Court File No.: CV-19-00627187-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

2478888 ONTARIO INC.

Applicant

- and -

3070 ELLESMERE DEVELOPMENTS INC.

Respondents

APPLICATION RECORD

September 11, 2019

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Tel: (416) 304-0559 / Email: djmiller@tgf.ca

Rebecca L. Kennedy (LSO# 61146S)
Tel: (416) 304-0603 / Email: rkennedy@tgf.ca

Owen Gaffney (LSO#75017B)
Tel: (416) 304-1109 / Email: ogaffney@tgf.ca

Lawyers for the Applicant, 2478888 Ontario Inc.

SERVICE LIST

(Updated as at September 9, 2019)

TO: **THORNTON GROUT FINNIGAN LLP**
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7

D.J. Miller
Tel: (416) 304-0559
Email: djmiller@tgf.ca

Rebecca Kennedy
Tel: (416) 304-0603
Email: rkennedy@tgf.ca

Owen Gaffney
Tel: (416) 304-1109
Email: ogaffney@tgf.ca

Lawyers for 247888 Ontario Inc.

AND TO: **CASSELS BROCK & BLACKWELL LLP**
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Larry Ellis
Tel: (416) 869-5406
Email: lellis@csasselsbrock.com

Erin Craddock
Tel: (416) 860-6480
Email: ecraddock@casselsbrock.com

AND TO: **CROWE SOBERMAN INC.**
2 St Clair Ave E Suite 1100,
Toronto, ON M4T 2T5

Hans Rizarri
Tel: (416) 963-7175
Email: hans.rizarri@crowesoberman.com

Graeme Hamilton
Tel: (416) 963-7140
Email: Graeme.hamilton@crowesoberman.com

Proposal Trustee

AND TO: **MILLER THOMSON LLP**
Scotia Plaza
40 King Street West, Suite 5800
Toronto, ON M5H 3S1

Gregory Azeff
Tel: (416) 595-2660
Email: gazeff@millerthomson.com

Counsel for the Proposal Trustee

AND TO: **PALIARE ROLAND ROSENBERG ROTHSTEIN**
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

Jeffery Larry
Tel: (416) 646-4330
Fax: (416) 646-4301
Email: Jeff.larry@paliareroland.com

Counsel for 2518358 Ontario Inc.

AND TO: **EME PROFESSIONAL CORPORATION**
5050 Dufferin Street, Suite 123
Toronto, ON M3H 5T5

Peter Doyun Kim
Tel: (416) 800-1783
Fax: (647) 872-1638
Email: peter@emecorp.ca

Joel Etienne
Email: etiennelaw@rogers.com

Counsel for CoStone Development Inc. and Campus Suites Inc.

AND TO: **2478888 ONTARIO INC.**
1030 Sheppard Avenue West, Suite 3
Toronto, ON M3H 6C1

Frank Mondelli
Email: frank@torontocapital.com

AND TO: **METCALFE, BLAINEY & BURNS LLP**
202-18 Crown Steel Dr.
Markham, ON L3R 9X8

Janet Lee
Tel: (905) 475-7676 ext. 338
Email: janetlee@mbb.ca

Counsel for 2615333 Ontario Inc.

AND TO: **HODDER, WANG LLP**
Adelaide Place
181 University Avenue, Suite 2200
Toronto, ON M5H 3M7

Yan Wang
Tel: (416) 601-6814
Fax: (416) 947-0909
Email: ywang@hwlawyers.ca

Counsel for Xiuhong Du, Yunduan Chen and Zu Guohua

AND TO: **ADAIR GOLDBLATT BIEBER LLP**
95 Wellington St. West
Ste. 1830, PO Box 14
Toronto, ON M5J 2N7

Nathaniel Read-Ellis
Tel: (416) 351-2789
Fax: (647) 689-2059
Email: nreadellis@AGBLLP.co

LERNERS LLP
130 Adelaide Street West, Suite 2400
Toronto, ON M5H 3P5

Domenico Magisano
Tel: (416) 601-4121
Fax: (416) 601-4123
Email: dmagisano@lerners.ca

Christopher Shorey
Tel: (416) 601-2389
Fax: (416) 867-2448
Email: cshorey@lerners.ca

Counsel for 2449880 Ontario Inc.

AND TO: **HARRIS SHEAFFER LLP**
Suite 600, 4100 Yonge Street
Toronto, ON M2P 2B5

Gary Harris
Tel: (416) 250-5800
Email: gharris@harris-sheaffer.com

Agent for Aviva Insurance Company of Canada

AND TO: **DEPARTMENT OF JUSTICE**
The Exchange Tower
130 King St. W., #3400
Toronto, ON M5X 1K6

Diane Winters
Tel: (416) 973-3172
Fax: (416) 973-0810
Email: diane.winters@justice.gc.ca

AND TO: **MINISTRY OF FINANCE**
Legal Services Branch
33 King Street West, 6th Floor
Oshawa, ON L1H 8E9

Kevin J. O'Hara
Tel: (905)433-6934
Fax: 905.436-4510
Email: Kevin.ohara@fin.gov.on.ca

AND TO: **CITY OF TORONTO**
Metro Hall
26th Fl., 55 John St.
Toronto, ON M5V 3C6

Christopher Henderson
Tel: 416.397.7106
Fax: 416.397.5624
Email: Christopher.henderson@toronto.ca

E-MAIL SERVICE LIST

djmiller@tgf.ca; rkennedy@tgf.ca; ogaffney@tgf.ca; hans.rizarri@crowesoberman.com; Graeme.hamilton@crowesoberman.com; gazeff@millerthomson.com; frank@torontocapital.com; janetlee@mbb.ca; Jeff.larry@paliareroland.com; peter@emecorp.ca; etiennelaw@rogers.com; ywang@hwlawyers.ca; nreadellis@AGBLLP.co; dmagisano@lerners.ca; cshorey@lerners.ca; gharris@harris-sheaffer.com; diane.winters@justice.gc.ca; Kevin.ohara@fin.gov.on.ca; Christopher.henderson@toronto.ca; lellis@casselsbrock.com; ecraddock@casselsbrock.com

INDEX

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B E T W E E N:

2478888 ONTARIO INC.

Applicant

- and -

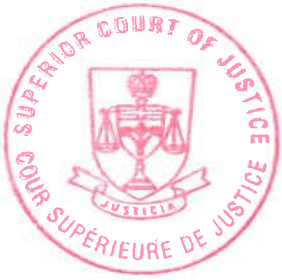
3070 ELLESMERE DEVELOPMENTS INC.

Respondents

INDEX

I	Notice of Intent to Enforce Security pursuant to s. 244 of the BIA dated August 14, 2018
J	Relevant e-mail exchanges with counsel to the Borrower
3	Consent to Act as Receiver dated September 9, 2019
4	Draft Receivership Order

TAB 1



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B E T W E E N:

2478888 ONTARIO INC.

Applicant

- and -

3070 ELLESMERE DEVELOPMENTS INC.

Respondent

NOTICE OF APPLICATION

TO THE RESPONDENTS:

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

THIS APPLICATION will come on for a hearing before a Judge on a date to be set by the Court at 330 University Avenue, in the City of Toronto, in the Province of Ontario, M5G 1R7.

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 not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, AN ORDER MAY BE MADE 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 contracting a Local Legal Aid office.

DATE: September 11, 2019

Issued by:

Alexandra Medeiros Cardoso
Registrar, Superior Court of Justice

Address of Court Office:
330 University Avenue
Toronto, Ontario M5G 1R7

TO: **THIS HONOURABLE COURT**

AND TO: **SERVICE LIST**

APPLICATION

THE APPLICANT, 2478888 Ontario Inc. (the "**Lender**"), makes an application for an Order:

1. appointing RSM Canada Limited ("**RSM**") as the receiver (the "**Receiver**") of the real property known municipally as 3070 Ellesmere Road (the "**Property**") owned by 3070 Ellesmere Developments Inc. (the "**Borrower**") pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "**BIA**") and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended (the "**CJA**") substantially in the form attached at Tab 3;

2. staying all rights and remedies against the Receiver or affecting the Property; and

3. granting such other relief as counsel may request and this Court may deem just.

THE GROUNDS FOR THE APPLICATION ARE:

Background

4. The Borrower is a single purpose entity incorporated as a holding company for a planned residential real estate development on the Property, and is the registered title holder of same. The Borrower does not carry on any other business.

5. Pursuant to a Mortgage Loan Commitment dated August 19, 2016 (the "**Loan Commitment**") issued by Toronto Capital Corp. (in Trust) as agent for a group of individual lenders (collectively, "**TCC**"), TCC made a mortgage loan available to the Borrower in the principal amount of $5,000,000 plus interest and costs (the "**TCC Mortgage Loan**").

6. The Borrower granted to TCC a second-ranking charge in the principal amount of $5,000,000 (the "**TCC Charge**") and delivered an Assignment of Rents Agreement to the Lender, each in respect of the Property. The Lender registered its security interest against the Property pursuant to the *Land Titles Act* in Ontario.

7. TCC advanced the funds pursuant to the Loan Commitment, as secured by the TCC Charge. The TCC Charge was subsequently assigned to the Lender.

8. In January, 2018, the Lender made an advance by way of a protective disbursement in the amount of $5,218,776.21 (the "**Protective Disbursement**") to repay the first-ranking mortgage, under which the Borrower had defaulted. The Protective Disbursement was added to the indebtedness secured by the TCC Charge pursuant to the terms thereof.

9. On May 18, 2018, the Lender sold its interest in the TCC Mortgage Loan to 2615333 Ontario Inc. (the "**Subordinate Interest**"), but retained its first-ranking priority for the Protective Disbursement as well as the sole right to bring enforcement actions in respect of the TCC Charge as a whole.

10. As at the close of business on September 6, 2019, the Borrower was indebted to the Lender in the amount of $6,545,298.24 in respect of the Protective Disbursement, together with accrued and accruing interest, costs and professional fees and disbursements incurred by the Lender to the date of payment. Together with the Subordinate Interest, a total of approximately $13.5 million is secured by the TCC Charge and is currently due and owing by the Borrower.

Default and Issuance of Notice of Sale and Intent to Enforce Security

11. On September 29, 2017, as a result of certain defaults committed by the Borrower, the Lender issued: (i) a Notice of Intention to Enforce Security pursuant to s. 244 of the BIA, and (ii) a Notice of Sale Under Mortgage, both being in respect of the amount of the TCC Mortgage Loan.

12. On August 14, 2018, following the Protective Disbursement and the sale of the Subordinate Interest, the Lender issued a subsequent Notice of Intention to Enforce Security pursuant to s. 244 of the BIA for the aggregate amount of the TCC Mortgage Loan and Protective Disbursement at that time, being the principal amount of $11,886,240.45, plus accrued and accruing interest, costs and professional fees and disbursements incurred by the Lender to the date of payment, all of which is secured by the TCC Charge.

13. The Lender has provided the Borrower with substantial time to redeem the mortgage or refinance it. The Borrower advised the Lender that the TCC Mortgage Loan would be redeemed or refinanced. However, no such redemption has occurred.

BIA Proposal Proceedings

14. On August 20, 2019, the Borrower filed a Notice of Intention to File a Proposal. The Borrower subsequently served materials for a motion in which the Borrower is seeking, among other things:

    (a) the appointment of a Chief Restructuring Advisor;

    (b) approval of a Sales and Investment Solicitation Process (the "**SISP**");

(c) approval of the retention of a sales process agent for the SISP;

(d) approval of a Stalking Horse Purchase Agreement (the "**SHPA**"); and

(e) court-ordered charges in favour of various parties in the aggregate amount of approximately $1.1 million.

15. The Lender does not support the relief sought in the above-noted motion for several reasons, including the fact that the Lender has lost faith in, and will not consent to a process in which the Borrower's principal has any involvement, or has selected, instructed or retained any professionals to do so, or in which the Borrower has even a consultative role.

Necessity for the Appointment of the Receiver

16. The Lender's need for the appointment of the Receiver is apparent based on the current circumstances, including the following:

(a) the TCC Mortgage Loan and Protective Disbursement have matured and have not been repaid;

(b) the notice period under the Notices of Intent have expired; and

(c) the Borrower is legally prohibited from selling the Property itself, and the layering on of various professionals with a view to getting around that prohibition is not appropriate or necessary, and will add unnecessary costs and complexity.

17. RSM has consented to act as the Receiver of the Property.

18. Rules 2.03, 3.02, 14.05(2), 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg 194, Section 243(1) of the BIA and Section 101 of the CJA.

19. Such other grounds as counsel may advise and this Honourable Court may deem just.

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

1. the Affidavit of Henry Goldberg, to be sworn;

2. Consent of RSM to act as Receiver; and

3. such further and other evidence as counsel may advise and this Honourable Court may permit.

September 11, 2019

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Tel: (416) 304-0559 / Email: djmiller@tgf.ca

Rebecca L. Kennedy (LSO# 61146S)
Tel: (416) 304-0603 / Email: rkennedy@tgf.ca

Owen Gaffney (LSO #75017B)
Tel: (416) 304-1109 / Email: ogaffney@tgf.ca

Lawyers for the Applicant, 2478888 Ontario Inc.

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2478888 ONTARIO INC. - and - **3070 ELLESMERE DEVELOPMENTS INC.**

Applicant

Respondent

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ONTARIO
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Proceedings commenced at Toronto, Ontario

NOTICE OF APPLICATION

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Tel: (416) 304-0559 / Email: djmiller@tgf.ca

Rebecca L. Kennedy (LSO# 61146S)
Tel: (416) 304-0603 / Email: rkennedy@tgf.ca

Owen Gaffney (LSO #75017B)
Tel: (416) 304-1109 / Email: ogaffney@tgf.ca

Lawyers for the Applicant, 2478888 Ontario Inc.

TAB 2

Court File No. CV-19-00627187-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

2478888 ONTARIO INC.

Applicant

- and -

3070 ELLESMERE DEVELOPMENTS INC.

Respondent

AFFIDAVIT OF HENRY GOLDBERG
(Sworn September 11, 2019)

I, HENRY GOLDBERG, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am an Officer, holding the title of General Manager of 2478888 Ontario Inc. (the "**Lender**") having primary responsibility for this matter on behalf of the Lender and, as such, I have personal knowledge of the matters to which I depose herein. Unless I indicate otherwise, the facts herein are within my own personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I have identified the sources and I believe those facts to be true.

2. This affidavit is sworn in support of an application by the Lender for an order appointing RSM Canada Limited ("**RSM**") as the receiver (the "**Receiver**"), of the real property owned by 3070 Ellesmere Developments Inc. (the "**Borrower**") pursuant to Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**").

Respondents

3. According to the records maintained by the Ministry of Government Services (the "**Ministry**"), the Borrower was incorporated pursuant to the laws of Ontario on January 3, 2014. The registered head office of the Borrower is listed as 1600 16th Avenue, Richmond Hill, Ontario, L4B 4N6. Attached hereto and marked as **Exhibit "A"** is a true copy of the Corporation Profile Report with respect to the Borrower.

4. The Borrower is a single purpose entity incorporated as a holding company for a planned residential real estate development. The Borrower is the registered title holder of certain real property municipally known as 3070 Ellesmere Road, Scarborough (the "**Property**"). The Property is a vacant parcel of land with no existing rental income. To my knowledge, the Borrower does not carry on any other business.

5. I understand from my review of the motion record filed in connection with the September 11 Motion (as herein defined) that, on or about May 13, 2016, the Borrower entered into a Joint Venture Agreement (as amended, the "**JV Agreement**") with 2518358 Ontario Inc. ("**Rise**"). The Lender was not aware of the JV Agreement at the time of the Loan Commitment and any advances thereunder. Pursuant to the JV Agreement, Rise was to receive an undivided fifty percent (50%) beneficial interest in the Property upon certain

conditions being met, including the commencement of excavation on the Property. There is ongoing litigation between the Borrower and Rise regarding the JV Agreement and Rise's entitlements thereunder. Rise maintains that it has a 50% beneficial interest in the Property; however, the Borrower maintains that the condition precedent to the granting of such beneficial interest was not satisfied.

Mortgage Loan Commitment

6. Pursuant to a Mortgage Loan Commitment dated August 19, 2016 (as amended, the "**Loan Commitment**") issued by Toronto Capital Corp. (in Trust) as agent for a group of individual lenders including the Lender (collectively, "**TCC**"), TCC made a mortgage loan available to the Borrower in the original principal amount of $5,000,000 plus interest and costs (the "**TCC Mortgage Loan**"). Attached hereto and marked as **Exhibit "B"** is a true copy of the Loan Commitment.

7. At the time of the Loan Commitment, Cameron Stephens Financial Corporation ("**Cameron Stephens**") held a first priority mortgage over the Property in the amount of $6,000,000 (the "**Cameron Stephens Mortgage**"). Pursuant to the Loan Commitment, in the event Cameron Stephens called for the Cameron Stephen Mortgage to be repaid, TCC was obliged to immediately pay such mortgagee and assume Cameron Stephens' position as first mortgagee on title to the Property.

