME 09:44:14
ACCOUNT : 009313-0001
FILE CURRENCY : 17JAN 2019
SEARCH : BD : 2507448 ONTARIO INC.

RESPONSE CONTAINS : APPROXIMATELY 2 FAMILIES 4 PAGES

- FOR VERBAL RESPONSE, ENTER "V" IN RESPONSE TYPE.
- TO REQUEST A PRINT-OUT, ENTER "P" IN RESPONSE TYPE AND FILL IN THE MISSING INFORMATION.
- TO TERMINATE THE ENQUIRY, ENTER "CANCEL" IN THE NAME LINE.

RESPONSE TYPE : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE : ____
 RESPONSE MAILING ADDRESS
 NAME : _____
 ADDRESS : _____
 CITY : _____ PROV : ____
 POSTAL CODE : _____
 PRINT RESPONSE LOCALLY (Y/N) : N

86

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/18/2019
TIP73508 DISPLAY 1C REGISTRATION - SCREEN 1 09:44:14
ACCOUNT : 009313-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 4
FILE CURRENCY : 17JAN 2019
SEARCH : BD : 2507448 ONTARIO INC.

00 FILE NUMBER : 722201346 EXPIRY DATE : PERPETUAL STATUS :
01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20161103 1658 1862 9927 REG TYP: P PPSA REG PERIOD: 99 (PERP)
02 IND DOB : IND NAME:
03 BUS NAME: 2507448 ONTARIO INC.

OCN : 2507448

04 ADDRESS : 581 WELLINGTON STREET WEST
CITY : TORONTO PROV: ON POSTAL CODE: M5V 1G3

05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

MONICA GOYAL, BARE TRUSTEE

09 ADDRESS : 2 ST. CLAIR AVENUE WEST, SUITE 1800

CITY : TORONTO PROV: ON POSTAL CODE: M4V 1L5

CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

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YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 A GENERAL SECURITY AGREEMENT, A GENERAL ASSIGNMENTS OF RENTS, AND AN

14 ASSIGNMENT OF PLANS AND RELATED AGREEMENTS AFFECTING 581 WELLINGTON

15 STREET WEST, TORONTO, ON., M5V 1G3.

16 AGENT: MONICA GOYAL

17 ADDRESS : 2 ST. CLAIR AVENUE WEST, SUITE 1800

CITY : TORONTO PROV: ON POSTAL CODE: M4V 1L5

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/18/2019
TIP73508 DISPLAY 2C REGISTRATION - SCREEN 1 09:44:14
ACCOUNT : 009313-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 2 OF 4
FILE CURRENCY : 17JAN 2019
SEARCH : BD : 2507448 ONTARIO INC.

FILE NUMBER 722201346

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 001 OF 002 MV SCHED: 20180404 0933 1862 9840
21 REFERENCE FILE NUMBER : 722201346
22 AMEND PAGE: NO PAGE: X CHANGE: J OTHER REN YEARS: CORR PER:
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME: 2507448 ONTARIO INC.

25 OTHER CHANGE: SUBORDINATION
26 REASON: MONICA GOYAL, BARE TRUSTEE SUBORDINATES AND POSTPONES FINANCING
27 /DESCR: STATEMENT NUMBER 20161103 1658 1862 9927 (FILE NUMBER 722201346) IN
28 : FAVOUR OF FIRST SOURCE FINANCIAL MANAGEMENT INC.'S FINANCING
02/05 IND/TRANSFeree:
03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:
CITY: PROV: POSTAL CODE:
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
CITY : PROV : POSTAL CODE :
CONS. MV DATE OF NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : SCHNEIDER RUGGIERO LLP (40033/BM)
17 ADDRESS : 1000-120 ADELAIDE STREET W.
CITY : TORONTO PROV : ON POSTAL CODE : M5H 3V1



PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/18/2019
TIP73508 DISPLAY 2C REGISTRATION - SCREEN 1 09:44:14
ACCOUNT : 009313-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 3 OF 4
FILE CURRENCY : 17JAN 2019
SEARCH : BD : 2507448 ONTARIO INC.

