

**ONTARIO  
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST**

B E T W E E N :

**MARSHALLZEHR GROUP INC.**

Applicant

- and -

**2305992 ONTARIO INC.**

Respondent

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 OF THE  
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED AND  
SECTION 101 OF THE COURTS OF JUSTICE ACT, RSO 1990, c C 43, AS AMENDED**

**APPLICATION RECORD  
(returnable October 8, 2019)  
(Motion for Appointment of Receiver)**

**MILLER THOMSON LLP**  
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40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto, ON Canada M5H 3S1

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**Eduard Popov LSO#: 75657J**  
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Lawyers for the Applicant

**TO:** **2305992 ONTARIO INC.**  
21 Roysun Road, Unit 17  
Woodbridge, ON L4L 8R3

**2305992 ONTARIO INC.**  
51 Oak Avenue  
Richmond Hill, ON L4C 6R5

**AND TO:** **MORRISON BROWN SOSNOVITCH LLP**  
1 Toronto Street, P.O. Box 28, Suite 910  
Toronto, ON M5C 2V6

**David N. Bleiwas**  
dbleiwas@businesslawyers.com  
Tel: 416.368.0600  
Fax: 416.368.5956

Counsel for the Respondent

# INDEX

Court File No.: CV-19-00628446-00 CL

**ONTARIO  
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**INDEX**

TAB	DOCUMENT
1.	Notice of Application dated October 2, 2019
2.	Affidavit of Cecil Hayes sworn October 2, 2019
A.	Exhibit "A" - Debtor Corporate Profile Report dated September 5, 2019
B.	Exhibit "B" - Parcel Registers for the Property dated September 5, 2019
C.	Exhibit "C" - Commitment letter dated August 11, 2014
D.	Exhibit "D" - First Amendment dated July 4, 2017
E.	Exhibit "E" - Second Amendment dated June 20, 2018
F.	Exhibit "F" - Mortgage registered on September 26, 2014
G.	Exhibit "G" - General Security Agreement dated September 26, 2014
H.	Exhibit "H" - Certified PPSA Search of the Debtor with a file currency of September 4,



	2019
I.	Exhibit "I" - Summary of Interest Payments
J.	Exhibit "J" - Mortgage registered in favour of 2704553 Ontario Inc. dated July 9, 2019
K.	Exhibit "K" - Corporate Profile Report re: 2704553 Ontario Inc. dated September 19, 2019
L.	Exhibit "L" - Tax Certificate dated September 23, 2019
M.	Exhibit "M" - Demand and Notice of Intention to Enforce Security dated September 10, 2019
N.	Exhibit "N" - Letter from Debtor's counsel dated September 18, 2019
O.	Exhibit "O" - Letter from MarshallZehr's counsel dated October 1, 2019
P.	Exhibit "P" - Consent to act as Receiver executed October 2, 2019
3.	Draft Receivership Order
4.	Blackline to Model Receivership Order

# TAB 1

CV-19-00628446-00CL

Court File No.:

**ONTARIO  
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BETWEEN:

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- and -

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SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C 43, AS AMENDED**

**NOTICE OF APPLICATION**

TO THE RESPONDENT:

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

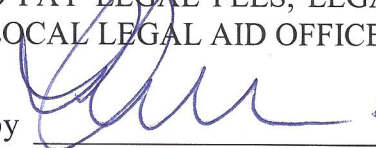
THIS APPLICATION will come on for a hearing on Tuesday October 8<sup>th</sup>, 2019, at 10:00 am at 330 University Avenue, Toronto, Ontario.

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

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

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

Date: October 2, 2019

Issued by 

Local registrar **C. Irwin**

Address of court office ~~393 University Avenue, 10<sup>th</sup> Floor~~ **Registrar**  
~~Toronto, ON M5G 1E6~~

**TO: 2305992 ONTARIO INC.**  
21 Roysun Road, Unit 17  
Woodbridge, ON L4L 8R3

**2305992 ONTARIO INC.**  
51 Oak Avenue  
Richmond Hill, ON L4C 6R5

330 UNIVERSITY AVE. 330 AVE. UNIVERSITY  
9TH FLOOR 9E ÉTAGE  
TORONTO, ONTARIO TORONTO, ONTARIO  
M5G 1R7 M5G 1R7

**AND TO: MORRISON BROWN SOSNOVITCH LLP**  
1 Toronto Street, P.O. Box 28, Suite 910  
Toronto, ON M5C 2V6

**David N. Bleiwas**  
dbleiwas@businesslawyers.com  
Tel: 416.368.0600  
Fax: 416.368.5956

Counsel for the Respondent

## APPLICATION

1. The Applicant, MarshallZehr Group Inc. (“**MarshallZehr**”), makes application for:
  - (a) An order appointing RSM Canada Limited (“**RSM Canada**”) as receiver and manager (in such capacity, “**Receiver**”) of the property, assets and undertakings of 2305992 Ontario Inc. (the “**Debtor**”) pursuant to Section 243 of the *Bankruptcy and Insolvency Act* (the “**BIA**”), and Section 101 of the *Courts of Justice Act* (the “**CJA**”); and
  - (b) Such further and other relief as this Honourable Court may deem just.
2. The grounds for the application are:

### The Debtor

- (a) The Debtor is an Ontario corporation and is the registered owner of real property municipally know as 9740, 9750 and 9760 Yonge Street, Richmond Hill, Ontario and legally described as PIN 03156-0317 (LT) and PIN 03156-0552 (LT) in Land Registry Office No. 65 (the “**Property**”);

### The Loan

- (b) On or about August 11, 2014, MarshallZehr, as the lender, entered into a commitment letter (the “**Commitment Letter**”) with the Debtor, pursuant to which MarshallZehr made a loan to the Debtor in the amount of \$18,900,000.00 comprised of two tranches, tranche 1 in the amount of \$6,000,000.00 and tranche 2 in the amount of \$12,900,000.00 (collectively, the “**Loan**”), with the maturity date of October 1, 2015 (the “**Maturity Date**”);
- (c) Thereafter the Maturity Date was extended pursuant to the terms of the Commitment Letter to May 1, 2016. The Maturity Date was subsequently extended by letter dated July 4, 2017 (the “**First Amendment**”) from May 1, 2017 to October 1, 2017. The Maturity Date was again extended by letter dated

June 20, 2018 (the “**Second Amendment**”) from October 1, 2017 to August 1, 2018.