8. In consideration of the Loan Commitment, the Borrower granted to TCC a second-ranking charge in the principal amount of $5,000,000 (the "**TCC Charge**") and delivered an Assignment of Rents Agreement to the Lender, each in respect of the Property. The TCC Charge and a Notice of Assignment of Rents were each registered against title to the

Property on September 15, 2016. The TCC Charge was subsequently assigned to the Lender on May 18, 2018. Attached hereto and marked as **Exhibit "C"** are true copies of the TCC Charge and Notice of Assignment of Rents instruments registered on title to the Property.

9. TCC advanced the funds pursuant to the Loan Commitment, as secured by the TCC Charge, in three installments on September 15, 2016, September 20, 2016, and November 21, 2016. As is described below, the TCC Charge is now the first-ranking charge as a result of an advance and protective disbursement made to Cameron Stephens to repay the Cameron Stephens Mortgage, in accordance with the terms of the Loan Commitment.

10. As at September 6, 2019, the Borrower was indebted to the Lender in the amount of CAD$6,545,298.24 (which includes principal, accrued interest, and bonus) in respect of the Protective Disbursement portion of the TCC Charge, together with accruing interest thereon and all costs and fees, including legal fees and disbursements, incurred by the Lender until the Protective Disbursement (as herein defined) is paid in full.

11. Together with the Subordinate Interest (as defined herein), a total of approximately $13.5 million is secured by the TCC Charge and is currently due and owing by the Borrower.

12. There are several subsequent encumbrances on title to the Property:

    (a) a second-ranking charge in the amount of $2,000,000 in favour of Rise;

    (b) a third-ranking charge in the amount of $1,000,000 in favour of Cassels Brock & Blackwell LLP (the "**Cassels Charge**") registered on December 3, 2018;

(c) a notice dated January 16, 2019 related to Cassel's Charge increasing the amount of same to $2,000,000; and

(d) a $299,137 tax lien registered by the Canada Revenue Agency.

Payment of Cameron Stephens Loan

13. Paragraph 13 of the Charge Provisions attached as a schedule to the TCC Charge states:

> The Chargor covenant and agree... to keep all encumbrances and agreements in good standing... The failure by the Chargor to comply with this covenant shall constitute an event of default hereunder and entitle the Chargees, at their sole option, to avail themselves of the remedies available hereunder and at law... In addition, at the Chargees' sole option, the Chargor hereby agrees that the Chargees may, if the Chargor fails to comply as aforesaid, satisfy any matter raised in the preceding paragraph or other encumbrance now or hereafter existing or to arise or to be claimed upon the mortgage premises, and the amount so paid, together with all costs associated therewith, shall be added to the principal sum hereby secured and bear interest at the rate of interest set out herein and shall be payable forthwith by the Chargor, and, in default of payment, the entire principal sum, all accrued and unpaid interest and all costs shall become immediately payable at the option of the Chargees and the remedies hereby given and/or available at law may be exercised forthwith without notice.

14. In December 2017, the Borrower defaulted under the Cameron Stephens Mortgage. As a result, on or about January 10, 2018 the Lender made an advance by way of a protective disbursement in the amount of $5,218,776.21 (the "**Protective Disbursement**") to repay the Cameron Stephens Mortgage.

15. The Protective Disbursement was added to the indebtedness secured by the TCC Charge, such that the TCC Charge secured the principal amount of $11,886,240.45 as of August 14, 2018, together with accruing interest thereon and all costs and fees that have accrued and been incurred since that date.

261 Ontario Assignment Transaction

16. On May 18, 2018, the Lender sold its interest (the "**Subordinate Interest**") in the TCC Mortgage Loan to 2615333 Ontario Inc. ("**261 Ontario**"). The two parties entered into an Inter-Lender Agreement of the same date (the "**Inter-Lender Agreement**"). Pursuant to the terms of the Inter-Lender Agreement, the Lender's Protective Disbursement remained as a first-ranking priority interest over the TCC Mortgage Loan. The Lender also retained the sole right to bring enforcement actions in respect of the TCC Charge. Attached hereto and marked as **Exhibit "D"** is a true copy of the Inter-Lender Agreement.

17. On the same date, the Lender, Borrower, and 261 Ontario entered into a Borrower Confirmation Agreement (the "**Borrower Confirmation Agreement**"). Pursuant to the Borrower Confirmation Agreement, the Borrower confirmed, among other things:

    (a) the TCC Charge secures the TCC Mortgage Loan as well as the Protective Disbursement and is a good and valid mortgage, enforceable in accordance with its respective terms;

    (b) the Protective Disbursement was validly added to the balance of the indebtedness secured by the TCC Charge;

    (c) the Lender is entitled to interest on the Protective Disbursement at the interest rate set out in the TCC Charge;

    (d) the Borrower was in default under the TCC Mortgage Loan; and

    (e) the total amount outstanding as of the date thereof was $11,201,842.98, plus interest.

18. The Borrower further confirmed that it would not take, or cause or permit any other person to take on its behalf, any steps or actions by which, among other things, the enforceability of the TCC Charge and the rights of the Lender under the Borrower Confirmation Agreement would be challenged, delayed, defeated, impaired or diminished in any way. Furthermore, the Borrower agreed that it would not challenge, object to, compete with or impede in any manner any enforcement action, including the appointment of a Receiver, in respect of the TCC Charge. Attached hereto and marked as **Exhibit "E"** is a true copy of the Borrower Confirmation Agreement.

19. Also on May 18, 2018, as noted above, TCC assigned the TCC Charge and the Notice of Assignment of Rents from the group of lenders it represented, to the Lender alone. This transfer of charge was registered against title to the Property. Attached hereto and marked as **Exhibit "F"** is a true copy of the parcel register for the Property.

Default and Issuance of Notice of Sale and Intent to Enforce Security

20. As a result of certain defaults, on September 29, 2017 the Lender issued a Notice of Intent to Enforce Security pursuant to s. 244 of the BIA (the "**2017 Notice of Intent**") in respect of the TCC Mortgage Loan. Attached hereto and marked as **Exhibit "G"** is a true copy of the 2017 Notice of Intent.

21. On September 29, 2017, the Lender issued a Notice of Sale Under Mortgage ("**Notice of Sale**"). Attached hereto and marked as **Exhibit "H"** is a true copy of the Notice of Sale.

22. On August 14, 2018, the Lender issued a new Notice of Intent to Enforce Security pursuant to s. 244 of the BIA (the "**2018 Notice of Intent**" and, collectively with the

2017 Notice of Intent, the "**Notices of Intent**") listing the aggregate amount of the TCC Mortgage Loan and Protective Disbursement secured by the TCC Charge at that time. Attached hereto and marked as **Exhibit "I"** is a true copy of the 2018 Notice of Intent.

23. The Lender provided the Borrower with ample time to redeem the mortgage following the 2018 Notice of Intent. The Borrower assured the Lender that such redemption would occur and offered to enter into a forbearance agreement. No such redemption ultimately transpired. Attached hereto and marked as **Exhibit "J"** is a true copy of certain e-mail exchanges with counsel to the Borrower in this regard.

24. As noted in more detail below, as a result of ongoing litigation between, among others, the Borrower and one of its shareholders, the Borrower no longer has the ability to sell or encumber the Property. The Lender's mortgage has also not been redeemed or refinanced.

25. The relevant notice periods under the Notices of Intent and Notice of Sale have expired and the Lender is in a position to enforce all of its rights and remedies against the Borrower, including the right to seek the appointment of the Receiver. Pursuant to the Borrower Confirmation Agreement, the Borrower has agreed not to challenge, object to, or impede in any manner and enforcement action by the Lender in respect of the TCC Charge, including the appointment of a Receiver. The Lender requires that that Borrower Confirmation Agreement be respected, at the very time and in the precise circumstances in which it was intended to apply.

BIA Proposal Proceedings

26. On August 20, 2019, the Borrower filed a Notice of Intention to File a Proposal (the proceedings commenced thereby, the "**NOI Proceedings**"). The Borrower subsequently served materials dated August 29, 2019 for a motion (the "**September 11 Motion**") in which the Borrower is seeking, among other things:

    (a) the appointment of a Chief Restructuring Advisor of the Borrower;

    (b) approval of a Sales and Investment Solicitation Process (the "**SISP**");

    (c) approval of the retention of Avison Young Commercial Real Estate (Ontario) Inc. as the sales process agent for the SISP (in such capacity, the "**SPA**");

    (d) approval of a Stalking Horse Purchase Agreement (the "**SHPA**"); and

    (e) certain court-ordered charges against the Property in the aggregate amount of $1.1 million in favour of parties including counsel for the Borrower, the Chief Restructuring Advisor, the Proposal Trustee and others.

27. The Lender does not support the relief sought in the September 11 Motion, and specifically opposes it. The September 11 Motion is brought in direct contravention of the Borrower Confirmation Agreement, pursuant to which the Borrower agreed, among other things, to not take any steps or action to compete with or impede in any manner any enforcement action taken by the Lender. Furthermore, the Lender has lost all trust in the Borrower's principal, which extends to any and all professionals directed or selected by the Borrower's principal.

28. There are also significant issues related to the costs that the various parties propose to incur during the SISP, to pursue a sale of a vacant parcel of land. A debtor-in-possession in a BIA Proposal proceeding, a Chief Restructuring Advisor, a Sale Process Advisor and a proposal trustee are not all required to conduct a SISP that the Receiver alone could run at significantly lower cost in a substantially similar timeline.

29. The Lender is not prepared to have the Property sold by any process involving the Borrower or parties it has appointed, selected, retained or who would be consulting in any capacity with the Borrower. The Borrower has also not provided any appraisal of the Property to support the Purchase Price under the SHPA. As noted below, certain aspects of the SISP in its current form are likely to dissuade third parties from participating in the process. An open process run by the proposed Receiver may result in a higher recovery for the Borrower's other creditors. If the Receiver determines that the SHPA is the best path forward, it will be open to the Receiver to engage with that purchaser and pursue same.

30. The Lender has completely lost faith in the Borrower and does not believe that a debtor-run sales process is in its best interest, or that of all stakeholders. The Lender is outside of the stay of proceedings in the BIA proposal proceedings commenced by the Borrower, and intends to enforce its rights in respect of the Property.

The Need for a Receiver

31. As a result of its former use as a municipal waste disposal site, the Property is subject to various environmental liabilities. The Receiver, once appointed, will be in the best position to determine whether it is preferable to proceed with the SHPA notwithstanding

the potential for a significant rebate of the purchase price based on remediation costs for environmental clean-up, or seek to address that uncertainty.

32. The Receiver, once appointed, may determine that an updated Phase II Environmental Assessment may be required to determine, among other things, the potential remediation costs associated with the Property. The Borrower has not conducted a Phase II Environmental Assessment and has given no indication that one will be conducted prior to the sale of the Property. The Borrower has also not obtained an estimate of the remediation costs associated with the Property. The lack of certainty regarding potential environmental liabilities may have a chilling effect on bids during the Borrower's proposed SISP. It may also result in significant potential adjustments or rebates being included in offers received from prospective purchasers, or be subject to extensive due diligence relating to environmental concerns. This would not allow any vendor to assess offers on a like basis, with an "apples to apples" comparison based on common information available to all prospective purchasers.

33. The process the Borrower is seeking to commence with the September 11 Motion is wasteful, inefficient and presents a significant risk to the interests of mortgagees. Moreover, the other mortgagees oppose the debtor-run sales process and support the appointment of the Receiver by the Court on application by the Lender.

34. The SHPA contemplates a dollar for dollar adjustment to the Purchase Price thereunder in the event the remediation costs associated with Property exceed $2,000,000. Without the Phase II Environmental Assessment noted above, there is no certainty regarding the

quantum of such remediation costs, and therefore actual Purchase Price and recovery for other mortgagees and unsecured creditors.

35. I believe that the appointment of a Receiver is necessary, and just and convenient in the circumstances as:

(a) the TCC Charge is in default and has not been repaid;

(b) all relevant notice periods have expired;

(c) the Borrower is legally prohibited from selling the Property itself, and the introduction of layers of professionals in various capacities with a view to appearing to distance the Borrower from controlling the process is wasteful and unnecessary;

(d) the Receiver can bring efficiency, transparency, distance from the Borrower and a "fresh slate" to the realization of the Property for the benefit of all stakeholders.

36. The Lender is prepared to make a loan advance to the Receiver in the amount of $300,000 (subject to an increase, if required) (the "**Receiver's Advance**") upon an Order being made by the Court appointing RSM as Receiver. The Receiver's Advance will be available to fund costs and disbursements of the receivership, including those relating to preservation of the Property, and professional fees. The amount of the Receiver's Advance will be added to the TCC Charge in favour of the Lender, and accrue interest at the same rate as is payable under the Mortgage Loan Commitment.

37. The Order sought by the Lender also proposes that as a matter of cost efficiency, the Receiver be permitted if it chooses, and provided no conflict exists or arises, to utilize

counsel for the Applicant in carrying out its mandate as Receiver. Independent counsel will be retained to address any matters where any conflict may arise or exist.

38. The Lender requests that the Receiver be appointed, as it is just and convenient in the circumstances and is necessary to protect and realize upon the TCC Charge to repay amounts owing to the Lender and the Borrower's other creditors.

39. I swear this affidavit in support of an application by the Lender for the appointment of the Receiver and for no other or improper purpose.

SWORN before me at the City of Toronto, in the Province of Ontario, this 11th day of September, 2019.

52844G

Commissioner for Taking Affidavits

HENRY GOLDBERG

This is Exhibit "A" referred to in the
Affidavit of Henry Goldberg sworn before me
this 11th day of September, 2019.

Hackett 528446

A Commissioner for taking affidavits

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2402174	3070 ELLESMERE DEVELOPMENTS INC.	2014/01/03

Jurisdiction
ONTARIO

Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE

Registered Office Address

TONG LIU
1600 16TH AVENUE

RICHMOND HILL
ONTARIO
CANADA L4B 4N6

Mailing Address

TONG LIU
1600 16TH AVENUE

RICHMOND HILL
ONTARIO
CANADA L4B 4N6

Date Amalgamated	Amalgamation Ind.
NOT APPLICABLE	NOT APPLICABLE
New Amal. Number	**Notice Date**
NOT APPLICABLE	NOT APPLICABLE
	Letter Date
	NOT APPLICABLE
Revival Date	**Continuation Date**
NOT APPLICABLE	NOT APPLICABLE
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	Number of Directors Maximum	Date Commenced in Ontario	Date Ceased in Ontario
00001	00010	NOT APPLICABLE	NOT APPLICABLE

Activity Classification

NOT AVAILABLE

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2402174	3070 ELLESMERE DEVELOPMENTS INC.

Corporate Name History	Effective Date
3070 ELLESMERE DEVELOPMENTS INC.	2014/01/03

Current Business Name(s) Exist: NO

Expired Business Name(s) Exist: NO

Administrator:

Name (Individual / Corporation)	Address
TONG LIU	225 GREENFIELD AVENUE NORTH YORK ONTARIO CANADA M2N 3E2

Date Began	First Director	
2014/01/03	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
DIRECTOR		Y

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2402174	3070 ELLESMERE DEVELOPMENTS INC.

Administrator:

Name (Individual / Corporation)	Address
TONG LIU	225 GREENFIELD AVENUE NORTH YORK ONTARIO CANADA M2N 3E2

Date Began	First Director	
2014/01/03	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	PRESIDENT	Y

Administrator:

Name (Individual / Corporation)	Address
TONG LIU	225 GREENFIELD AVENUE NORTH YORK ONTARIO CANADA M2N 3E2

Date Began	First Director	
2014/01/03	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	SECRETARY	Y

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2402174	3070 ELLESMERE DEVELOPMENTS INC.

Administrator: Name (Individual / Corporation)	Address
TONG LIU	225 GREENFIELD AVENUE NORTH YORK ONTARIO CANADA M2N 3E2

Date Began	First Director	
2014/01/03	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	TREASURER	Y

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2402174	3070 ELLESMERE DEVELOPMENTS INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2018/02/12 (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 certified report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "B" referred to in the
Affidavit of Henry Goldberg sworn before me
this 11th day of September, 2019.

C. Hackett 528446

A Commissioner for taking affidavits

TORONTO CAPITAL CORP. (IN TRUST)

COMMITMENT

PRIVATE & CONFIDENTIAL

$5,000,000 CDN Mortgage Financing

The following terms are set out below solely for the purpose of outlining the principal terms of the loan (the "**Loan**").

Lender: **TORONTO CAPITAL CORP. (in Trust)**

(the "**Lender**") will provide financing of up to CDN $5,000,000.

Borrower(s): Central Park Ajax Developments Phase I Inc.

Lemine Real Estate Consulting Inc.

3070 Ellesmere Developments Inc.

Guarantor(s) Tong Liu

Properties: Phase 1A lands

- Approx 2.35 acres currently used as a parking lot
- PIN 26456 – 0086 (LT)

Academy

- 3070 Ellesmere Road, Toronto, Ontario

Use of Proceeds: The proceeds will be used as follows:

- Purchase of Phase 1A lands from the Town of Ajax.
- Development Expenses
- Declining Interest Reserve ~~$250,000~~ $100,000 WT
- Closing costs

Closing: The completion of the Loan ("**Closing**") shall occur on or before August 31th, 2016 or such other date as agreed by the Borrowers and the Lender (the "**Closing Date**").