FILE NUMBER 722201346

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 002 OF 002 MV SCHED: 20180404 0933 1862 9840
21 REFERENCE FILE NUMBER : 722201346
22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE: SUBORDINATION
26 REASON: STATEMENT NUMBER 20180404 0929 1862 9839 (FILE NUMBER 737856684).
27 /DESCR:
28 :
02/05 IND/TRANSFEE:
03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:
CITY: PROV: POSTAL CODE:
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
CITY : PROV : POSTAL CODE :
CONS. MV DATE OF NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME :
17 ADDRESS :
CITY : PROV : POSTAL CODE :

=====

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/18/2019
TIP73508 DISPLAY 1C REGISTRATION - SCREEN 1 09:44:14
ACCOUNT : 009313-0001 FAMILY : 2 OF 2 ENQUIRY PAGE : 4 OF 4
FILE CURRENCY : 17JAN 2019
SEARCH : BD : 2507448 ONTARIO INC.

00 FILE NUMBER : 737856684 EXPIRY DATE : 04APR 2020 STATUS :
01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20180404 0929 1862 9839 REG TYP: P PPSA REG PERIOD: 2
02 IND DOB : IND NAME:
03 BUS NAME: 2507448 ONTARIO INC.

04 ADDRESS : 581 WELLINGTON STREET WEST OCN :
CITY : TORONTO PROV: ON POSTAL CODE: M5V 1G3

05 IND DOB : IND NAME:
06 BUS NAME: OCN :

07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
FIRST SOURCE FINANCIAL MANAGEMENT INC.

09 ADDRESS : 1 VALLEYBROOK DRIVE, SUITE 100
CITY : TORONTO PROV: ON POSTAL CODE: M3B 2S7
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X X X
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 SECURITY AGREEMENT AND ASSIGNMENT OF RENTS RELATED TO 581 WELLINGTON
14 STREET WEST, TORONTO, ONTARIO.

15

16 AGENT: SCHNEIDER RUGGIERO LLP (40033/BM)

17 ADDRESS : 1000-120 ADELAIDE STREET W.
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3V1

LAST SCREEN

PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/18/2019
TIP73508 ENQUIRY REQUEST 09:44:14

90

FILE CURRENCY 17JAN 2019
CHANGE ACCOUNT (Y/N) : ACCOUNT NUMBER : 009313 0001 ACCOUNT CODE : ESCVFDE

SEARCH TYPE (BD,IN,IS,MV) :
SEARCH CRITERIA :

SUB-SEARCH
 RETRIEVE REGISTRATIONS RECORDED SINCE (DDMMYYYY) :
RESPONSE TYPE (V,P) : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE :
RESPONSE MAILING ADDRESS
 NAME :
 :
 ADDRESS :
 CITY :
 POSTAL CODE :
PRINT RESPONSE LOCALLY (Y/N) : N
ENQUIRY FOR "2507448 ONTARIO INC." ENDED

TAB I

CLEAR CERTIFICATE / CERTIFICAT LIBRE**SHERIFF OF / SHÉRIF DE:** CITY OF TORONTO (TORONTO)**CERTIFICATE #/** 35547432-5965947B**N° DE CERTIFICAT:****DATE OF CERTIFICATE/** 2018-NOV-23**DATE DU CERTIFICAT:****SHERIFF'S STATEMENT**

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

DÉCLARATION DU SHÉRIF

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

NAME SEARCHED / NOM RECHERCHÉ

#	PERSON OR COMPANY/ PERSONNE OU SOCIÉTÉ	NAME OR SURNAME, GIVEN NAME(S)/ NOM OU NOM DE FAMILLE, PRÉNOM(S)
1.	COMPANY / SOCIÉTÉ	2507448 ONTARIO INC.

CAUTION TO PARTY REQUESTING SEARCH:

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

AVERTISSEMENT À LA PARTIE QUI DEMANDE LA RECHERCHE :

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

CHARGE FOR THIS CERTIFICATE CDN 11.80
/ FRAIS POUR CE CERTIFICAT:

CLEAR CERTIFICATE / CERTIFICAT LIBRE**SHERIFF OF / SHÉRIF DE:** CITY OF TORONTO (TORONTO)**CERTIFICATE #/** 35548656-0312555B**N° DE CERTIFICAT:****DATE OF CERTIFICATE/** 2018-NOV-23**DATE DU CERTIFICAT:****SHERIFF'S STATEMENT**

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

DÉCLARATION DU SHÉRIF

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

NAME SEARCHED / NOM RECHERCHÉ

#	PERSON OR COMPANY/ PERSONNE OU SOCIÉTÉ	NAME OR SURNAME, GIVEN NAME(S)/ NOM OU NOM DE FAMILLE, PRÉNOM(S)
1.	COMPANY / SOCIÉTÉ	2507448

CAUTION TO PARTY REQUESTING SEARCH:

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

AVERTISSEMENT À LA PARTIE QUI DEMANDE LA RECHERCHE :

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

CHARGE FOR THIS CERTIFICATE CDN 11.80
/ FRAIS POUR CE CERTIFICAT:

CLEAR CERTIFICATE / CERTIFICAT LIBRE**SHERIFF OF / SHÉRIF DE:** CITY OF TORONTO (TORONTO)**CERTIFICATE #/** 35547480-1235480B**N° DE CERTIFICAT:****DATE OF CERTIFICATE/** 2018-NOV-23**DATE DU CERTIFICAT:****SHERIFF'S STATEMENT**

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

DÉCLARATION DU SHÉRIF

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

NAME SEARCHED / NOM RECHERCHÉ

#	PERSON OR COMPANY/ PERSONNE OU SOCIÉTÉ	NAME OR SURNAME, GIVEN NAME(S)/ NOM OU NOM DE FAMILLE, PRÉNOM(S)
1.	COMPANY / SOCIÉTÉ	2507448 ONTARIO

CAUTION TO PARTY REQUESTING SEARCH:

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

AVERTISSEMENT À LA PARTIE QUI DEMANDE LA RECHERCHE :

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

CHARGE FOR THIS CERTIFICATE CDN 11.80
/ FRAIS POUR CE CERTIFICAT:

CLEAR CERTIFICATE / CERTIFICAT LIBRE**SHERIFF OF / SHÉRIF DE:** CITY OF TORONTO (TORONTO)**CERTIFICATE #/** 35547516-9938004B**N° DE CERTIFICAT:****DATE OF CERTIFICATE/** 2018-NOV-23**DATE DU CERTIFICAT:****SHERIFF'S STATEMENT**

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

DÉCLARATION DU SHÉRIF

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

NAME SEARCHED / NOM RECHERCHÉ

#	PERSON OR COMPANY/ PERSONNE OU SOCIÉTÉ	NAME OR SURNAME, GIVEN NAME(S)/ NOM OU NOM DE FAMILLE, PRÉNOM(S)
1.	COMPANY / SOCIÉTÉ	2507448 ONTARIO INC

CAUTION TO PARTY REQUESTING SEARCH:

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

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CHARGE FOR THIS CERTIFICATE CDN 11.80
/ FRAIS POUR CE CERTIFICAT:

TAB J

95



Jeffrey Larry
T 416.646.4330 Asst 416.646.7404
F 416.646.4301
E jeff.larry@paliareroland.com
www.paliareroland.com

October 10, 2018

File 22203

VIA EMAIL AND REGISTERED MAIL

2507448 Ontario Inc.
581 Wellington Street West
Toronto, ON
M5V 1G3

Dear Sirs

Re: First Source Financial Management Inc. ("First Source) Loan to 2507448 Ontario Inc. (the "Borrower")

We are counsel to First Source (the "Lender").

On April 4, 2018, the Lender completed a mortgage loan transaction (the "Loan") with the Borrower.

The Loan contemplated a facility in the amount of \$3,500,000 all of which has been advanced.

The Borrower's obligations under the Loan are guaranteed by Del Terrelonge (the "Guarantor").

As security for the Loan, the Borrower granted a charge (the "Charge") in favour of the Lender over the property municipally known as 581 Wellington Street West, Toronto, Ontario (the "Property"). The Charge was registered on title to the Property on April 4, 2018, as Instrument No. AT4834357.

The Borrower is in default under the Loan for failing to pay the monthly mortgage payment for September and October 2018.

In total, the Borrower is indebted to the Lender in the total amount of \$3,564,478.67 (the "Indebtedness") as of October 5, 2017 inclusive of interest, administrative fees and legal fees

The Lender demands the immediate payment of the Indebtedness, together with any additional interest that may accrue from today until the date of payment, plus any further costs and legal expenses.