Term: The Loan shall mature on the first anniversary of the Closing Date (the "Maturity Date"). All accrued interest and principal shall become due and payable in full on the earlier of the date of demand and the Maturity Date.

The Loan may be renewed for another 12 months from the Maturity Date provided the loan is not in Default and all payments have been made as agreed. The renewal shall be subject to a renewal fee and interest rate to be negotiated prior to maturity.

Interest Rate: The Loan bears interest at ~~11.5%~~ 11.0% per annum, calculated monthly not in advance, repayable interest only monthly, payable on the monthly anniversary date of the Closing in each and every month of the term, both before and after demand, default and/or judgment. All payments received by the Lender will be applied first to any interest in arrears, then to the interest, and finally to the principal.

Prepayment Privilege: The Loan is closed for 4 months and open thereafter subject to a 1 month penalty.

Acceleration: All principal and interest shall become due and payable on the earlier of the date of demand and the occurrence of an Event of Default.

Security Interest: The Loan shall be evidenced by the following security:

- 2nd mortgage of $5,000,000 over the Phase 1A lands subject to a 1st mortgage no greater than $1,400,000 approved by the Lender
- 2nd mortgage of $5,000,000 over 3070 Ellesmere Road, Toronto, Ontario subject to a 1st mortgage no greater than $5,000,000
- 2nd position Assignment of Leases registered under PPSA
- 2nd position Assignment of Insurance
- Assignment of all drawings, reports, applications, contracts, permits, approvals and authorizations associated with the Properties.
- Assignment of all Purchase and Sale Agreements, Offers to Purchase, Offers to Lease and Leases associated with the Properties.
- Unlimited personal guarantee of Tong Liu.
- Unlimited corporate guarantees of 9654372 Canada Inc., 9654488 Canada Inc., 9654461 Canada Inc., 9617680 Canada Inc. and 9654364 Canada Inc. supported by a 2nd mortgage of $5,000,000 over 132 to 134, 144 to 148, 150 to 154, 212 to 222 and 224 Harwood Avenue South, Ajax, Ontario subject to an aggregate 1st mortgage of $2,050,000
- No partial discharges permitted without the written consent of the Lender.
- All mortgages due on sale, change of control and/or change in beneficial ownership.
- The Company having done all things necessary to allow the security to be registered as contemplated herein, and in a manner satisfactory to the Lender and its solicitors.
- Such other documentation, instruments, agreements, security and/or assurances

as may be reasonably requested by the Lender and/or its solicitors.

Conditions: In addition to the matters described elsewhere in this Commitment, the completion of the transaction will be subject to the following conditions:

(a) No material adverse change having occurred in the Company's business or assets;

(b) Borrowers are the legal and beneficial owners of the properties;

(c) The Lender and the Lender's solicitor being satisfied with the results of its due diligence; and

(d) The Borrower having done all things necessary to allow the security to be registered as contemplated herein, and in a manner satisfactory to the Lender and its solicitors.

(e) Property taxes to be in good standing. Property tax statements evidencing no arrears to be provided semi-annually.

(f) Satisfactory site inspections by the Lender.

(g) Declining Interest Reserve to be held in trust by Avenue Capital Mortgage Administration Inc. and will be used first to cover the monthly payment before the Borrower is required to pay the monthly payment.

Permitted Partial Discharges: Subject to the Loan being up to date and in good standing the Lender will allow the following partial discharges:

- Upon receipt of a principal payment of $2,500,000 the Lender will release the Borrower: 3070 Ellesmere Developments Inc. and discharge the 2nd mortgage over 3070 Ellesmere Road, Toronto, Ontario

Upon receipt of a principal payment of ~~$2,500,000~~ $3,000,000 the Lender will release the Borrower: Central Park Ajax Developments Phase I Inc. and discharge the 2nd mortgage over Phase 1A lands [PIN 26456 – 0086 (LT)], Ajax, Ontario

Legal Documentation: The Loan documentation will be prepared by the Lender's solicitors on the Lender's standard forms. Such agreements and documentation shall contain, among other things, customary representations, warranties, covenants and conditions (which may supplement the terms of this Commitment) of the Company and shall otherwise be in form and substance satisfactory to the Company and the Company shall also execute such documents and agreements as may be required by Lender's solicitors.

Lender Fee: A Lender Fee shall be deducted of 2.0% on the advance amount. The Lender Fee represents compensation to the Lender for its efforts and expenditures in the review and study of all documentation pertaining to the transaction.

Legal Fees: All Legal Fees are for the sole account of the Borrower. Legal fees are estimated at $6,000.00 plus disbursements and HST.

Broker Fee: A Broker Fee shall be deducted of 2.0% of the advance amount.

Broker Fee payable to: Toronto Capital Corp.

Delinquency Fees: Any legal fees, monitoring fees, receiver's fees or other fees associated with the collection of the Demand Loan shall be paid by the Borrowers, shall bear interest at a rate of 18% per annum and shall be due when incurred (the "Delinquency Fees").

Administration Fee The Loan bears an Administration Fee of 0.25% (+HST) per annum payable to Avenue Capital Mortgage Administration Inc., calculated monthly not in advance, payable with the monthly interest in each and every month of the term, both before and after demand, default and/or judgment.

Additional Provisions:

- N.S.F. fee of $500.00 for each dishonoured cheque.
- Three months penalty will be charged if mortgage is not paid out in full on the maturity date.
- In the event of default, the mortgagee is entitled to charge $5,000.00 for each action or proceeding instituted and a fee of $600.00 per day for administering the maintenance and security of any property in its possession.
- The Borrowers and Guarantors acknowledge that the usual credit and personal enquiries may be made by the Lender in connection with the Loan and hereby consent to disclosure of any applicable personal information by all such credit and consumer reporting agencies.

Events of Default: The following are events of default:

- The Borrower(s) failing to make an interest payment.
- The Borrower(s) default on one or more of the Conditions of this commitment.
- The Borrower(s) becoming insolvent or it commits an act of bankruptcy.

The Lender, Toronto Capital Corp., hereby acknowledges that the Borrower, 3070 Ellesmere Developments Inc., is the Mortgagor in a registered mortgage/charge on title (the "First Mortgage") to the Property municipally known as 3070 Ellesmere Road, Toronto, Ontario in favour of Cameron Stephens Financial Corporation (the "Mortgagee"). The said First Mortgage is registered in first priority on title to the Property. The Lender acknowledges and agrees to place its mortgage/charge in subsequent and second priority to the First Mortgage. The Lender covenants and agrees, in the event that the Mortgagee calls for the First Mortgage to be repaid, the Lender will immediately and without delay pay the Mortgagee and take the Mortgagee's position as first mortgagee on title to the Property. The Lender further covenants and agrees that in the foregoing event, it will also keep its second mortgage in place, on the same terms and conditions, provided it is in good standing. The Borrower hereby acknowledges and agrees to execute any and all documentation that may be required for the Lender to affect the same.

If this Commitment is acceptable to you, please sign it in the space provided below and return an original copy to us on or before August ~~17~~ 26, 2016, along with:

- a non-refundable deposit of $10,000 payable to Toronto Capital Corp that will be credited against the Broker Fee

Accepted and agreed this 19 day of August, 2016.

LENDER

TORONTO CAPITAL CORP. (IN TRUST)

Per: _____
Name: FRANK MONDELLI
Title: PRES.

BORROWER

Central Park Ajax Developments Phase I Inc.

Per: _____
Name:
Title:

BORROWER

Lemine Real Estate Consulting Inc.

Per: _____
Name:
Title:

BORROWER

3070 Ellesmere Developments Inc.

Per: _____
Name:
Title:

GUARANTOR

_____
Name: Tong Liu

This is Exhibit "C" referred to in the
Affidavit of Henry Goldberg sworn before me
this 11th day of September, 2019.

528446

A Commissioner for taking affidavits

Properties

PIN	06186 - 0033 LT	*Interest/Estate*	Fee Simple
Description	PCL J-1 SECT M1227 BLK J PLAN 66M1227, CITY OF TORONTO		
Address	3070 ELLESMERE SCARBOROUGH		

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	3070 ELLESMERE DEVELOPMENTS INC.
Address for Service	5000 Yonge Street, Suite 1806, Toronto, Ontario M2N 7E9

I, Tong Liu, 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	TORONTO CAPITAL CORP.		as to a $1,250,000.00 interest
Address for Service	Suite 400, 480 Lawrence Avenue West, Toronto, Ontario M5M 1C4		
Name	247888 ONTARIO INC.		as to a $1,250,000.00 interest
Address for Service	Suite 3, 1030 Sheppard Avenue West, Toronto, Ontario M3H 6C1		
Name	1220356 ONTARIO LIMITED		as to a $300,000.00 interest
Address for Service	7 Oxbow Road, Toronto, Ontario M3B 1Z9		
Name	TENEBAUM, LARRY		as to a $300,000.00 interest
Address for Service	14 Sea Greens, Newport Coast, California USA 92657-1723		
Name	768124 ONTARIO INC.		as to a $250,000.00 interest
Address for Service	64 Vaughan Road, 3rd Floor, Toronto, Ontario M6G 2N4		
Name	TARAGAR HOLDINGS LIMITED		as to a $250,000.00 interest
Address for Service	15785 8th Concession, Schomberg, Ontario L0G 1T0		
Name	HOWIECO ENTERTAINMENT INC.		as to a $250,000.00 interest
Address for Service	26 Lesmill Road, Unit 5, Toronto, Ontario M6B 2T5		
Name	MISIM INVESTMENTS LIMITED		as to a $250,000.00 interest
Address for Service	119 Stratford Crescent, Toronto, Ontario M4N 1C9		

Chargee(s)		*Capacity*	*Share*
Name	C.H.B.P. INVESTMENTS INC.		as to a $200,000.00 interest
Address for Service	68 Riverglen Drive, Keswick, Ontario L4P 2R1		
Name	THE SALZ CORPORATION		as to a $200,000.00 interest
Address for Service	25 Evita Court, Thornhill, Ontario L4K 8K6		
Name	USHER, RANDI		as to a $200,000.00 interest
Address for Service	148 Balmoral Drive, Toronto, Ontario M4V 1J4		
Name	SONE, ELLEN		as to a $125,000.00 interest
Address for Service	112 Roxborough Lane, Thornhill, Ontario L4J 4T4		
Name	APPEL, AUBRIE	Joint Account, Right Of Survivorship	as to a $100,000.00 interest (together with Gail Appel)
Address for Service	80 Dundurn Crescent, Thornhill, Ontario L4J 6Y9		
Name	APPEL, GAIL	Joint Account, Right Of Survivorship	as to a $100,000.00 interest (together with Aubrie Appel)
Address for Service	80 Dundurn Crescent, Thornhill, Ontario L4J 6Y9		
Name	SONE, LAWRENCE		as to a $75,000.00 interest
Address for Service	112 Roxborough Lane, Thornhill, Ontario L4J 4T4		

Statements

Schedule: See Schedules

Provisions

Principal	$ 5,000,000.00	*Currency*	CDN
Calculation Period	monthly, not in advance		
Balance Due Date	2017/09/15		
Interest Rate	12% per annum		
Payments	$ 50,000.00		
Interest Adjustment Date	2016 09 15		
Payment Date	the 15th day of each month		
First Payment Date	2016 10 15		
Last Payment Date	2017 09 15		
Standard Charge Terms	200033		
Insurance Amount	full insurable value		
Guarantor	Tong Liu		

Signed By

Leonard De Vries	5255 Yonge Street Suite1300 Toronto M2N 6P4	acting for Chargor(s)	Signed	2016 09 12

Tel 416-924-8082
Fax 416-927-0305

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

Submitted By

LEONARD DE VRIES LAW OFFICE	5255 Yonge Street Suite1300 Toronto M2N 6P4	2016 09 15

Tel 416-924-8082
Fax 416-927-0305

Fees/Taxes/Payment

Statutory Registration Fee	$62.85
Total Paid	$62.85

CHARGE PROVISIONS - ADDITIONAL PROVISIONS

This is a Schedule to a Charge Between:

Toronto Capital Corp., in trust, 2478888 Ontario Inc., in trust, 1220356 Ontario Limited, Larry Tenebaum Family Trust, 768124 Ontario Inc., Taragar Holdings Limited, Howieco Entertainment Inc., MISIM Investments Limited, C.H.B.P Investments Inc., The Salz Corporation, Randi Usher, Ellen Sone, Aubrie Appel, Gail Appel and Lawrence Sone (as "Chargees")

and

3070 Ellesmere Developments Inc. (as "Chargor")

---

1. **Sale Clause**

If the Chargor shall at any time shall sell, transfer, convey or otherwise dispose of all or part of the herein mortgaged property without the prior written consent of the Chargees then, at the Chargees' option, this Charge shall immediately become due and payable in full including interest to the maturity date of this Charge.

2. **Administration Fee**

In addition to all other payments due under this Charge, the Chargor shall pay to Avenue Capital Mortgage Administration Inc., for administering this Charge on behalf of the Chargees, an administration fee equal to 0.25% per annum of the principal amount of the Charge, together with HST thereon, such administration fee and HST thereon to be calculated monthly, not in advance and to be payable monthly in addition to and together with the monthly interest payments due on this Charge. This administration fee shall be payable during the term of the Charge and as long thereafter as there is any principal amount outstanding under this Charge, both before and after demand, default and/or judgement.

3. **Post-Dated Cheques**

The Chargor shall, upon the execution of this Charge, provide the Chargees with a series of twelve (12) postdated cheques, to cover the payments of interest coming due hereunder.

4. **Mortgage Commitment**

The Chargor covenants and agrees that all the obligations, terms, covenants, warranties and stipulations on the part of the Chargor contained in the Mortgage Commitment dated August 31 2016 between Toronto Capital Corp, in trust (as Lender) and Central Park Ajax Developments Phase 1 Inc., Lemine Real Estate Consulting Inc. and 3070 Ellesmere Developments Inc. (as Borrowers) and Tong Liu (as Guarantor) (hereinafter referred to as the "Mortgage Commitment") form an integral part of this Charge and all such terms of the aforesaid Mortgage Commitment shall be deemed to be part of this Charge and of the same force and effect as if they were fully set forth herein, and the Chargor covenants and agrees to keep and perform such terms and failure on the part of the Chargor to observe, keep and perform such terms shall constitute an act of default hereunder and this Charge shall then be deemed to be in default. The Mortgage Commitment shall survive the disbursement of the loan secured by this Charge and shall remain in full force and effect for the benefit of the Chargees. To the extent that any term or terms of the Mortgage Commitment conflicts with any term or terms of this Charge, the Chargees in their sole and unfettered discretion shall determine which term or terms shall be effective.

5. **Administrative Fees and Charges**

(a) In the event that it is necessary for the Chargees to have a letter sent to the Chargor because of default or non-payment, then the Chargor shall be charged the sum of Two Hundred Dollars ($200.00) for each such letter and such sum shall be a charge on the herein mortgaged property and shall bear interest at the rate set out herein.

(b) In the event of the return of any of the Chargor's cheques, unpaid by the financial institution upon which they were drawn, for any reason whatsoever, or any payment remains unpaid when due, the Chargor shall pay to the Chargees the sum of Five Hundred Dollars ($500.00) plus HST for each such occurrence as the Chargees' liquidated damages and not as penalty, which damages, if unpaid, shall be added to the principal sum then outstanding and shall bear interest at the rate set out herein.

(c) In the event of the cancellation of the fire insurance policy covering all or part of the herein mortgaged premises, for any reason whatsoever, the Chargor shall pay to the Chargees the sum of Five Hundred Dollars ($500.00) plus HST for each such occurrence, as the Chargees' liquidated damages and not as penalty, which damages, if unpaid, shall be added to the principal sum then outstanding and shall bear interest at the rate herein stated. The Chargor shall provide proof of insurance to the Chargees at the Chargees' request. In the event that the Chargees deem it necessary to arrange for insurance to be placed on all or part of the herein mortgaged property, any amount paid by the Chargees thereof, if not reimbursed to the Chargees, shall form part of the indebtedness secured by this Charge bearing interest at the rate set out herein. The Chargor shall also pay to the Chargees a fee in the amount of Five Hundred Dollars ($500.00) plus HST on each occasion on which the Chargees arrange the placement of insurance over the herein mortgaged property, which shall also form part of the indebtedness secured by this Charge and, if unpaid, shall bear interest at the rate set out herein.

(d) In the event that the Chargor fails to keep realty taxes in good standing regarding all or part of the herein mortgaged property, for any reason whatsoever, the Chargor shall pay to the Chargees the sum of Five Hundred Dollars ($500.00) plus HST for each such occurrence, as the Chargees' liquidated damages and not as penalty, which damages, if unpaid, shall be added to the principal sum then outstanding and shall bear interest at the rate set out herein. The Chargor shall provide proof of realty tax payments to the Chargees on not less than a half-yearly basis and also at the Chargees' request. In the event that the Chargees deem it necessary to pay for realty taxes for all or part of the herein mortgaged property, any amount paid by the Chargees hereof shall be reimbursed to the Chargees, and if unpaid, shall form part of the indebtedness secured by this Charge and bear interest at the rate set out herein. The Chargor shall also pay to the Chargees a fee in the amount of Five Hundred Dollars ($500.00) plus HST on each occasion on which the Chargees pays for realty tax regarding the herein mortgaged property, which shall also form part of the indebtedness secured by this Charge and, if unpaid, shall bear interest at the rate set out herein.