In the event that the Borrower or the Guarantor fails to make the required payment to the Lender by October 22, 2018 the Lender may exercise any such

- Chris G. Paliare
- Ian J. Roland
- Ken Rosenberg
- Linda R. Rothstein
- Richard P. Stephenson
- Nick Coleman
- Donald K. Eady
- Gordon D. Capern
- Lily I. Harmer
- Andrew Lokan
- John Monger
- Odette Soriano
- Andrew C. Lewis
- Megan E. Shortreed
- Massimo Starnino
- Karen Jones
- Robert A. Centa
- Nini Jones
- Jeffrey Larry
- Kristian Borg-Olivier
- Emily Lawrence
- Tina H. Lle
- Jean-Claude Killey
- Jodi Martin
- Michael Fenrick
- Ren Bucholz
- Jessica Latimer
- Debra McKenna
- Lindsay Scott
- Alysha Shore
- Denise Cooney
- Lauren Pearce
- Daniel Rosenbluth
- Glynnis Hawe
- Emily Home

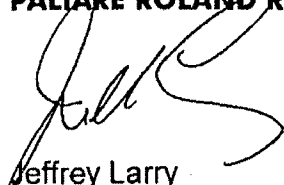
- COUNSEL
- Stephen Goudge, Q.C.
- HONORARY COUNSEL
- Ian G. Scott, Q.C., O.C. (1934 -2006)

remedies as it deems advisable, including the enforcement of the Charge and/or any of the other security.

Finally, we enclose and serve on you a notice under section 244 of the *Bankruptcy and Insolvency Act*.

Yours very truly,

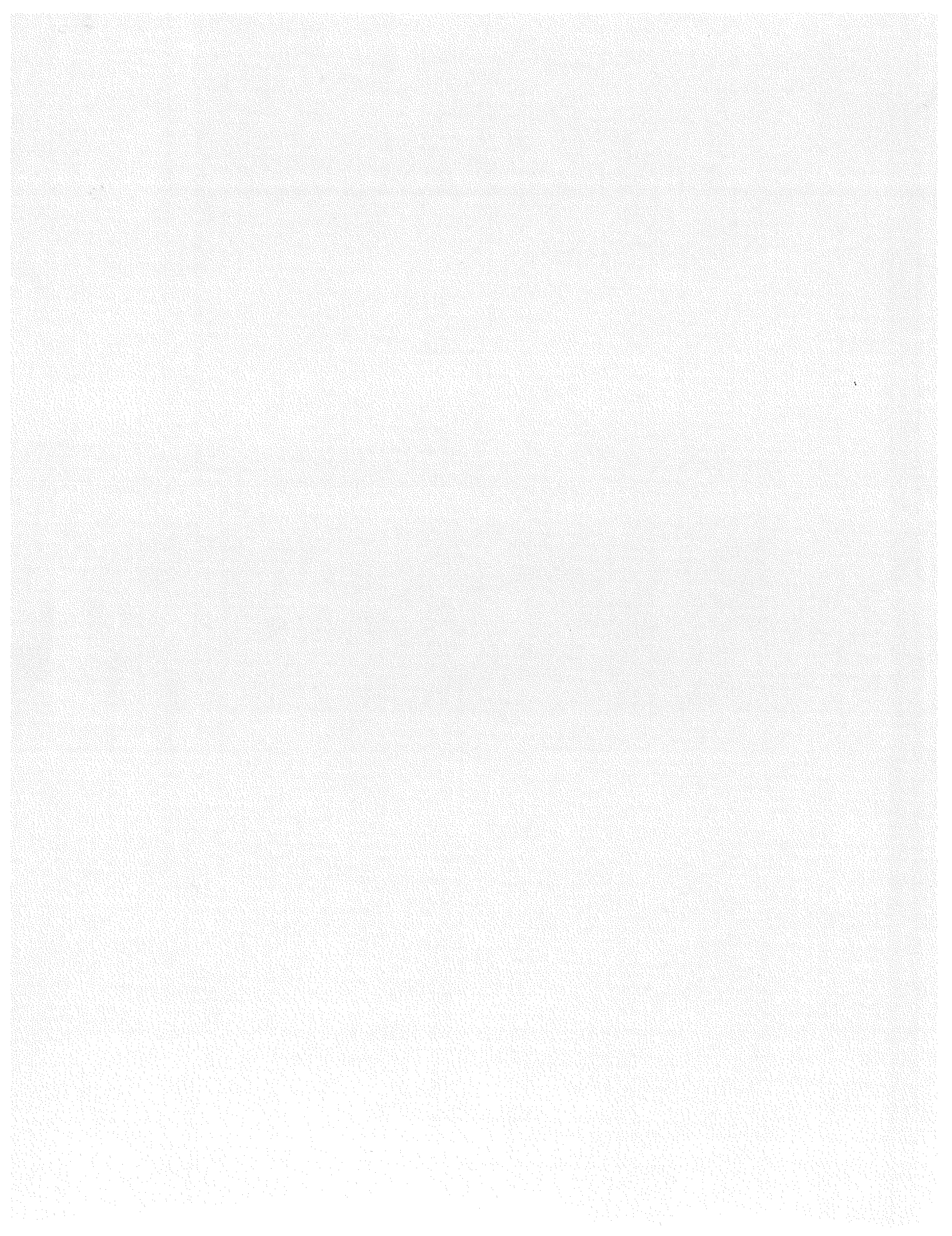
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP



Jeffrey Larry
JL:ls

c. Guarantor
client

Doc 2653336 v1



FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY
(s. 244, Rule 124)

TO: 2507448 Ontario Inc.
581 Wellington Street West
Toronto, ON
M5V 1G3
(the "Debtor")

Take notice that:

1. First Source Financial Management Inc., as secured creditor (the "Secured Creditor"), intends to enforce its security on the Debtor's property municipally known as 581 Wellington Street West, Toronto, Ontario, (the "Property").
2. The security that is to be enforced is in the form of a Charge registered by the Secured Creditor on the Property on April 4, 2018 and attached as Schedule "A".
3. The total amount of indebtedness secured by the security is, as of October 5., 2018, \$3,564,478.67 plus further interest and costs in an amount that can be provided to you upon request.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, this 10th day of October, 2018.

FIRST SOURCE FINANCIAL MANAGEMENT INC.
by its lawyers PALIARE ROLAND ROSENBERG
ROTHSTEIN LLP

Per: 
Name: _____ Jeffrey Larry

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LRO # 80 Charge/Mortgage

Received as AT4834357 on 2018 04 04 at 10:35

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

yyyy mm dd Page 1 of 6

Properties

PIN 21241 - 0114 LT *Interest/Estate* Fee Simple
Description PT LT 23 SEC L PL MILITARY RESERVE TORONTO PARTS 1, 14 & 15, 63R2301; S/T & TW CA540961; CITY OF TORONTO
Address 581 WELLINGTON ST W
TORONTO

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 2507448 ONTARIO INC.
Address for Service 581 Wellington Street West
Toronto ON
M5V 1G3

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

Chargee(s) Capacity Share

Name FIRST SOURCE FINANCIAL MANAGEMENT INC.
Address for Service c/o First Source Mortgage Corporation
1 Valleybrook Drive
Suite 100
Toronto ON M3B 2S7

Statements

Schedule: See Schedules

Provisions

Principal \$3,500,000.00 *Currency* CDN
Calculation Period monthly
Balance Due Date 2019/03/02
Interest Rate 9.00% per annum
Payments
Interest Adjustment Date 2018 04 01
Payment Date Interest only, first day of each month
First Payment Date 2018 05 01
Last Payment Date 2019 04 02
Standard Charge Terms 200727
Insurance Amount full insurable value
Guarantor Del Terrelonge

Additional Provisions

This Charge is collateral to a commitment letter dated November 23, 2017 between the Chargee and the Chargor.

Signed By

Christa-Lee Ann Callahan 1000-120 Adelaide St. W. acting for Signed 2018 04 04
Toronto
M5H 3V1 Chargor(s)

Tel 416-363-2211

Fax 416-363-0645

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

Submitted By

SCHNEIDER RUGGIERO LLP 1000-120 Adelaide St. W. 2018 04 04
Toronto
M5H 3V1

Tel 416-363-2211

99

LRO # 80 Charge/Mortgage

Received as AT4834357 on 2018 04 04 at 10:35

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

yyyy mm dd Page 2 of 6

Submitted By

Fax 416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee	\$63.65
Total Paid	\$63.65

File Number

Chargee Client File Number : 40033/BM

SCHEDULE "A"

Where there is a conflict between the following terms and the standard charge terms, the Chargee, in its sole, subject and absolute discretion shall determine which terms shall govern.