(e) In the event of default in payment of any amount due from time to time or the default of any covenant, or implied covenant, term or condition in this Charge and additional provisions thereof, the Chargor shall pay to the Chargees the sum of Five Hundred Dollars ($500.00) plus HST for each such occurrence of default, as the Chargees's liquidated damages and not as penalty, which damages if unpaid, shall be added to the principal sum then outstanding and shall bear interest at the rate set out herein. Furthermore, in the event of default, the Chargees shall be entitled to property inspection fees at the rate of Five Hundred Dollars ($500.00) plus HST per inspection as may be required in the sole discretion of the Chargees. The Chargor hereby agrees to wholly indemnify the Chargees for all solicitor's fees and disbursements incurred by the Chargees, on a solicitor and client scale, in the event of default.

(f) In the event that the Chargees are requested by the Chargor or are otherwise required to provide a mortgage statement, there shall be an administrative fee of Two Hundred Dollars ($200.00) plus HST payable for each such statement.

(g) In the event that the full principal amount is not paid on or before the maturity date hereof, the Chargees shall be entitled to require a payment equal to three (3) months' interest on the principal amount outstanding prior to permitting repayment thereof by the Chargor.

6. **Default**

In addition to any other events of default noted elsewhere herein, the happening of any of the following shall constitute a "default" under this Charge:

(a) if the Chargor shall make default under any one or more of the covenants, conditions, terms, agreements, provisos and obligations herein contained by and on the part of the said Chargor to be kept, observed and performed;

(b) if the Chargor become insolvent or bankrupt, or a trustee in bankruptcy be appointed for the Chargor or if the Chargor shall make a general assignment for the benefit of creditors or shall go into liquidation either voluntarily or under an order of a court of competent jurisdiction or otherwise acknowledges the insolvency;

(c) if there is a change of control of the Chargor to a person or persons not approved by the Chargees, in writing;

(d) if at any time there is or has been any discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Chargee by or on behalf of the Chargor with respect to all or part of the herein mortgaged property or any of the Chargor's financial condition and responsibility, and if such discrepancies or inaccuracies are material and cannot be rectified or nullified by the Chargor to the satisfaction of the Chargees within thirty (30) days of written notification thereof to the Chargor;

(e) if the Chargor shall make default under any one or more of the covenants, agreement, provisions, obligations, representations or warranties contained in the Mortgage Commitment;

(f) if the Chargor obtain any subsequent financing or refinancing of the property, other than such financing as exists on the date of registration of this Charge, without having obtained the prior written approval of the Chargees, such approval not to be unreasonably withheld; and

(g) if there is litigation or any other proceeding, application, claim or action pending or threatened before any court, administrative board, or other tribunal which, if determined adversely to the Chargor, in the opinion of the Chargees would materially affect the herein mortgaged property or would have a material adverse effect on the financial condition of the Chargor or the income of the property.

7. **Acceleration**

Upon the occurrence of a default under this Charge, all principal and interest and any other charges or fees due under this Charge shall become due and payable in full.

8. **Prepayment**

This Charge is fully closed during the initial four (4) months thereof. Thereafter, provided that the Chargor are not in default herein, the Chargor shall have the right to prepay the whole amount of the principal herein then outstanding, together with all interest accrued thereon and unpaid, on any scheduled payment date upon payment of a bonus equal to one (1) month's interest.

9. **Interest calculation**

Any payment that is received by the Chargees after 2:00 pm on any date shall be deemed, for the purpose of calculation of interest, to have been received on the following business day.

10. **Default Proceedings**

In the event of a default under this Charge, the Chargees shall be entitled to charge $5,000,00 plus HST for each action or proceeding instituted and the Chargees shall be entitled to charge $600.00 plus HST per day for administering the maintenance and security of the herein mortgaged property and, if unpaid, shall bear interest at the rate set out herein.

11. **Default of other Charges**

In the event that the Chargor are in default in any other Charge registered against all or part of the herein mortgaged property, the Chargor shall be deemed to be in default under this Charge and the Chargees shall be entitled to pursue all of the remedies contained herein for a default under this Charge.

12. **Breach of Covenant**

The breach of any covenant contained in this Charge shall constitute a default hereunder and, at the option of the Chargees, they may avail themselves of the remedies contained herein or at law.

13. **Payment of other Charges and Performance of Other Obligations**

The Chargor covenant and agree to pay all property taxes, all public utility rates and insurance premiums as and when they come due, to keep all encumbrances and agreements in good standing, to comply with all zoning, by-laws, standards and work orders and to rectify any work orders, deficiency notices and/or letters of compliance within thirty (30) days of receipt of notice thereof and to cause to be discharged or released the registration of any liens of any nature or kind within thirty (30) days of registration of such lien(s). The failure by the Chargor to comply with this covenant shall constitute an event of default hereunder and entitle the Chargees, at their sole option, to avail themselves of the remedies available hereunder and at law.

In addition, at the Chargees' sole option, the Chargor hereby agrees that the Chargees may, if the Chargor fails to comply as aforesaid, satisfy any matter raised in the preceding paragraph or other encumbrance now or hereafter existing or to arise or to be claimed upon the mortgaged premises, and the amount so paid, together with all costs associated therewith, shall be added to the principal sum hereby secured and bear interest at the rate of interest set out herein and shall be payable forthwith by the Chargor, and, in default of payment, the entire principal sum, all accrued and unpaid interest and all costs shall become immediately payable at the option of the Chargees and the remedies hereby given and/or available at law may be exercised forthwith without notice.

14. **Bankruptcy and Insolvency**

The Chargor acknowledges and agrees that any and all costs as may be incurred from time to time by the Chargees in order to effect compliance or avoid any adverse ramifications of the Bankruptcy and Insolvency Act (Canada) (or other insolvency legislation) shall be entirely for the account of the Chargor.

15. **Demolition or Removal**

The Chargees shall not demolish or remove from the mortgaged premises any buildings or other structures on the mortgaged premises without the prior written approval of the Chargees.

16. **Discharge**

The Chargees shall be entitled to prepare or have their solicitor prepare a discharge or partial discharge of Charge and any other documents necessary to release or assign any security held by the Chargees, and shall have a reasonable time after payment of the mortgage debt in full to prepare, execute and deliver such documents. A discharge fee in the amount of $500.00 plus HST, in addition to fees of $150.00 plus HST in connection with the preparation, review, execution and delivery of such documents, shall be paid by the Chargor to the Chargees.

17. **Waiving by Chargees**

In the event that the Chargees shall waive enforcement of any of the covenants, terms and conditions contained herein, or extend time to the Chargor, within which to remedy any such default, then such waiver, or extension of time shall not operate as a waiver or as an extension of time for the notification of any of the other covenants terms and conditions of this Charge.

18. **Severability**

In the event that any provision contained in this Charge, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, then the remainder of this Charge or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby and each covenant, obligation or provision of this Charge shall be separately valid and enforceable to the fullest extent permitted by law.

19. **Conflict/Ambiguity**

If conflict or ambiguity exists or arises between any one or more of the provisions contained in this Schedule of Additional Provisions and any one or more of the provisions contained in the Standard Charge Terms, the provisions contained in this Schedule shall, to the extent of such conflict or ambiguity, be deemed to govern and prevail.

20. **Collateral Mortgage**

The obligations of the Chargor to the Chargees secured by this Charge are also secured by a Charge from Central Park Ajax Developments Phase 1 Inc. in favour of the Chargees against the property that is part of Municipal Parking Area, Plan 488 designated as Part 1, on Plan 40R-28209, Town of Ajax (as in PIN 26456-0086 LT) (hereinafter referred to as the "Phase 1A Charge") and by a Charge from 9654372 Canada Inc., 9654488 Canada Inc., 9654461 Canada Inc., 9617680 Canada Inc. against the properties located at 132 to 134 Harwood Avenue South, 144 to 148 Harwood Avenue South, 150 to 154 Harwood Avenue South, 214 to 222 Harwood Avenue South and 224 Harwood Avenue South, Ajax, Ontario respectively (the "Harwood Charge") .

Default of any of the obligations under the Phase 1A Charge or the Harwood Charge shall constitute a default under this Charge and vice versa and any repayment on account of principal and interest under the Phase 1A Charge or the Harwood Charge shall constitute repayment under this Charge and vice versa, and upon payment in full of all money due and owing on account of both principal and interest under the Phase 1A Charge or the Harwood Charge or this Charge, all such Charges shall be discharged at the request and the expense of the Chargor.

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

(Electronic Filing)

DYE & DURHAM CO INC
Form No 300E

Filed by
Dye & Durham Co. Inc.

Filing Date: **November 3, 2000**

Filing number: **200033**

The following Set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. L.4 as amended (the " Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to the above-noted filing number in such charge shall hereinafter be referred to as the "Charge".

Exclusion of Statutory Covenants

1. The implied covenants deemed to be included in a charge under subsection 7(1) of the *Land Registration Reform Act* as amended or re-enacted are excluded from the Charge.

Right to Charge the Land

2. The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge.

No Act to Encumber

3. The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose.

Good Title in Fee Simple

4. The Chargor, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown.

Promise to Pay and Perform

5. The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same.

Interest After Default

6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land.

No Obligation to Advance

7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.

Costs Added to Principal

8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.

Power of Sale

9. The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the *Mortgages Act*. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly

one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

Quiet Possession

10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.

Right to Distrain

11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.

Further Assurances

12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whosoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.

Acceleration of Principal and Interest

13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.

Unapproved Sale

14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.

Partial Releases

15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.

Obligation to Insure

16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

Obligation to Repair

17. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment

before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

Building Charge

18. If any of the principal amount to be advanced under the Charge is to be used to finance an improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the *Construction Lien Act* as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.

Extensions not to Prejudice

19. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so altered over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

No Merger of Covenants

20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.

Change in Status

21. Immediately after any change or happening affecting any of the following, namely: *(a)* the spousal status of the Chargor, *(b)* the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and *(c)* the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of *(a)*, *(b)* and *(c)* above as the Chargee may from time to time request.

Condominium Provisions

22. If the Charge is of land within a condominium registered pursuant to the *Condominium Act* (the "Act") the following provisions shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the corporation on the due dates. If the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay the same to the Chargee upon being so notified. The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 16 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.

Discharge

23. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge or assignment shall be paid by the Chargor.

Guarantee

24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:

(a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS ($2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.

(b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.

(c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect

the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.

(d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.

(e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.

Severability

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

Interpretation

26. In construing these covenants the words "Charge", "Chargee", "Chargor", "land" and "successor" shall have the meanings assigned to them in Section 1 of the *Land Registration Reform Act* and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

Paragraph headings

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

Date of Charge

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

Effect of Delivery of Charge

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

DATED this day of ,
(year)

Properties

PIN	06186 - 0033 LT
Description	PCL J-1 SECT M1227 BLK J PLAN 66M1227, CITY OF TORONTO
Address	3070 ELLESMERE SCARBOROUGH

Applicant(s)

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

Name	3070 ELLESMERE DEVELOPMENTS INC.
Address for Service	5000 Yonge Street, Suite 1806, Toronto, Ontario M2N 7E9

I, Tong Liu, 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	TORONTO CAPITAL CORP.
Address for Service	Suite 400, 480 Lawrence Avenue West, Toronto, Ontario M5M 1C4

Name	2478888 ONTARIO INC.
Address for Service	Suite 3, 1030 Sheppard Avenue West, Toronto, Ontario M3H 6C1

Name	1220356 ONTARIO LIMITED
Address for Service	7 Oxbow Road, Toronto, Ontario M3B 1Z9

Name	TENEBAUM, LARRY
Address for Service	14 Sea Greens, Newport Coast, California USA 92657-1723

Name	768124 ONTARIO INC.
Address for Service	64 Vaughan Road, 3rd Floor, Toronto, Ontario M6G 2N4

Name	TARAGAR HOLDINGS LIMITED
Address for Service	15785 8th Concession, Schomberg, Ontario L0G 1T0

Name	HOWIECO ENTERTAINMENT INC.
Address for Service	26 Lesmill Road, Unit 5, Toronto, Ontario M6B 2T5

Name	MISIM INVESTMENTS LIMITED
Address for Service	119 Stratford Crescent, Toronto, Ontario M4N 1C9

Party To(s)	*Capacity*	*Share*

Name C.H.B.P INVESTMENTS INC.
Address for Service 68 Rivergien Drive, Keswick, Ontario L4P 2R1

Name THE SALZ CORPORATION
Address for Service 25 Evita Court, Thornhill, Ontario L4K 8K6

Name USHER, RANDI
Address for Service 148 Balmoral Drive, Toronto, Ontario M4V 1J4

Name SONE, ELLEN
Address for Service 112 Roxborough Lane, Thornhill, Ontario L4J 4T4

Name APPEL, AUBRIE
Address for Service 80 Dundurn Crescent, Thornhill, Ontario L4J 6Y9

Name APPEL, GAIL
Address for Service 80 Dundurn Crescent, Thornhill, Ontario L4J 6Y9

Name SONE, LAWRENCE
Address for Service 112 Roxborough Lane, Thornhill, Ontario L4J 4T4

Statements

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

This notice may be deleted by the Land Registrar when the registered instrument, AT4343080 registered on 2016/09/15 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Leonard De Vries	5255 Yonge Street Suite1300 Toronto M2N 6P4	acting for Applicant(s)	Signed	2016 09 15

Tel 416-924-8082
Fax 416-927-0305

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

Leonard De Vries	5255 Yonge Street Suite1300 Toronto M2N 6P4	acting for Party To(s)	Signed	2016 09 15

Tel 416-924-8082
Fax 416-927-0305

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

Submitted By

LEONARD DE VRIES LAW OFFICE

5255 Yonge Street Suite1300
Toronto
M2N 6P4

2016 09 15

Tel 416-924-8082
Fax 416-927-0305

Fees/Taxes/Payment

Statutory Registration Fee	$62.85
Total Paid	$62.85

GENERAL ASSIGNMENT OF RENTS

THIS INDENTURE made as of the day of September, 2016

BETWEEN:

Central Park Ajax Developments Phase 1 Inc., Lemine Real Estate Consulting Inc. and 3070 Ellesmere Developments Inc.
hereinafter called the "Assignors"

of the First Part

-and-

Toronto Capital Corp., in trust, 2478888 Ontario Inc., in trust, 1220356 Ontario Limited, Larry Tenebaum Family Trust, 768124 Ontario Inc., Taragar Holdings Limited, Howieco Entertainment Inc., MISIM Investments Limited, C.H.B.P Investments Inc., The Salz Corporation, Randi Usher, Ellen Sone, Aubrie Appel, Gail Appel and Lawrence Sone
hereinafter called the "Assignees"

of the Second Part

WHEREAS by a Charge (the "Charge") given by the Assignors in favour of the Assignees, the Assignors did grant and mortgage unto the Assignees the property that is part of Municipal Parking Area, Plan 488 designated as Part 1, on Plan 40R-28209, Town of Ajax (part of PIN 26456-0086 LT) and the property located at against 3070 Ellesmere Road, Toronto, Ontario (PIN 06186-0033 LT) (the "Properties") to secure the payment of the sum of Five Million Dollars ($5,000,000.00) together with interest thereon as therein set forth;

AND WHEREAS as a condition for the making of the loan secured by the Charge, it was agreed that the Assignors would assign unto the Assignees as a further continuing and additional security for the payment of the monies secured by the Charge and the observance and performance of the covenants therein contained, all rents and other monies now due and payable or hereafter to become due and payable and the benefit of all covenants of tenants, users, occupiers, licensees and guarantors (the "Rents") under and in respect of all leases and tenancy agreements (written, oral or otherwise) between the Assignors and tenants (hereinafter called "Leases") of the Properties and all rents payable in respect thereof, whether currently in force or entered into hereafter;

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the premises and of the sum of TWO DOLLARS ($2.00) of lawful money of Canada now paid by the Assignees to the Assignors (the receipt whereof is hereby by the Assignors acknowledged), the Assignors hereby assign, transfer and set over unto the Assignees the Rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the rents and to enforce payment thereof in the name of the Assignors or the owners from time to time of the Properties.

1. It is distinctly understood and agreed that neither the execution of these presents nor the acceptance thereof by the Assignees shall in any way render the Assignees liable for the observance or performance of any of the covenants, conditions or agreements in any Leases contained on the part of the Landlord therein named to be observed, performed or kept, and for the consideration aforesaid, the Assignors hereby nominate, constitute and appoint the Assignees to be the true and lawful attorneys of the Assignors for and in the name of the Assignors but for the use and benefit of the Assignees, to demand, recover and enforce payment of all Rents, and to enforce observance by the tenants of their covenants and conditions therein contained and for the purposes aforesaid or any of them, to institute such actions at law or in equity or otherwise as the Assignees shall from time to time deem fit or proper and for the purposes aforesaid, or any of them; to make, sign and execute any documents in the name of the Assignors as the Assignees shall deem fit or proper, the

cost of all such expenses to be paid in cash by the Assignors or, at the discretion of the Assignees, to be added to and form part of the monies secured by the Charge and to bear interest at the rate therein set forth; and for the consideration aforesaid, the Assignors agrees with the Assignees that this power of attorney shall be irrevocable so long as any monies remain owing to the Assignees and secured by the Charge.