1. **Post-dated Cheques:** The Chargor shall provide to the Chargee post-dated cheques for each year of the term of the mortgage. Each cheque is to be in the amount of the monthly instalment payable under the mortgage. The Chargee shall have the right to direct the Chargor to deliver one or more separate cheques for each monthly payment totalling the monthly instalment. Alternatively, the Chargor shall provide Pre-Authorized Payment to be drawn from the Chargors' chosen bank at the Chargees request at any time and shall provide the Chargee with all necessary information for this purpose as required.
2. **Interest Rate:** 9.00% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 12 months of the term; and thereafter the rate on mortgage balance outstanding shall be fixed at 18% calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.
3. **Prepayment Privileges:** Closed for the first six months of the term and then open on any payment date with at least 15 days prior written notice or the payment of one month's interest as a bonus save and except an allowance for partial discharge of arm's length sale of the first floor condominium unit and related parking space(s) and/or locker with a principle pay down of \$1,000,000 subject to their having been no default under the terms of the charge up to the date of the partial discharge. The mortgage shall be full open for repayment without Penalty or Bonus during the last 15 days of the term.
4. **Repayable:** Interest only, payable monthly on the first day of the month and compounded monthly, with the first such monthly payment to be due on or before April 1, 2018.
5. **Term:** 12 months plus 1 day from the Interest Adjustment Date. With at least 90 days' notice the Chargor shall have the option to extend the charge for an additional twelve (12) months at then market rates, subject to the Chargee's approval at their sole discretion plus a fee of 1% of the loan amount provided the loan is in good standing and all taxes and insurance are current.
6. **Administration Fee:** The Chargor agrees to pay to the Chargee an administration fee of \$350.00, plus HST for each occurrence of any of the following events. If a default occurs a second time the Administration Fee shall be doubled.
 - (a) Late Payment after a demand has been made;
 - (b) Cheque Dishonoured for any reason;
 - (c) Failure to provide proof of payment of realty taxes within 30 days of the 31st day of January and June in each year of the term or after a demand being made;
 - (d) Failure to provide proof of insurance coverage at least 10 business days prior to the maturity date of the initial policy delivered on Closing or after a demand being made;
 - (e) Cancellation of insurance coverage shall be two times the administration fee and the penalty doubles again in the event the Chargor does not provide proof of reinstatement within 24 hours of notice by the Chargee;
 - (f) Failure to provide postdated cheques when required after a demand being made;
 - (g) Failure to notify Chargee of registration of lien;
 - (h) Each construction advance;
 - (i) Each property inspection relating to a second or further mortgage advance, default, insurance matter or any other matter at Chargee's sole discretion;
 - (j) Request for Mortgage Statement;
 - (k) Request for Discharge Statement or notice of default letter;
 - (l) Default under any other mortgage, charge or encumbrance;
 - (m) Each meeting required by the Chargor or Chargee because of an Issue that has arisen regarding the Loan Facility;
 - (n) Each three telephone attendances and/or emails required by the Chargor or Chargee because of an Issue that has arisen regarding the Loan Facility;

The Chargor also agrees to pay any applicable HST on a portion of the monthly payments that may be required relating to the collection fees of the Chargee, as a result of syndication of the Mortgage.