2. NOTWITHSTANDING anything herein contained, it is agreed that until default shall be made in the payment of the principal monies and interest secured by the Charge or some part thereof or in the observance, performance or keeping of any of the terms, covenants or agreements therein contained on the part of the Assignors to be observed, performed or kept, the Assignors shall be entitled to, and the tenants named in any Leases shall pay to the Assignors, the Rents thereby reserved, the same for and during the terms therein set out upon the terms and subject to the conditions therein set forth.

3. The Assignors covenant and agree with the Assignees that they will not, without the prior consent of the Assignees, lease the Properties except at a rent and on terms and conditions no less favourable than a prudent landlord would expect to receive for the said lands and premises.

4. It is further agreed that a statement to that effect purporting to be made by or on behalf of the Assignees shall be deemed to be for all purposes sufficient evidence of default having been made in the payment of the principal monies and interest or some part thereof secured by the Charge or in the observance, performance or keeping of any of the terms, covenants or agreements therein contained on the part of the Assignors to be observed, performed or kept and of the continuance of such default, and notice of such default shall be deemed to be well and sufficiently given to the tenants named in any Leases if such notice is sent by mail addressed to the tenants.

5. And that the Assignees shall not by virtue of these presents be deemed a mortgagee in possession of the said demised premises.

6. It is further agreed that upon payment of all principal and other monies secured by the Charge, these presents shall thereupon become and be of no further force or effect.

7. It is agreed that wherever in these presents the word "Assignors" occurs, the same shall extend to and bind the Assignors and their successors and assigns and wherever in these presents the word "Assignees" occurs, the same shall extend to and bind the Assignees and their successors and assigns. This Instrument is to be read with all changes of gender or number required by the context.

8. The Assignors further covenant with and warrant to the Assignees that they have not previously assigned the Rents or any part thereof (other than to the existing first mortgagee of the subject lands, if there is one) and have not otherwise taken any action whereby the Assignees would or might be prevented from or limited in obtaining the benefit of this Indenture, and that the Assignors now have good and rightful power and absolute authority to assign the Rents in the manner aforesaid according to the true intent and meaning of this Indenture (subject to the prior assignment referred to herein).

9. The Assignors agree to pay the costs, charges and expenses of and incidental to the taking, preparation and filing of this Agreement or any notice thereof which may be required and of every renewal thereto.

10. The Assignors shall not grant any Assignment of Rents to any present or future creditors unless such creditor(s) acknowledge the priority of the General Assignment of Rents in favour of the Assignees.

DATED at Toronto, Ontario this day of September, 2016.

CENTRAL PARK AJAX DEVELOPMENTS PHASE 1 INC.
per:

_____
Tong Liu - President
I have authority to bind the Corporation

LEMINE REAL ESTATE CONSULTING INC.
per:

_____
Tong Liu - President
I have authority to bind the Corporation

3070 ELLESMERE DEVELOPMENTS INC.
per:

_____
Tong Liu - President
I have authority to bind the Corporation

This is Exhibit "D" referred to in the
Affidavit of Henry Goldberg sworn before me
this 11th day of September, 2019.

528446

A Commissioner for taking affidavits

INTER-LENDER AGREEMENT

3070 Ellesmere Road, Toronto

Dated as of the 18th day of May, 2018 between **2615333 ONTARIO INC.** (the "**Buyer**") and **2478888 ONTARIO INC.** (the "**Seller**")

Background:

A. The Seller paid off the Cameron Mortgage as the holder of such mortgage had issued a Notice of Sale and the redemption period had expired.

B. The Buyer has purchased from the Seller the Mortgage subject to the Seller's Interest. The Mortgage will remain registered on title with the Seller as the mortgagee, holding it as bare nominee for itself and the Buyer with respect to the Seller's Interest and the Buyer's Interest respectively.

C. The Buyer also purchased the Related Mortgages from the Seller.

D. On the terms of this Agreement, the Seller's Interest shall have priority over the Buyer's Interest.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

In this Agreement, unless the context requires otherwise:

"**Agreement**" means this Agreement as it may be amended from time to time.

"**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Toronto.

"**Buyer's Interest**" means the interest of the mortgagee in the Mortgage other than the Seller's Interest.

"**Cameron Mortgage**" means the mortgage registered against the title to the Mortgaged Property as Instrument No. AT3868656.

"**Cameron Payment**" means the amount paid by the Seller on account of the Cameron Mortgage in order to obtain a discharge thereof namely $5,218,776.21;

"**Enforcement Action**" means the commencement of any action or proceeding to enforce or realize on the Mortgage including commencing power of sale, obtaining or appointing a receiver (or manager or receiver/manager, action on the covenant, foreclosure (or accepting all or part of the Mortgaged Property in place of foreclosure) or exercising any other rights or remedies in relation to the Mortgage.

"**including**" means including without limitation, and "**includes**" means includes, without limitation.

"**Mortgage**" means the charge/mortgage of land in the original face principal amount of $5,000,000 registered as no. AT4343080 on September 15, 2015 against the Mortgaged Property including the indebtedness and obligations of the mortgagor under the mortgage in favour of the Seller as mortgagee (as assignee from Toronto Capital Corp. and others as the original mortgagees), as it may be amended, extended or renewed from time to time, and together with all Mortgage Documents.

"**Mortgage Documents**" means all documents constituting additional or collateral security to the Mortgage and the indebtedness and obligations secured by it including: the assignment of rents registered as no. AT4343088; all policies of insurance relating to the Mortgaged Property and all other documents relating to the Mortgage.

"**Mortgaged Property**" means the lands and premises currently legally described in the property field description of PIN 06186-0033(LT) in LRO No. 66 (Toronto) and municipally known as 3070 Ellesmere Road, Toronto.

"**Related Properties**" means the properties mortgaged under the Related Mortgages.

"**Related Mortgages**" means the following charge/mortgages of land in the original face principal amount of $5,000,000:

Registration No.	Current PIN	Address
DR1517439	26456-0105	167 Harwood Avenue South, Ajax, Ontario
DR1516601	26459-0046	148 Harwood Avenue South, Ajax Ontario
DR1516601	26459-0045	152 Harwood Avenue South, Ajax, Ontario
DR1516601	26459-0037	214 Harwood Avenue South, Ajax, Ontario
DR1516601	26459-0036	224 Harwood Avenue South, Ajax, Ontario
DR1516601	26459-0050	134 Harwood Avenue South, Ajax, Ontario

"**Seller's Interest**" means the interest of the Seller as mortgagee in the Mortgage in respect of the indebtedness outstanding of $5,218,771.21, as of January 12, 2018 plus thereafter interest at the rate provided for in the Mortgage and such costs and protective disbursements as may be incurred after the date of this Agreement.

1.2 Other

(1) Entire Agreement - This Agreement constitutes the entire agreement among the parties and cancels and supersedes any prior agreements, undertakings, declarations or representations, written or verbal in respect of it.

(2) Severability - Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement.

(3) Sections Etc. - The division of this Agreement into Sections, the insertion of headings, and the provision of any table of contents are for convenience of reference only and will not affect the construction or interpretation of this Agreement.

(4) Gender Etc. Unless the context requires otherwise, words importing the singular include the plural and *vice versa* and words importing gender include all genders.

(5) Business Days - If any payment is required to be made [or other action is required to be taken] pursuant to this Agreement on a day which is not a Business Day, then such payment [or action] will be made [or taken] on the next Business Day. Time will be of the essence of this Agreement in all respects.

(6) Calculation of Interest - In calculating interest payable under this Agreement for any period, the first day of such period will be included and the last day of such period will be excluded.

ARTICLE 2 - SUBORDINATION

2.1 Priority of the Seller`s Interest

(1) Priority - The Seller`s Interest shall have a first and absolute priority over the Buyer`s Interest. The Seller`s Interest shall be deemed to be a first charge on the Mortgaged Property under the Mortgage and the Buyer`s Interest shall be deemed to be a second charge of the Mortgaged Property, as if these were two distinct and separate mortgages registered on the title to the Mortgaged Property with the Seller`s Interest registered as a first charge and the Buyer`s Interest registered as a second charge, and with all funds being deemed to have been advanced by the Seller before any funds advanced by the Buyer. The Buyer fully postpones and subordinates its Buyer's Interest in the Mortgage to the Seller's Interest.

(2) Standstill: Enforcement Action – Until the Seller's Interest has been paid in full:

(a) the Buyer shall not take, direct, initiate, pursue or otherwise participate in, either directly or indirectly, any Enforcement Action in connection with or in respect of the Mortgage or against any party or parties who may be entitled to claim contribution or indemnity against the mortgagor;

(b) Enforcement Action, if any, shall be exercised solely by the Seller, and the Seller shall promptly give written notice to the Buyer of any such Enforcement Action taken by the Seller. Nothing in this Agreement shall compel the Seller at any time to commence any Enforcement Action;

(c) *[Intentionally Deleted]*;

(d) all insurance proceeds, expropriation proceeds or any other proceeds or other money received under or with respect to the Mortgage, other than the required payments under the Mortgage shall be paid to the Seller and any such payments received by the Buyer shall have been received by the Buyer in trust for the Seller and shall be remitted by the Buyer to the Seller forthwith.

(e) all payments, recoveries, or any other proceeds or other money received under or with respect to the Mortgage when it is in default and from any Enforcement Action or

otherwise shall first be paid to the Seller until the entirety of the amount owed to the Seller for the Seller's Interest has been paid, and thereafter the balance, if any, of such proceeds and future proceeds shall be paid to the Buyer (or as otherwise provided for in the Mortgage).

(3) Changes - No discharge, release or waiver by Seller of the Mortgage or of its rights under it, or against or in respect of any part the Mortgaged Property or any person, or any amendment, renewal, extension, replacement, modification, supplement, replacement or restatement of the Mortgage (provided that the principal sum and the interest rate are not increased) shall require notice to or the Buyer or otherwise affect the subordination and postponement of the Buyer's Interest granted under this Agreement.

(4) Enforcement on Related Mortgages - Nothing in this Agreement shall restrict the Buyer's right to take Enforcement Action with respect to the Related Mortgages.

(5) Renewals - The consent (which may be unreasonably withheld) of both the Seller and the Buyer shall be required for any renewal of the Related Mortgages for a term greater than any renewal of the Mortgage as determined by the Seller, in its sole discretion

2.2 Confirmation and No Challenge – The Buyer acknowledges and agrees that:

(a) the Cameron Payment has been validly added to the balance of the indebtedness secured by the Mortgage;

(b) the Cameron Payment is the outstanding balance due on the Seller's Interest (being the amount that the Seller paid to the holder of the Cameron Mortgage on the Mortgaged Property as a protective disbursement under the Mortgage and added to principal under the Mortgage) as of the date of this Agreement plus thereafter interest at the rate provided for in the Mortgage and such costs and protective disbursements as may be incurred after the date of this Agreement;

(c) the Buyer shall not take, or cause or permit any other person to take on its behalf, any steps or action by which the priority, enforceability or validity of the Mortgage, the Cameron Payment and the interest rate of 12% per annum charged on the Cameron Payment notwithstanding that the Seller may elect to take an assignment of the Cameron Mortgage as hereinafter set forth, any of the rights of Seller under this Agreement, the Seller's Interest or the Buyer's Interest shall be challenged, delayed, defeated, impaired or diminished in any way. The Buyer shall not challenge, object to, compete with or impede in any manner any Enforcement Action by the Seller in respect of the Mortgage including in respect of all or any part of the Mortgaged Property; and

(d) any renewal, extension or other amendment of the Mortgage shall concurrently and correspondently be made to the Related Mortgages. However, for clarity, nothing in this Section 2.2(d) shall restrict, among other things, the sale or other disposition under the Mortgage of only the Mortgaged Property.

2.3 Insolvency - The Seller shall have the right, but shall not the obligation, to claim and prove in respect of all or any part of the Mortgage indebtedness in any bankruptcy, insolvency, composition, scheme of arrangement, liquidation or winding up, voluntary or involuntary,

affecting the mortgagor or any distribution of Mortgaged Property among creditors of the Borrower and to vote any of the interests of the Buyer in respect of the Mortgage in any such proceedings. All dividends, distributions or other sums that may be or become payable in respect of the Mortgage indebtedness pursuant to any such proceedings shall be due and be paid to the Seller until the Seller shall have received indefeasible payment and satisfaction of the full amount of the Seller's Interest. The Buyer will from time to time execute and deliver all statements, proofs of claim, transfers, assignments and documents and do all such other acts and things as the Seller may request from time to time to implement and give effect to the foregoing. The Buyer irrevocably constitutes and appoints the Seller or its respective officers from time to time the true and lawful attorney of the Buyer, with full power of substitution, to do any of the foregoing in the name of the Buyer, whenever the Seller, in its sole discretion, deems it to be necessary or expedient.

2.4 Trust – The Seller will be the holder of the Mortgage as trustee for the Seller and Buyer in respect of their respective interests in the Mortgage. The Seller confirms that the beneficial interest of the Buyer in the Buyer's Interest is held by the Seller as Trustee for the Buyer and upon payout of the Cameron Payment, accrued interest and any other amounts due thereunder to the Seller, the Seller agrees to transfer the Mortgage to the Buyer. The Buyer acknowledges that it has no right to demand a transfer of the Mortgage or the Buyer's interest therein so long as the Cameron Payment as aforesaid has not been repaid to the Seller.

2.5 Indemnity - the Buyer shall indemnify and save harmless the Seller, its officers, directors, employees, agents, representatives, successors and assigns (together hereinafter called the "**Indemnified Parties**" or individually, the "**Indemnified Party**"), from and against any and all liabilities, losses, claims, damages, penalties, actions, suits, demand, levies, costs, expenses and disbursements (including, without limitation, any and all legal and advisor fees and disbursements, on a solicitor and his own client basis) (together hereinafter called "**Liabilities**") of whatever kind or nature which may at any time be suffered by, imposed on, incurred by or asserted against the Indemnified Parties, whether groundless or otherwise, howsoever arising from or out of any act or omission of the Seller made in connection with its acting as trustee for the Buyer in respect of the Buyer's Interest, hereunder, except for Liabilities arising from or caused by the fraud or the gross negligence of The Indemnified Parties. Notwithstanding any other provision hereof, this indemnity shall survive termination of this Agreement and termination of any trusts created hereby.

(a) It is expressly declared and agreed as follows:

(i) The Indemnified Parties shall not be liable for, or by reason of, any failure or defect of title to, or security interest upon the Mortgaged Property or any part thereof;

(ii) The Indemnified Parties shall not incur any liability or responsibility whatever in consequence of permitting or suffering the owner of the Mortgaged Property (the "**Borrower**") to retain or be in possession of any part of the Mortgaged Property and to use and enjoy the same unless herein expressly otherwise provided; nor shall the Indemnified Parties be or become responsible or liable for any destruction, deterioration, loss, injury or damage which may be done or occur to the security by the Borrower, its agents or servants, or by any other person or be responsible

for the consequence of any breach by the Borrower of any of the covenants contained in the Mortgage or of any acts of the agents or servants of the Borrower; and

(iii) The Indemnified Parties shall not be liable by reason of any entry into possession of the Lands or any part thereof, to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession might be liable save such as may be caused by its own negligence or willful misconduct.

2.6 Cameron Mortgage – The Buyer acknowledges to and agrees with the Seller that:

(i) the Seller has obtained a discharge of the Cameron Mortgage but has not registered the same as of the date hereof;

(ii) the Cameron Payment has been added to the indebtedness due under the Mortgage and the Buyer confirms the validity thereof notwithstanding that the discharge of the Cameron Mortgage has not been registered;

(iii) the Seller is entitled to interest on the Cameron Payment at the interest rate set out in the Mortgage; and

(iv) the Seller at its sole discretion may elect to take an assignment of the Cameron Mortgage and not register the discharge it is holding and notwithstanding same the Seller shall be entitled to interest on the Cameron Payment at the interest rate set out in the Mortgage

2.7 Notice of Default and Information - Each of the Buyer and the Seller, if requested by the other of them, shall provide to the requesting party such information respecting the prior Seller's Interest or the subordinate Buyer's Interest, as the case may be, as the requesting party may from time to time reasonably request, including, without limitation, the outstanding amount of the Seller's Interest or the Buyer's Interest, as the case may be. In the event of a default under the Seller's Interest and/or the Buyer's Interest, for which default the Seller or Buyer intends to issue a notice of default to the Borrower, the Seller and/or the Buyer, as applicable, shall forthwith provide written notice to the other lender of such default, which notice shall specify the nature of such default. The Borrower and the Guarantors hereby irrevocably authorize and direct each of the Prior Lender and Subordinate Lender to provide any information with respect to the Borrower and/or the Guarantors to the other of the

ARTICLE 3 – NOTICES

3.1 Manner - Any notice required or permitted to be given by either party under this Agreement to the other shall be in writing and shall be delivered or sent by registered mail (except during a postal disruption or threatened postal disruption) or fax to the applicable address set out below:

(i) in the case of the Buyer to:	(ii) in the case of Seller to:
851 Woodland Acres Crescent Maple, Ontario L6A 1G2 Attention: Xiao Dong Zhu Fax: [905-475-6226] With a copy to: Metcalfe, Blainey & Burns LLP Unit 202, 18 Crown Steele Drive Markham, Ontario L3R 9X8 Attention: Janet Lee Fax: 905-475-6226 Email: janetlee@mbb.ca	2478888 Ontario Inc. 1030 Sheppard Avenue West Suite 3 Toronto, Ontario M3H 6C1 Attention: Henry Goldberg Fax: 416.789.9768 With a copy to: Joseph Fried Meyer, Wassenaar & Banach, LLP 301 - 5001 Yonge Street Toronto, Ontario M2N 6P6 Attention: Joseph Fried Fax: 416-223-9405 Email: Jfried@mwb.ca

3.2 Delivered - Any notice delivered shall be deemed to have been validly and effectively given on the day of such delivery. Any notice sent by registered mail shall be deemed to have been validly and effectively given on the third Business Day following the date of mailing. Any notice sent by fax shall be deemed to have been validly and effectively given on the day the fax is sent if sent before 4:00 p.m. but if after 4:00 p.m., then on the next Business Day after it was sent.

3.3 Change - Either party may from time to time by notice to the other change its address for service under this Agreement.

ARTICLE 4 - General

4.1 Assumption on Sale of Interest - No sale, transfer or assignment of the Mortgage (in whole or in part) or any interest in the Mortgage by the Buyer of the Buyer's Interest shall be effective and shall not be completed, unless the Seller consents to same in writing which consent may be unreasonably withheld and if the Seller's consent is obtained such consent shall be contingent upon the purchaser, transferee or assignee executing an assumption agreement in favour of the Seller to assume and be bound by this Agreement in the place of the party selling.

4.2 Termination - This Agreement shall remain in force from year to year until the Seller's Interest has been paid in full or the Mortgage security has been realized and the proceeds of realization distributed in accordance with this Agreement.

4.3 Further Assurances - The parties shall do such further things and execute such further documents as may be reasonably required by the other party to more fully implement the intent of this Agreement.

4.4 Waiver - A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the party to be bound by the waiver. No waiver will be inferred from or implied by any failure to act or delay in acting by a party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other party. The waiver by a party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

4.5 Amendments - No amendment of this Agreement will be effective unless made in writing and signed by the parties to it.

4.6 Enurement - This Agreement will enure to the benefit of, and be binding on, the parties and their respective successors and permitted assigns.

4.7 Counterparts - This Agreement may be executed and delivered in counterpart and by PDF or fax.

SIGNATURES ON NEXT PAGE

The parties have executed and delivered this Agreement as of the date first written above.

2615333 ONTARIO INC.

By: _____
Name:
Title:
I have authority to bind the Corporation

2478888 ONTARIO INC.

By: _____
Name:
Title:
I have authority to bind the Corporation

2478888 ONTARIO INC.

By: _____
Name:
Title:
I have authority to bind the Corporation

This is Exhibit "E" referred to in the
Affidavit of Henry Goldberg sworn before me
this 11th day of September, 2019.

C. Hackett 528446

A Commissioner for taking affidavits

BORROWER CONFIRMATION AGREEMENT

3070 Ellesmere Road, Toronto

Dated as of May 18th, 2018 between **3070 ELLESMERE DEVELOPMENTS INC.** (the "**Borrower**"), **2478888 ONTARIO INC.** (the "**Mortgagee**") and **2615333 ONTARIO INC.** (the "**Buyer**")

Background:

A. The Borrower is the mortgagor under the Mortgage to the Mortgagee (as assignee from the original mortgagees). The parties wish to confirm certain matters relating to the Mortgage.

B. The Mortgagee paid out the Cameron Mortgage (the prior mortgagee) on the Mortgaged Property as a protective disbursement under the Mortgage.

C. The Mortgage secures the original loan of $5,000,000.00 (the "**Original Loan**") and the Cameron Payment.

D. The Buyer purchased the beneficial interest in the Original Loan from the Mortgagee and subordinated the Original Loan to the Cameron Payment pursuant to a Mortgage Loan Purchase Agreement and Inter-Lender Agreement both of even date.

E. The Original Loan and the Cameron Payment are collectively referred to herein as the "**Loan**".

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

In this Agreement, unless the context requires otherwise:

"**Agreement**" means this Agreement as it may be amended from time to time.

"**Cameron Mortgage**" means the mortgage registered against the title to the Mortgaged Property as Instrument No. AT3868656.

"**Cameron Payment**" means the amount paid by the Mortgagee on account of the Cameron Mortgage in order to obtain a discharge of it; namely, $5,218,776.21.

"**Enforcement Action**" means the commencement of any action or proceeding to enforce or realize on the Mortgage including commencing power of sale, obtaining or appointing a receiver (or manager or receiver/manager, action on the covenant, foreclosure (or accepting all or part of the Mortgaged Property in place of foreclosure) or exercising any other rights or remedies in relation to the Mortgage.

"**including**" means including without limitation, and "**includes**" means includes, without limitation.

"**Mortgage**" means the charge/mortgage of land in the original face principal amount of $5,000,000 registered as no. AT4343080 on September 15, 2015 against the Mortgaged Property including the indebtedness and obligations of the mortgagor under the mortgage in favour of the Mortgagee as

mortgagee (as assignee from Toronto Capital Corp. and others as the original mortgagees), as it may be amended, extended or renewed from time to time, and together with all Mortgage Documents.

"**Mortgage Documents**" means all documents constituting additional or collateral security to the Mortgage and the indebtedness and obligations secured by it including: the assignment of rents registered as no. AT4343088; all policies of insurance relating to the Mortgaged Property and all other documents relating to the Mortgage.

"**Mortgaged Property**" means the lands and premises currently legally described in the property field description of PIN 06186-0033(LT) in LRO No. 66 (Toronto) and municipally known as 3070 Ellesmere Road, Toronto.

1.2 Other

(1) Entire Agreement - This Agreement constitutes the entire agreement among the parties and cancels and supersedes any prior agreements, undertakings, declarations or representations, written or verbal in respect of it.

(2) Severability - Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement.

(3) Sections Etc. - The division of this Agreement into Sections, the insertion of headings, and the provision of any table of contents are for convenience of reference only and will not affect the construction or interpretation of this Agreement.

(4) Gender Etc. Unless the context requires otherwise, words importing the singular include the plural and *vice versa* and words importing gender include all genders.

(5) Business Days - If any payment is required to be made [or other action is required to be taken] pursuant to this Agreement on a day which is not a Business Day, then such payment [or action] will be made [or taken] on the next Business Day. Time will be of the essence of this Agreement in all respects.

(6) Recitals – All the recitals contained herein are true and correct and form an integral part of this Agreement.

ARTICLE 2- CONFIRMATIONS

2.1 Confirmation – The Borrower acknowledges to and agrees with the Mortgagee and the Buyer that:

(a) the Mortgage secures the Loan and the Additional Mortgage secures the Original Loan and are a good and valid mortgages, enforceable in accordance with their respective terms, in full force and effect, and unamended;

(b) the Mortgage is in default;

(c) The Mortgage provides that the Mortgage is additional security for the Mortgages registered against title against the lands and titles currently legally described in property field description of PIN Nos. 26459-0046, 26459-0045, 26459-0037, 26459-0036 and 26459-0050 registered as Instrument No. DR1516601, PIN No. 26456-0108 registered as Instrument NO. DR1517439 and PIN No. 26456-0033 (LT) registered as Instrument No. AT4343080 (the "**Additional Mortgages**");

(d) The consent (which may be unreasonably withheld) of both the Mortgagee and the Buyer shall be required for any renewal of the Additional Mortgages for a term greater than any renewal of the Mortgage as determined by the Mortgagee, in its sole discretion;

(e) The Borrower has no claims, equities or right of set-off against the Mortgagee relating in any way to the Loan or the Mortgage;

(f) If the Mortgage is renewed it will make monthly interest payments to the Mortgagee on account of the Cameron Payment and it will make monthly interest payments to the Buyer on account of the Original Loan; and

(g) The total amount outstanding under the Mortgage (including the Cameron Payment) as of the date of this Agreement is as set out in the attached **Schedule A** plus interest (at the rate provided for in the Mortgage), protective disbursements and costs as may be incurred after the date of this Agreement.

2.2 **No Challenge -** the Borrower shall not take, or cause or permit any other person to take on its behalf, any steps or action by which:

(a) the priority, enforceability or validity of the Mortgage;

(b) the Cameron Payment and the interest rate of 12% per annum charged on the Cameron Payment (despite that the Mortgagee may elect to take an assignment of the Cameron Mortgage as set out below);

(c) any of the rights of Mortgagee under this Agreement; or

(d) the Mortgagee's interest, the Buyer's interest or the Borrower's interest in the Mortgage,

shall be challenged, delayed, defeated, impaired or diminished in any way. The Borrower shall not challenge, object to, compete with or impede in any manner any Enforcement Action by the Mortgagee in respect of the Mortgage including in respect of all or any part of the Mortgaged Property.

2.3 **Cameron Mortgage**

The Borrower acknowledges to and agrees with the Mortgagee and the Buyer that:

(a) the Mortgagee has obtained a discharge of the Cameron Mortgage but has not registered it as of the date of this Agreement;

(b) the Cameron Payment has been validly added (whether or not the discharge of the Cameron Mortgage is registered now or hereafter) to the balance of the indebtedness secured by the Mortgage as a protective disbursement as of the date of this Agreement plus thereafter interest at the rate provided for in the Mortgage;

(c) the Mortgagee is entitled to interest on the Cameron Payment at the interest rate set out in the Mortgage; and

(d) the Mortgagee at its sole discretion may elect to take an assignment of the Cameron Mortgage and not register the discharge it is holding and, despite this, the Mortgagee shall be entitled to interest on the Cameron Payment at the interest rate set out in the Mortgage.

2.4 **Taxes** - The Borrower, on or before May 18th, 2018, shall: pay (or cause to be paid) all arrears of property taxes on the Mortgaged Property; and deliver to the Mortgagee a receipt from the City of Toronto confirming such payment.

2.5 **Insolvency** - The Mortgagee shall have the right, but not the obligation, to claim and prove in respect of all or any part of the Mortgage indebtedness in any bankruptcy, insolvency, composition, scheme of arrangement, liquidation or winding up, voluntary or involuntary, affecting the mortgagor or any distribution of Mortgaged Property among creditors of the Borrower and to vote any of the interests of the Borrower in respect of the Mortgage in any such proceedings. All dividends, distributions or other sums that may be or become payable in respect of the Mortgage indebtedness pursuant to any such proceedings shall be due and be paid to the Mortgagee until the Mortgagee shall have received indefeasible payment and satisfaction of the full amount due under the Mortgage. The Borrower will from time to time execute and deliver all statements, proofs of claim, transfers, assignments and documents and do all such other acts and things as the Mortgagee may request from time to time to implement and give effect to the foregoing. The Borrower irrevocably constitutes and appoints the Mortgagee or its respective officers from time to time the true and lawful attorney of the Borrower, with full power of substitution, to do any of the foregoing in the name of the Borrower, whenever the Mortgagee, in its sole discretion, deems it to be necessary or expedient.

2.6 **Information** - The Borrower hereby irrevocably authorize and direct each of the Mortgagee and the Buyer to provide any information with respect to the Loan, the Mortgage, Mortgaged Property, the Borrower and/or the guarantors of the Loan to the other of them.

ARTICLE 3 – NOTICES

3.1 Manner - Any notice required or permitted to be given by either party under this Agreement or the Mortgage to the other shall be in writing and shall be delivered or sent by registered mail (except during a postal disruption or threatened postal disruption) or fax to the applicable address set out below:

(i) in the case of the Borrower to: c/o Cassells Brock Lawyers 2100 Scotia Plaza 40 King Street West Toronto, Ontario M5H 3C2 Attention: Paul Muchnik Fax: 416-642-7165 Email: pmuchnik@cassellsbrocks.com	(ii) in the case of Mortgagee to: 2478888 Ontario Inc. 1030 Sheppard Avenue West Suite 3 Toronto, Ontario M3H 6C1 Attention: Henry Goldberg Fax: 416-789-9768 Email: henry@henrygoldberg.ca With a copy to: Joseph Fried Meyer, Wassenaar & Banach, LLP 301 - 5001 Yonge Street Toronto, Ontario M2N 6P6 Attention: Joseph Fried Fax: 416-223-9405 Email: jfried@mwb.ca
(iii) in the case of the Buyer to: 851 Woodland Acres Crescent Maple, Ontario L6A 1G2 Attention: Xiao Dong Zhu Fax: [905-475-6226] With a copy to: Metcalfe, Blainey & Burns LLP Unit 202, 18 Crown Steele Drive Markham, Ontario L3R 9X8 Attention: Janet Lee Fax: 905-475-6226 Email: janetlee@mbb.ca	

3.2 Delivered - Any notice delivered shall be deemed to have been validly and effectively given on the day of such delivery. Any notice sent by registered mail shall be deemed to have

been validly and effectively given on the third Business Day following the date of mailing. Any notice sent by fax shall be deemed to have been validly and effectively given on the day the fax is sent if sent before 4:00 p.m. but if after 4:00 p.m., then on the next Business Day after it was sent.

3.3 Change - Either party may from time to time by notice to the other change its address for service under this Agreement.

ARTICLE 4 - General

4.1 Assumption on Sale of Interest - No sale, transfer or assignment of the Mortgage (in whole or in part) or any interest in the Mortgage including the Mortgagee`s Interest or the Borrower`s Interest shall be effective and shall not be completed, unless and until the purchaser, transferee or assignee executes an assumption agreement in favour of the remaining party to assume and be bound by this Agreement in the place of the party selling.

4.2 Termination - This Agreement shall remain in force from year to year until the Mortgagee's Interest has been paid in full or the Mortgage security has been realized and the proceeds of realization distributed in accordance with this Agreement.

4.3 Further Assurances - The parties shall do such further things and execute such further documents as may be reasonably required by the other party to more fully implement the intent of this Agreement.

4.4 Waiver - A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the party to be bound by the waiver. No waiver will be inferred from or implied by any failure to act or delay in acting by a party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other party. The waiver by a party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

4.5 Amendments - No amendment of this Agreement will be effective unless made in writing and signed by the parties to it.

4.6 Enurement - This Agreement will enure to the benefit of, and be binding on, the parties and their respective successors and permitted assigns.

4.7 Counterparts - This Agreement may be executed and delivered in counterpart and by PDF or fax.

The parties have executed and delivered this Agreement as of the date first written above.

SIGNATURES ON NEXT PAGE

3070 ELLESMERE DEVELOPMENTS INC.

By: _____
Name: Tony Liu
Title: CEO
I have authority to bind the Corporation

2476888 ONTARIO INC.

By: _____
Name:
Title:
I have authority to bind the Corporation

2615333 ONTARIO INC.

By: _____
Name:
Title:
I have authority to bind the Corporation

Schedule A – Amount Outstanding

3070 ELLESMERE DEVELOPMENTS INC.

By: _____
Name:
Title:
I have authority to bind the Corporation

2478888 ONTARIO INC.

By: _____
Name:
Title:
I have authority to bind the Corporation

2615333 ONTARIO INC.

By: _____
Name:
Title:
I have authority to bind the Corporation

Schedule A – Amount Outstanding

Schedule A

Amount Outstanding as at May 18, 2018

CAMERON MORTGAGE:

Cameron Mortgage (January 12, 2018)	$5,218,776.21
Accrued interest to May 18, 2018	$ 224,401.24
TOTAL as of May 18, 2018	**$5,443,177.45**

BALANCE OF EXISTING INDEBTEDNESS:	$5,758,665.53
TOTAL OUTSTANDING UNDER THE MORTGAGE:	**$11,201,842.98**

This is Exhibit "F" referred to in the
Affidavit of Henry Goldberg sworn before me
this 11th day of September, 2019.

C. Hackett 528446

A Commissioner for taking affidavits

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

PROPERTY DESCRIPTION: PCL J-1 SECT M1227 BLK J PLAN 66M1227, CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1991/02/25

OWNERS' NAMES
3070 ELLESMERE DEVELOPMENTS INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1991/02/25 ON THIS PIN						
WAS REPLACED WITH THE "PIN CREATION DATE" OF 1991/02/25						
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1991/01/05 ***						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
A244876	1968/07/04	NOTICE AGREEMENT			THE CORPORATION OF THE BOROUGH OF SCARBOROUGH	C
A256117	1968/12/03	BYLAW				C
A310002	1971/02/03	TRANSFER		*** COMPLETELY DELETED ***	NORFINCH CONSTRUCTION (TORONTO) LIMITED	
A659220	1977/11/24	NOTICE OF LEASE		*** COMPLETELY DELETED ***		
A773362	1979/06/18	NOTICE AGREEMENT				C
66R4105	1979/07/04	PLAN REFERENCE				C
REMARKS: A778358						
A903759	1981/02/11	CHARGE		*** COMPLETELY DELETED ***	THE TORONTO-DOMINION BANK	
C525147	1988/12/01	CHARGE		*** COMPLETELY DELETED ***	THE MANUFACTURERS LIFE INSURANCE COMPANY	
C525148	1988/12/01	NOTICE		*** COMPLETELY DELETED ***		
REMARKS: C525147						
C567536	1989/05/23	NOTICE		*** COMPLETELY DELETED ***		

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.