- 7. **Holding Over:** In the event that the mortgage loan is not paid upon maturity, unless the Lender has received at least thirty (30) days' notice and has agreed to an extension in writing and has received approval from its investors the interest rate on the mortgage loan shall continue at 18% compounded and calculated monthly or the that rate set out herein under "Interest Rate" until the earlier of discharge or sale, whichever comes first.
- 8. **Holding Over Fee:** If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay the Chargee a Holding Over Fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiple by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security Documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and the Security for the Loan also secures the Over Holding Fee.
- 9. **Notice:** The mortgage will be registered and administered on behalf of the Chargee by First Source Financial Management Inc., a related company and licensed mortgage administrator.
- 10. **Tax Deposits:** The Chargee reserves the right to require the Chargor to pay monthly tax deposits to the Chargee concurrently with each monthly installment in such amounts which the Chargee in its discretion deems necessary to pay when due all taxes, assessments and similar charges affecting the Property.
- 11. **Due on Default:** In the event of default under this Mortgage, beyond an applicable cure period, at the option of the Chargee, the full principal balance together with interest and costs on a substantial indemnity basis in relation thereto shall become immediately due and payable.
- 12. **Due on Sale:** The Chargor and the Guarantor hereby agree that in the event that the Property is sold, conveyed, transferred or assigned or there is a change in control of a corporate Chargor or corporate Guarantor, without Chargee's written consent, which consent shall not be unreasonably withheld, the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee immediately due and payable together with the Chargee's then current prepayment penalties and fees.
- 13. **No Subsequent Encumbrances:** The Chargor and the Guarantor hereby agree that in the event that a subsequent mortgage is placed on the Property without Chargee's written consent, which consent shall not be unreasonably withheld, that the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee immediately due and payable together with the Chargee's then current prepayment penalties and fees.
- 14. **Default of Prior Encumbrances:** If at any time or from time to time any default or breach of covenant occurs under any encumbrance registered against the Property and which encumbrance has priority over the Mortgage and which default is not cured within the grace periods permitted, it shall constitute default under the Mortgage and the Chargee may pay all monies and take appropriate action to cure any default or breach under any encumbrance.
- 15. **Costs:** The Chargor covenants and agrees to pay all property tax, public utilities rates, charges, and insurance premiums as and when they become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Chargor to comply with this covenant shall constitute an event of default hereunder and entitles the Chargee at its sole and absolute discretion to avail itself of remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs.

In addition, at the Chargee's sole and absolute discretion, the Chargor agrees that the Chargee may satisfy any charge, lien, any matter raised in the previous paragraph or other encumbrances now or hereafter existing or to arise or to be claimed upon the charged lands and the amount so paid together with all costs associated therewith shall be a charge on the Property and/or Collateral Property and shall bear interest at Eighteen (18%) percent per annum, calculated and compounded monthly and shall be payable forthwith by the Chargor to the Chargee, and in default of payment, the entire principal sum, accrued interest and costs, shall become payable at the sole and absolute discretion of the Chargee and the remedies hereby given and available at law may be exercised forthwith without notice. In the event the Chargee satisfying any such

charge or claim, it shall be entitled to all equities and securities of the person(s) so satisfied and it may retain any discharge, cessation of charge or assignment of charge unregistered until paid.

16. **Final Payment and Discharge:** The Chargor covenants and agrees that payment at maturity, or earlier if notice to prepay is delivered, of the Mortgage shall be by certified cheque, bank draft or money order. After payment in full of the principal sum and all other amounts hereby provided, a discharge of the Mortgage shall be prepared by the solicitor for the Chargee, at the cost and expense of the Chargor within a reasonable time after such payment and such solicitor's fees shall not include attendance outside the office in order to deliver the said discharge or the attendance on a closing or registration of and the cost of registration of the said discharge.

In the event the loan is not repaid at the time or times provided within the Mortgage or in the notice to prepay earlier, the Chargee will not be required to accept payment of the principal monies without first receiving three (3) months additional months' notice in writing or receiving 3 months interest bonus in advance of the principal monies.

No further monies, if any, will be advanced under the Charge, once notice to discharge is received by the Chargee.

17. **Warranty - Urea Formaldehyde Foam Insulation (UFFI) and Environmental:** The Chargor covenants to the best of its knowledge and belief the Property has never had "UREA FORMALDEHYDE FOAM" insulation installed, asbestos, PCBs waste, radioactive material, noxious substances, or any contaminant as defined in the Environment Protection Act and that the Property is and will be environmentally sound and there are no and will be no restrictions which would economically affect any buildings on the Property. The terms and conditions of the environmental clause should be as the Chargee's solicitor prepares.

18. **Receiver:** In the event due to default of the Chargor on the Property, beyond the applicable cure period, then the Chargee in addition to any other rights which it may have, shall be entitled to appoint a receiver manager or receiver, either privately or court appointed to manage the building and to do all things necessary as an owner would be entitled to do to sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation. The terms and conditions of the receiver are to be further elaborated in the Mortgage as required by the Chargee's lawyers.

19. **Management Costs:** In the event that the Chargee or its agents takes possession of the Property as a result of default under the Mortgage, or in the event that the Chargee or its agents commence Power of Sale proceedings, or if a receiver is appointed as a result of default under the Mortgage, the Chargee, will be entitled to charge the Chargor. Said management costs shall be based on the higher of 5% of the mortgage principal plus applicable taxes, or \$15,000.00 per month which cost the Chargor acknowledges is a reasonable estimate for the time value and opportunity costs incurred for amanging the Property(s), including but not limited to communicating with investors, dealing with professional advisors, appraisal companies, environmental engineers, building inspector, receiver, legal counsel, attending meetings, checking property taxes, work orders, liens or other matter acting generally in accordance with the requirements of a mortgage manager of a mortgages property in default which amount is deemed not to be a penalty.