* 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: C525147					
C756875	1992/01/27	NOTICE OF LEASE		*** COMPLETELY DELETED *** NORFINCH CONSTRUCTION (TORONTO) LIMITED	MDS HEALTH GROUP LIMITED	
C757583	1992/01/30	POSTPONEMENT		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK	THE MANUFACTURERS LIFE INSURANCE COMANY	
	REMARKS: A903759 TO C525148					
C763495	1992/03/06	NOTICE		*** COMPLETELY DELETED *** NORFINCH CONSTRUCTION (TORONTO) LIMITED	THE MANUFACTURERS LIFE INSURANCECOMPANY	
	REMARKS: C525147					
C763496	1992/03/06	POSTPONEMENT		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK	THE MANUFACTURERS LIFE INSURANCE COMPANY	
	REMARKS: A903759 TO C525147					
E454999	2001/09/12	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
	REMARKS: RE: A903759					
E514723	2002/03/05	APL CH NAME OWNER		*** COMPLETELY DELETED *** NORFINCH CONSTRUCTION (CANADA) LIMITED	THE NORFINCH GROUP INC.	
	REMARKS: RE: A310002					
E515405	2002/03/07	NOTICE		*** COMPLETELY DELETED *** THE NORFINCH GROUP INC.	THE MANUFACTURES LIFE INSURANCE COMPANY	
	REMARKS: C525147, C525148, C567536 & C763495					
AT415392	2004/02/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE MANUFACTURERS LIFE INSURANCE COMPANY		
	REMARKS: RE: C525147					
AT755017	2005/03/16	APL (GENERAL)		*** COMPLETELY DELETED *** THE NORFINCH GROUP INC.		
	REMARKS: DELETE A659220					
AT755018	2005/03/16	APL (GENERAL)		*** COMPLETELY DELETED *** THE NORFINCH GROUP INC.		
	REMARKS: DELETE C756875					
AT755225	2005/03/16	TRANSFER		*** COMPLETELY DELETED *** THE NORFINCH GROUP INC.	1060420 ONTARIO LIMITED	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: PLANNING ACT STATEMENTS						
AT755279	2005/03/16	TRANSFER		*** COMPLETELY DELETED *** 1060420 ONTARIO LIMITED	BERKLEY HOMES (ELLESMERE) INC.	
REMARKS: PLANNING ACT STATEMENTS						
AT867125	2005/07/21	CHARGE		*** COMPLETELY DELETED *** BERKLEY HOMES (ELLESMERE) INC.	LEE-MAC ONTARIO FIVE INC.	
AT1453979	2007/05/25	TRANSFER REL&ABAND		*** COMPLETELY DELETED *** CITY OF TORONTO	BERKLEY HOMES (ELLESMERE) INC.	
AT1966338	2008/12/04	CHARGE		*** COMPLETELY DELETED *** BERKLEY HOMES (ELLESMERE) INC.	ELMO & CO. INC.	
AT1966347	2008/12/04	POSTPONEMENT		*** COMPLETELY DELETED *** LEE-MAC ONTARIO FIVE INC.	ELMO & CO. INC.	
REMARKS: AT867125 POSTPONES AT1966338						
AT1974825	2008/12/16	CHARGE		*** COMPLETELY DELETED *** BERKLEY HOMES (ELLESMERE) INC.	MACHAN, LINDSAY	
AT2209052	2009/10/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** MACHAN, LINDSAY		
REMARKS: AT1974825.						
AT2618935	2011/02/10	TRANSFER		*** COMPLETELY DELETED *** BERKLEY HOMES (ELLESMERE) INC.	2259098 ONTARIO INC.	
AT2618936	2011/02/10	CHARGE		*** COMPLETELY DELETED *** 2259098 ONTARIO INC.	BERKLEY HOMES (ELLESMERE) INC.	
AT2618970	2011/02/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** LEE-MAC ONTARIO FIVE INC.		
REMARKS: AT867125.						
AT2618972	2011/02/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** ELMO & CO. INC.		
REMARKS: AT1966338.						
AT3505661	2014/01/24	TRANS POWER SALE	$1,900,000	BERKLEY HOMES (ELLESMERE) INC.	3070 ELLESMERE DEVELOPMENTS INC.	C
REMARKS: AT2618936.						

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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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT3868656	2015/04/29	CHARGE		*** COMPLETELY DELETED *** 3070 ELLESMERE DEVELOPMENTS INC.	CAMERON STEPHENS FINANCIAL CORPORATION	
AT4090567	2015/12/09	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** KCP MANAGEMENT INC.		
AT4104006	2015/12/23	CERTIFICATE		*** COMPLETELY DELETED *** KCP MANAGEMENT INC.	LEMINE REAL ESTATE CONSULTING INC. LEMINE CONSTRUCTION INC. 3070 ELLESMERE DEVELOPMENTS INC. CAMERON STEPHENS FINANCIAL CORPORATION	
REMARKS: AT4090567						
AT4343080	2016/09/15	CHARGE	$5,000,000	3070 ELLESMERE DEVELOPMENTS INC.	TORONTO CAPITAL CORP. 247888 ONTARIO INC. 1220356 ONTARIO LIMITED TENEBAUM, LARRY 768124 ONTARIO INC. TARAGAR HOLDINGS LIMITED HOWIECO ENTERTAINMENT INC. MISIM INVESTMENTS LIMITED C.H.B.P. INVESTMENTS INC. THE SALZ CORPORATION USHER, RANDI SONE, ELLEN APPEL, AUBRIE APPEL, GAIL SONE, LAWRENCE	C
AT4343088	2016/09/15	NO ASSGN RENT GEN		3070 ELLESMERE DEVELOPMENTS INC.	TORONTO CAPITAL CORP. 2478888 ONTARIO INC. 1220356 ONTARIO LIMITED TENEBAUM, LARRY 768124 ONTARIO INC. TARAGAR HOLDINGS LIMITED HOWIECO ENTERTAINMENT INC. MISIM INVESTMENTS LIMITED C.H.B.P INVESTMENTS INC. THE SALZ CORPORATION USHER, RANDI SONE, ELLEN APPEL, AUBRIE APPEL, GAIL	C

* 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
					SONE, LAWRENCE	
REMARKS: AT4343080.						
AT4511551	2017/03/15	CHARGE	$2,000,000	3070 ELLESMERE DEVELOPMENTS INC.	2518358 ONTARIO INC.	C
AT4525474	2017/03/31	APL DEL CONST LIEN		*** COMPLETELY DELETED *** KCP MANAGEMENT INC.		
REMARKS: AT4090567.						
AT4767544	2017/12/22	CAUTION-LAND		*** COMPLETELY DELETED *** 3070 ELLESMERE DEVELOPMENTS INC.	2518358 ONTARIO INC.	
REMARKS: DELETED PURSUANT TO B89004 2019 01 09 P. KINSELLA						
AT4789874	2018/01/26	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** 2518358 ONTARIO INC.		
AT4816981	2018/03/07	CERTIFICATE		*** COMPLETELY DELETED *** 2518358 ONTARIO INC.		
REMARKS: CERTIFICATE OF ACTION AT4789874						
AT4868408	2018/05/18	TRANSFER OF CHARGE		TORONTO CAPITAL CORP. 247888 ONTARIO INC. 1220356 ONTARIO LIMITED TENEBAUM, LARRY 768124 ONTARIO INC. TARAGAR HOLDINGS LIMITED HOWIECO ENTERTAINMENT INC. MISIM INVESTMENTS LIMITED C.H.B.P. INVESTMENTS INC. THE SALZ CORPORATION USHER, RANDI SONE, ELLEN APPEL, AUBRIE APPEL, GAIL SONE, LAWRENCE	2478888 ONTARIO INC.	C
REMARKS: AT4343080.						
AT4868438	2018/05/22	NO ASSGN RENT GEN		TORONTO CAPITAL CORP. 2478888 ONTARIO INC. 1220356 ONTARIO LIMITED TENEBAUM, LARRY 768124 ONTARIO INC. TARAGAR HOLDINGS LIMITED	2478888 ONTARIO INC.	C

* 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
				HOWIECO ENTERTAINMENT INC. MISIM INVESTMENTS LIMITED C.H.B.P. INVESTMENTS INC. THE SALZ CORPORATION USHER, RANDI SONE, ELLEN APPEL, AUBRIE APPEL, GAIL SONE, LAWRENCE		
REMARKS: AT4343080						
AT4895930	2018/06/27	APL DEL CONST LIEN		*** COMPLETELY DELETED *** 3070 ELLESMERE DEVELOPMENTS INC.		
REMARKS: AT4788874.						
AT4896500	2018/06/28	APL COURT ORDER		*** COMPLETELY DELETED *** SUPERIOR COURT OF JUSTICE ONTARIO	2518358 ONTARIO INC.	
AT4978494	2018/10/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** CAMERON STEPHENS FINANCIAL CORPORATION		
REMARKS: AT3868656.						
AT5022246	2018/12/03	CHARGE	$1,000,000	3070 ELLESMERE DEVELOPMENTS INC.	SCOUGALL MANAGEMENT (1987) LIMITED	C
AT5034672	2018/12/14	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	3070 ELLESMERE DEVELOPMENTS INC.	
REMARKS: AT4896500						
AT5055775	2019/01/16	NOTICE	$2	3070 ELLESMERE DEVELOPMENTS INC.	SCOUGALL MANAGEMENT (1987) LIMITED	C
REMARKS: AT5022246						
AT5070485	2019/02/04	APL (GENERAL)		DU, XIUHONG CHEN, YUNDUAN XU, GUOHUA		C
REMARKS: CERTIFICATE PENDING LITIGATION						
AT5101901	2019/03/26	RESTRICTIONS ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	2449880 ONTARIO INC.	C
AT5158441	2019/06/12	LIEN	$299,137	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C
REMARKS: TAX LIEN						

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.

This is Exhibit "G" referred to in the
Affidavit of Henry Goldberg sworn before me
this 11th day of September, 2019.

C. Hart 528446

A Commissioner for taking affidavits

FORM 115

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) Bankruptcy and Insolvency Act)

TO: 3070 Ellesmere Developments Inc., an insolvent corporation
200 Consumers Road, Suite 602
Toronto, Ontario M2J 4R4

AND

TO: 3070 Ellesmere Developments Inc., an insolvent corporation
5000 Yonge Street, Suite 1806
North York, Ontario M2N 7E9

AND

TO: 3070 Ellesmere Developments Inc., an insolvent corporation
1600 16TH Avenue
Richmond Hill, Ontario L4B 4N6

TAKE NOTICE THAT:

1. Toronto Capital Corp., 2478888 Ontario Inc., 1220356 Ontario Limited, Larry Tenebaum, 768124 Ontario Inc., Taragar Holdings Limited, Howieco Entertainment Inc., Misim Investments Limited, C.H.B.P. Investments Inc., The Salz Corporation, Randi Usher, Ellen Sone, Aubrie Appel, Gail Appel and Lawrence Sone, secured creditors, intends to enforce its security on the property of the insolvent person described below:

   PIN No. 06186-0033 (LT)
   PCL J-1 SECT M1227 BLK J PLAN 66M1227, CITY OF TORONTO
   City of Toronto
   Toronto Land Titles Office (No. 80)

   municipally known as 3070 Ellesmere Road, Scarborough, Ontario M1E 4C3

2. The security that is to be enforced is in the form of:

   (a) a Charge/Mortgage of Land signed September 15, 2016 and registered in the Toronto Land Titles Office (No. 80) on September 15, 2016 as Instrument No. AT4343080;

   (b) a General Assignment of Rents registered in the said Land Titles Office on September 15, 2016 as Instrument No. AT4343088.

3. The total amount of the indebtedness secured by the security is **$5,395,690.07** as at 29th day of September, 2017, inclusive of $850.00 costs plus HST thereon for issuing this Notice, with a per diem payment thereafter of $1,643.84 on the mortgage loan.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at the City of Toronto, this 29th day of September, 2017.

TORONTO CAPITAL CORP., 2478888 ONTARIO INC., 1220356 ONTARIO LIMITED, LARRY TENEBAUM, 768124 ONTARIO INC., TARAGAR HOLDINGS LIMITED, HOWIECO ENTERTAINMENT INC., MISIM INVESTMENTS LIMITED, C.H.B.P. INVESTMENTS INC., THE SALZ CORPORATION, RANDI USHER, ELLEN SONE, AUBRIE APPEL, GAIL APPEL AND LAWRENCE SONE
by their solicitors
MEYER, WASSENAAR & BANACH, LLP

Per:_____
Joseph Fried

5001 Yonge Street
Suite 301
North York, Ontario M2N 6P6
T: (416) 223-9191
F: (416) 223-9405

Please direct any enquiries to: Ms. M. Young at 416-223-9191 ext. 234 (myoung@mwb.ca)

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

This is Exhibit "H" referred to in the
Affidavit of Henry Goldberg sworn before me
this 11th day of September, 2019.

528446

A Commissioner for taking affidavits

NOTICE OF SALE UNDER MORTGAGE

TO: 3070 Ellesmere Developments Inc.
200 Consumers Road, Suite 602
Toronto, Ontario M2J 4R4

AND TO: 3070 Ellesmere Developments Inc.
5000 Yonge Street, Suite 1806
North York, Ontario M2N 7E9

AND TO: 3070 Ellesmere Developments Inc.
1600 16TH Avenue
Richmond Hill, Ontario L4B 4N6

AND TO: Tong Liu
225 Greenfield Avenue,
Willowdale, Ontario M2N 3E2

AND TO: 2518358 Ontario Inc.
611 Tradewind Drive
Suite 300
Ancaster, Ontario L9G 4V5

TAKE NOTICE that default has been made in payment of the moneys due under a certain mortgage signed September 12, 2016, made between

3070 ELLESMERE DEVELOPMENTS INC.

as Mortgagor,

- and -

TORONTO CAPITAL CORP., 2478888 ONTARIO INC., 1220356 ONTARIO LIMITED, LARRY TENEBAUM, 768124 ONTARIO INC., TARAGAR HOLDINGS LIMITED, HOWIECO ENTERTAINMENT INC., MISIM INVESTMENTS LIMITED, C.H.B.P. INVESTMENTS INC., THE SALZ CORPORATION, RANDI USHER, ELLEN SONE, AUBRIE APPEL, GAIL APPEL AND LAWRENCE SONE

as Mortgagees,

- and -

TONG LIU

as Guarantor of the Mortgage

upon the following property namely:

PIN No. 06186-0033 (LT)

PCL J-1 SECT M1227 BLK J PLAN 66M1227, CITY OF TORONTO

City of Toronto

Toronto Land Titles Office (No. 80)

Municipal Address: 3070 Ellesmere Road, Scarborough, Ontario M1E 4C3

which mortgage was registered on September 15, 2016, in the Toronto Land Titles Office (No. 80) as No. AT4343080.

A Notice of Sale under Mortgage in respect of the mortgage registered in favour of Toronto Capital Corp., 2478888 Ontario Inc., 1220356 Ontario Limited, Larry Tenebaum, 768124

Ontario Inc., Taragar Holdings Limited, Howieco Entertainment Inc., Misim Investments Limited, C.H.B.P. Investments Inc., The Salz Corporation, Randi Usher, Ellen Sone, Aubrie Appel, Gail Appel and Lawrence Sone as Instrument No. DR1517439 in the Land Titles Office for Durham (No. 40) (the "**DR1517439 Mortgage**") which mortgage secures the same sums as set out in this Notice of Sale and in respect of the DR1517439 Mortgage a Notice of Sale was issued on July 12, 2017.

AND I hereby give you notice that the amount now due on the mortgage for principal money, interest, late payment interest, collection costs, three months' interest pursuant to Section 17 of the Mortgages Act and the terms of the mortgage, default fee, monthly payment, administration fee, monthly administration fee, previous statement fee and costs respectively, are as follows:

For principal	$5,000,000.00
For interest to September 29, 2017	$172,602.74
For default fee of the mortgagee	$1,500.00
For monthly payment – June 16, 2017	$51,177.08
For three month's interest pursuant to Section 17 of the *Mortgages Act*	$150,000.00
For administration fees of the mortgagee re site visits	$4,800.00
For monthly administration fee mortgagee (4 months)	$4,000.00
For previous discharge statement fee of the mortgagee	$500.00
For legal fees for issuing Notice of Breach	$1,500.00
For legal fees with respect to defending two Construction Lien Actions	$2,000.00
For legal fees for issuing Notice of Intention to Enforce Security	$1,500.00
For costs for this Notice of Sale and the DR1517439 Mortgage ($4,500.00 for first and $125 per additional PIN)	$4,625.00
For HST on costs	$1,485.25
	$5,395,690.07

(such amount for costs being up to and including the service of this Notice only, and thereafter such further costs and disbursements will be charged as may be proper), together with interest at the rate of 12.0% per annum, on the principal and interest hereinbefore mentioned, from the 29th day of September, 2017, to the date of payment.

AND unless the said sums are paid on or before the 4th day of November, 2017, I shall sell the property covered by the said mortgage under the provisions contained in it.

THIS notice is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem the same.

DATED the 29th day of September, 2017.

TORONTO CAPITAL CORP., 2478888 ONTARIO INC., 1220356 ONTARIO LIMITED, LARRY TENEBAUM, 768124 ONTARIO INC., TARAGAR HOLDINGS LIMITED, HOWIECO ENTERTAINMENT INC., MISIM INVESTMENTS LIMITED, C.H.B.P. INVESTMENTS INC., THE SALZ CORPORATION, RANDI USHER, ELLEN SONE, AUBRIE APPEL, GAIL APPEL AND LAWRENCE SONE
by their solicitors
MEYER, WASSENAAR & BANACH, LLP

Per:_____
Joseph Fried

Meyer, Wassenaar & Banach, llp GST Registration # R 121596506

Municipal Address is: 3070 Ellesmere Road, Scarborough, Ontario M1E 4C3

Please direct any enquiries to:

Ms. M. Young, Sr. Law Clerk
Meyer, Wassenaar & Banach, LLP
Barristers & Solicitors
5001 Yonge Street
Suite 301
North York, Ontario
M2N 6P6
Telephone: 416-223-9191 ext. 234
Fax: 416-223-9405
Email: myoung@mwb.ca

OR to:

Joseph Fried, Barrister and Solicitor
Meyer, Wassenaar & Banach, LLP
Email: jfried@mwb.ca

This is Exhibit "I" referred to in the
Affidavit of Henry Goldberg sworn before me
this 11th day of September, 2019.

C. Hurtt 528446

A Commissioner for taking affidavits

FORM 115

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) Bankruptcy and Insolvency Act)

TO: 3070 ELLESMERE DEVELOPMENTS INC., an insolvent corporation
5000 Yonge Street, Suite 1806
North York, Ontario M2N 7E9

TO: 3070 Ellesmere Developments Inc.
200 Consumers Road, Suite 602
Toronto, Ontario M2J 4R4

AND TO: 3070 Ellesmere Developments Inc.
1600 16TH Avenue
Richmond Hill, Ontario L4B 4N6

TAKE NOTICE THAT:

1. 2478888 ONTARIO INC., a secured creditor, intends to enforce its security on the property of the insolvent person described below:

   PIN No. 06186-0033 (LT)

   PCL J-1 SECT M1227 BLK J PLAN 66M1227, CITY OF TORONTO

   City of Toronto

   Toronto Land Titles Office (No. 80)

   municipally known as 3070 Ellesmere Road, Scarborough, Ontario M1E 4C3

2. The security that is to be enforced is in the form of:

   (a) a Charge/Mortgage of Land signed September 12, 2016 and registered in the Toronto Land Registry Office (No. 80) on September 15, 2016 as Instrument No. AT4343080, which mortgage was assigned to the undersigned by Transfer of Charge registered on May 18, 2018 in the said Land Titles Office as No. AT4868408.

3. The total amount of the indebtedness secured by the security is $11,886,240.45 as at the 14th day of August, 2018, inclusive of $1,200.00 costs plus HST thereon for issuing this Notice, with a per diem payment thereafter of $3,714.58 on the mortgage loan.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at the City of Toronto, this 14th day of August, 2018.

2478888 ONTARIO INC.
by its solicitors
MEYER, WASSENAAR & BANACH, LLP

Per:_____
Joseph Fried
5001 Yonge Street
Suite 301
North York, Ontario M2N 6P6
T: (416) 223-9191
F: (416) 223-9405

Please direct any enquiries to: Joseph Fried at 416-223-9191 ext. 230 (jfried@mwb.ca)

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

This is Exhibit "J" referred to in the
Affidavit of Henry Goldberg sworn before me
this 11th day of September, 2019.

C. Hartt 52844G

A Commissioner for taking affidavits

Joseph Fried

From:	Muchnik, Paul <PMuchnik@CasselsBrock.com>
Sent:	September-21-18 11:10 AM
To:	Joseph Fried
Cc:	Medina Young; Robinson, Todd; Uukkivi, Raivo; Blumberg, Robyn
Subject:	3070 Ellesemere - Without Prejudice [IWOV-LEGAL.FID2742723]

Hi Joe,

Happy New Year to you and your Family.

I am not sure if you are aware, but our clients have spoken directly about a possible extension of the TCC mortgage and forbearance of the current enforcement proceedings as follows:

1. LeMine agrees to make $300,000 payment by or before the end of September 2018;
2. TCC shall forbear the Power of Sale for 6 months; and
3. LeMine shall make the mortgage interest payment on monthly basis during the forbearance period.

At your earliest convenience, please review with your client and confirm whether same is acceptable. Thank-you

CASSELS BROCK LAWYERS

Paul Muchnik
Direct: +1 416 869 5975 • Fax: +1 416 642 7165 • pmuchnik@casselsbrock.com
2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2
www.casselsbrock.com

Jose h Fried

From: Robinson, Todd <trobinson@casselsbrock.com>
Sent: September-28-18 4:05 PM
To: Joseph Fried
Cc: Medina Young; Uukkivi, Raivo; Blumberg, Robyn
Subject: RE: 3070 Ellesemere - Without Prejudice [IWOV-LEGAL.FID2733816]

Hi Joe,

Today is Paul Muchnik's last day at our firm, moving on to another chapter. Please direct correspondence on this matter to Raivo Uukkivi and myself for the time being.

Have you received any confirmation from your client yet? Our client is anxious to confirm the forbearance terms.

Have a great weekend and, if you are observing on Monday and Tuesday, a good Shmini Atzeret and Simchat Torah.

Regards,
Todd

CASSELS BROCK LAWYERS
Todd Robinson
Direct: +1 416 860 6506 • Fax: +1 416 642 7160 • trobinson@casselsbrock.com
2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada M5H 3C2
www.casselsbrock.com

From: Muchnik, Paul
Sent: Friday, September 21, 2018 4:50 PM
To: Joseph Fried
Cc: Medina Young; Robinson, Todd; Uukkivi, Raivo; Blumberg, Robyn
Subject: RE: 3070 Ellesemere - Without Prejudice [IWOV-LEGAL.FID2742723]

Thanks Joe.
Happy Succoth!

CASSELS BROCK LAWYERS
Paul Muchnik
Direct: +1 416 869 5975 • Fax: +1 416 642 7165 • pmuchnik@casselsbrock.com
2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2
www.casselsbrock.com

From: Joseph Fried [mailto:jfried@Mwb.ca]
Sent: Friday, September 21, 2018 4:45 PM
To: Muchnik, Paul
Cc: Medina Young; Robinson, Todd; Uukkivi, Raivo; Blumberg, Robyn
Subject: RE: 3070 Ellesemere - Without Prejudice [IWOV-LEGAL.FID2742723]

Hi Paul
My client is overseas and he did not respond to my email to him.
I will be away from the office on Mon & Tues without access to phones or emails so will be back to you on Wed hopefully.

****
Joseph Fried on behalf of Joseph Fried Professional Corporation

Owen Gaffney

From:	Frank -Toronto Capital <frank@torontocapital.com>
Sent:	September-10-19 3:52 PM
To:	Fried, Joseph; Young, Medina
Cc:	Rehman, Amna
Subject:	RE: Academy mortgage

-------- Original message --------
From: Thomas Liu <thomas.liu@leminegroup.com>
Date: 2018-10-19 6:23 PM (GMT-05:00)
To: Frank Mondelli - Toronto Capital <frank@torontocapital.com>
Cc: Michael Sannella Tc <michael@torontocapital.com>
Subject: Re: Financing Request

Frank,

Thanks for trying to help us.

Would TCC be agreeable to sell the mortgage, if someone intends to buy?

Thomas Liu
Chief Executive Officer

E. Thomas.Liu@leminegroup.com
1600 16th Ave. Richmond Hill, ON L4B 4N6

LEMINEGROUP.COM

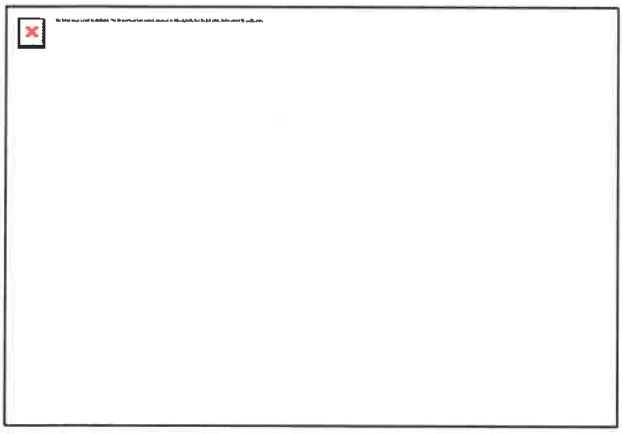
BILD 2015 People's Choice Award Winner

On Fri, Oct 19, 2018 at 3:55 PM Frank Mondelli - Toronto Capital <frank@torontocapital.com> wrote:

Thomas,

We really want to help but in light of all the legal battles our investors have no interest in the deal.

We are going to PASS on this deal – it is just too messy.



MEMBERS ONLY CLICK HERE

Frank Mondelli
Toronto Capital Corp.
400 - 480 Lawrence Ave W
Toronto, Ontario M5M 1C4
Tel 416 225-0555
Cell 647 938-7595
Fax 647 438-2066
www.torontocapital.com
Lic. 12536

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

2478888 ONTARIO INC. - and - **3070 ELLESMERE DEVELOPMENTS INC.**

Applicant Respondent

Court File No.: CV-19-00627187-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto, Ontario

AFFIDAVIT OF HENRY GOLDBERG

THORNTON GROUT FINNIGAN LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, Ontario M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Tel: (416) 304-0559 / Email: djmiller@tgf.ca

Rebecca L. Kennedy (LSO# 61146S)
Tel: (416) 304-0603 / Email: rkennedy@tgf.ca

Owen Gaffney (LSO#75017B)
Tel: (416) 304-1109 / Email: ogaffney@tgf.ca

Lawyers for the Applicant, 2478888 Ontario Inc.

TAB 3

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

2478888 ONTARIO INC.

Applicant

- and -

3070 ELLESMERE DEVELOPMENTS INC.

Respondent

CONSENT

RSM CANADA LIMITED hereby consents to act as Court-appointed Receiver in this proceeding should such an Order be granted by the Court.

Dated at Toronto, Ontario, this 9th day of September, 2019.

RSM CANADA LIMITED

Per: _____
Name: Bryan A. Tannenbaum, FCPA, FCIRP, LIT
Title: President

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

2478888 ONTARIO INC. - and - **3070 ELLESMERE DEVELOPMENTS INC.**

Applicant

Respondent

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto, Ontario

CONSENT

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSUC# 34393P)
Tel: (416) 304-0559 / Email: djmiller@tgf.ca

Rebecca L. Kennedy (LSUC# 61146S)
Tel: (416) 304-0603 / Email: rkennedy@tgf.ca

Owen Gaffney (LSUC #75017B)
Tel: (416) 304-1109 / Email: ogaffney@tgf.ca

Lawyers for the Applicant, 2478888 Ontario Inc.

TAB 4

Court File No. CV-19-00627187-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE	)	_____, THE _____
	)	
JUSTICE	)	DAY OF SEPTEMBER, 2019

2478888 ONTARIO INC.

Applicant

- and -

3070 ELLESMERE DEVELOPMENTS INC.

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION brought by 2478888 Ontario Inc. for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing RSM Canada Limited as receiver (in such capacities, the "**Receiver**") without security, of all of the Property (as defined herein) of 3070 Ellesmere Developments Inc. (the "**Borrower**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON HEARING the submissions of counsel for the Applicant, the Respondent, the intended Receiver and such other parties present, and on reading the consent of RSM Canada Limited to act as the Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM Canada Limited is hereby appointed Receiver, without security, of all of the property, assets and undertaking of 3070 Ellesmere Developments Inc., including but not limited to the real property municipally known as 3070 Ellesmere Road, Scarborough, Ontario, M1E 4C3, and more specifically described as PIN06186-0033 (LT) – Legal Description: PCL J-1 SECT M1227 BLK J PLAN 66M1227, CITY OF TORONTO, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

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

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of any Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to enter into any agreements, cease to carry on all or any part of the business, or cease to perform any contracts of the Borrower in relation to the Property;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to pay such protective disbursements as may be deemed necessary to preserve and protect the Property pending any disposition of same, or to prepare the Property for sale;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Borrower arising from or in relation to the Property and to exercise all remedies of the Borrower in collecting such monies, including, without limitation, to enforce any security held by the Borrower;

(g) to settle, extend or compromise any indebtedness owing to the Borrower arising from or in relation to the Property;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of the Property, whether in the Receiver's name or in the name and on behalf of the Borrower, for any purpose pursuant to this Order;

(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $100,000, provided that the aggregate consideration for all such transactions does not exceed $300,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens, encumbrances or other instruments affecting such Property, other than such permitted encumbrances as may be acceptable to the purchaser or rights that run with the land;

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

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

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Borrower;

(p) to exercise any shareholder, partnership, joint venture, co-ownership or other rights which the Borrower may have arising from or in relation to the Property; and

(q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer,

software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

17. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless

otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, save and except for the Charge/Mortgage of Land registered on title to the Property in favour of the Applicant, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA. For greater certainty, the Receiver's Charge shall be subordinate in priority to the existing Charge in favour of the Applicant.

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

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

FUNDING OF THE RECEIVERSHIP

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow from the Applicant such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of

any Person, but subordinate in priority to: (i) the existing Charge in favour of the Applicant; (ii) the Receiver's Charge; and (iii) the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA. Advances by the Applicant to the Receiver hereunder shall be, and are hereby deemed to be priority advances made by the Applicant under the existing Charge granted by the Borrower in favour of the Applicant, and shall form part of the indebtedness secured by the existing Charge in favour of the Applicant, but for greater certainty, in all cases in priority to every other Person having, or claiming, any interest in the Property.

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

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

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

SERVICE AND NOTICE

24. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: http://www.rsmcanada.con/3070-ellesmere-developments-inc.

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

RETENTION OF LAWYERS

26. **THIS COURT ORDERS** that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. The Receiver is specifically authorized and permitted to use the solicitors for the Applicant herein as its own counsel in respect of any matter where there is no conflict of interest. In respect of any legal advice or issue where a conflict may exist or arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel.

GENERAL

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

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

29. **THIS COURT ORDERS** that the Land Registry Office for the Land Titles Division of Toronto (No. 66) shall register this Order against title to the real property municipally known as 3070 Ellesmere Road, Scarborough, Ontario, M1E 4C3, and more specifically described as PIN06186-0033 (LT) – Legal Description: PCL J-1 SECT M1227 BLK J PLAN 66M1227, CITY OF TORONTO.

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

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

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Borrower's estate through borrowings obtained by the Receiver in accordance with paragraph 20 hereof.

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

_____

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

TO: 2478888 ONTARIO INC.

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "**Receiver**") of certain real property of 3070 Ellesmere Developments Inc. (the "**Borrower**") including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 2019 (the "**Order**") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $_____, being part of the total principal sum of $_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly, not in advance, on the 1st day of each month after the date hereof at a rate per annum equal to 9.75% per cent above the prime commercial lending rate of the Toronto Dominion Bank (TD Bank Prime Rate) in effect from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person other than the Lender, but subject to the priority of the charges set out in paragraph 21 of the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

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

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

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

DATED the _____ day of _____, 2018.

RSM Canada Limited, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

2478888 ONTARIO INC. - and - **3070 ELLESMERE DEVELOPMENTS INC.**

Applicant

Respondent

Court File No.: CV-19-00627187-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto, Ontario

ORDER
(appointing Receiver)

THORNTON GROUT FINNIGAN LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, Ontario M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Tel: (416) 304-0559 / Email: djmiller@tgf.ca

Rebecca L. Kennedy (LSO# 61146S)
Tel: (416) 304-0603 / Email: rkennedy@tgf.ca

Owen Gaffney (LSO#75017B)
Tel: (416) 304-1109 / Email: ogaffney@tgf.ca

Lawyers for the Applicant, 2478888 Ontario Inc.

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

2478888 ONTARIO INC. - and - **3070 ELLESMERE DEVELOPMENTS INC.**

Applicant Respondent

Court File No.: CV-19-00627187-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto, Ontario

APPLICATION RECORD

THORNTON GROUT FINNIGAN LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, Ontario M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Tel: (416) 304-0559 / Email: djmiller@tgf.ca

Rebecca L. Kennedy (LSO# 61146S)
Tel: (416) 304-0603 / Email: rkennedy@tgf.ca

Owen Gaffney (LSO#75017B)
Tel: (416) 304-1109 / Email: ogaffney@tgf.ca

Lawyers for the Applicant, 2478888 Ontario Inc.