In addition to the Management Costs, the Chargee or its agent will be entitled to an administration fee on the basis of \$350 per hour plus HST., if applicable for each hour after the advance the Chargee or its agent are required to deal with default or potential default. This clause is also deemed to be proper notice to any subsequent charge or lien holder of the above-noted fees in the event of the Chargor's default.

20. **Default Abandonment:** Subject to Force Majeure, in the event of abandonment for a period in excess of fifteen (15) consecutive days, the Chargee shall be entitled to, after giving the Chargor fifteen (15) days' notice of any abandonment or failure to continue business operations or any failure to construct with due diligence and provided the Chargor fails to rectify same, forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds, if any, as the case may be and to declare any monies theretofore advanced with interest to be forthwith due and payable at its sole option.

21. **Receipt of Funds:** Any payment received after 1:00 P.M. shall be deemed to have been made on the next Bank Business Day following receipt. For purposes of this paragraph, Saturday, Sunday Provincial and Federal Holidays shall be deemed to be non-business Bank Days.

22. **Possession:** In the event of default under the Mortgage by the Chargor beyond the applicable grace period and the Chargee obtains possession of the Property and it determines, in its sole discretion, that the Property requires work and/or improvements in order to market the Property, then the Chargee shall have the right, at its sole option, to complete such work on such terms as it deems advisable. The cost of completion of the servicing and work by the Chargee and its agents and all expenses incidental thereto shall be added to the Loan amount, together with a management fee of fifteen per cent (15%) of the costs of the work and improvements completed by the Chargee, provided that it is limited to bringing the Property only up to the condition it was at the time of the advance, unless work already has been started on a house and it may be completed. All costs and expenses, as well as said management fee, shall bear interest at the

rate as herein provided for and shall form part of the Loan secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of Mortgage principal and Interest hereunder or at law.

23. **Conflict:** In the event of any conflict between this Schedule "A" and the Standard Charge Terms this Schedule "A" shall prevail. In the event of any conflict between this Schedule "A" and the Commitment Letter between the Chargee and the Chargor, as amended, the Chargee shall prevail.

K:\Clients A to C\First Source Mortgage Corporation\2507448 Ontario Inc. loan - 40033\Documents\Schedule to Mortgage.docx

FIRST SOURCE FINANCIAL MANAGEMENT
INC.

vs. 2507448 ONTARIO INC.

Court File No. CV-19-00613044-00CL

Applicant

Respondents

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

Proceedings commenced at
TORONTO

AFFIDAVIT OF DAVID MANDEL

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Barristers

155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

Jeffrey Larry (LSUC# 44608D)

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Daniel Rosenbluth (LSUC# 71044U)

Tel: 416.646.6307

Fax: 416-646-4301

Email: daniel.rosenbluth@paliareroland.com

Lawyers for First Source Financial Management Inc.

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TAB 3

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

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

2507448 ONTARIO INC.

Respondent


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

CONSENT

RSM CANADA LIMITED hereby consents to act as Receiver of the property known municipally as 581 Wellington Street West, Toronto, Ontario, having the legal description of PT LT 23 SEC L PL Military Reserve Toronto Parts 1, 14 & 15, 63R2301; S/T & TW CA540861; City of Toronto.

January 24, 2019

RSM CANADA LIMITED

per: 

DANIEL WEISZ
SENIOR VICE PRESIDENT

I have authority to bind the corporation

FIRST SOURCE FINANCIAL MANAGEMENT INC.
Applicant

-and- 2507448 ONTARIO INC.
Respondent

Court File No. CV-19-00613044-00CL.

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

PROCEEDING COMMENCED AT
TORONTO

APPLICATION RECORD

Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West
35th Floor
Toronto, ON M5V 3H1

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Tel.: 416.646.4330
email: jeff.larry@paliareroland.com

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Tel.: 416.646.6307
email: daniel.rosenbluth@paliareroland.com

Fax: 416.646.4301

Lawyers for the Applicant