- (d) The Second Amendment also increased the amount of the Loan to \$20,000,000.00, comprised of tranche 1 in the amount of \$6,000,000.00 and tranche 2 in the amount of \$14,000,000.00;

### **The Security**

- (e) As security for the payment and performance of all its obligations under the Commitment Letter, the Debtor, among other security, granted to MarshallZehr a first ranking mortgage on the Property and executed a general security agreement in favour of MarshallZehr (collectively, the “**Security**”);
- (f) Pursuant to the Security, the Debtor contractually agreed that upon the occurrence of an event of default, MarshallZehr may seek to appoint a Court-appointed receiver over the Debtor’s property, assets and undertaking;

### **Default and Demand**

- (g) The Debtor has committed multiple defaults in respect of the Loan. The following are the events of default by the Debtor under the Commitment Letter and the Security, among others:
  - (i) On or about March 19, 2015, MarshallZehr became aware of a change of ownership of the Debtor, which occurred without its knowledge or consent;
  - (ii) On June 12, 2015, without the knowledge or consent of MarshallZehr, the Debtor transferred the Property to another party, which was eventually transferred back to the Debtor in July, 2016;
  - (iii) The Debtor has not paid any interest on tranche 2 of the Loan since December 1, 2017;

- (iv) The Debtor defaulted on its tranche 1 interest payments after April, 2018 and MarshallZehr made protective advances from tranche 2 to make such payments until January, 2019;
- (v) The Debtor failed to repay the Loan on the Maturity Date of August 1, 2018;
- (vi) On July 09, 2019, without the knowledge or consent of MarshallZehr, the Debtor granted a mortgage in the amount of \$5,500,000 in favour of another party; and
- (vii) The Debtor failed to pay 2019 property taxes in respect of the Property;
- (h) On September 10, 2019, MarshallZehr demanded immediate repayment of all amounts due and owing under the Loan and issued a Notice of Intention to Enforce Security pursuant to section 244(1) of the BIA;
- (i) The Debtor has failed to honour the demand, and the loan remains in default;
- (j) As of September 9, 2019, the Debtor is indebted to MarshallZehr in the amount of \$25,919,092.32, inclusive of interest and fees and costs to date plus interest and fees and costs accruing after September 9, 2019;

### **The Appointment of the Receiver**

- (k) In these circumstances it is just and convenient to appoint a Receiver, for the purpose of realizing on the Property under the supervision of the Court for the benefit of all of the Debtor's stakeholders;
- (l) MarshallZehr is entitled under the terms of the Commitment Letter and the Security to seek the appointment of a Court-appointed Receiver in the event the Loan is in default;
- (m) The Debtor has committed a considerable number of events of default under the Commitment and the Security, which are continuing;

- (n) The Debtor is significantly indebted to MarshallZehr and has been in default for a substantial amount of time;
- (o) MarshallZehr has engaged in numerous efforts to provide the Debtor time to repay the Loan; however, the Debtor has not done so;
- (p) The Debtor had registered a charge on the Property and the appointment of the Receiver is necessary to protect the Property from further encumbrance;
- (q) RSM Canada has consented to its appointment as Receiver, if so appointed;

### **Statutory and Other Ground**

- (r) Section 243 of the BIA and Section 101 of the CJA;
  - (s) Rule 14 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;
  - (t) Such further and other grounds as counsel may advise.
3. The following documentary evidence will be used at the hearing of the application:
- (a) The Affidavit of Cecil Hayes sworn on October 2, 2019 and the exhibits thereto;
  - (b) The consent of RSM Canada;
  - (c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

October 2, 2019

**MILLER THOMSON LLP**  
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Tel: 416.595.2975

Lawyers for the Applicant



MARSHALLZEHR GROUP INC.  
Applicant

2305992 ONTARIO INC.  
and Respondent

CV-19-00628446-00CL  
Court File No.:

**ONTARIO  
SUPERIOR COURT OF JUSTICE -  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**NOTICE OF APPLICATION**

**MILLER THOMSON LLP**

Scotia Plaza  
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P.O. Box 1011  
Toronto, ON Canada M5H 3S1

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Lawyers for the Applicant

# TAB 2

**ONTARIO  
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**AFFIDAVIT OF CECIL HAYES**

**(Sworn October 2, 2019)**

I, Cecil Hayes, of the City of Waterloo, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Chief Operating Officer of the Applicant, MarshallZehr Group Inc. (“**MarshallZehr**”), and am one of the individuals responsible for overseeing the financing provided by MarshallZehr to the Respondent, 2305992 Ontario Inc. (the “**Debtor**”). As such, I have knowledge of the matters to which I hereinafter depose. Where the information set out in this affidavit is based on information that I have received from others, I have stated the source of that information and I believe it to be true.

2. This affidavit is sworn in support of an application by MarshallZehr for the appointment of RSM Canada Limited (“**RSM Canada**”) as receiver and manager (in such capacity, the “**Receiver**”) of the property, assets and undertaking of the Debtor pursuant to section 243 of the

*Bankruptcy and Insolvency Act* (the “**BIA**”) and section 101 of the *Courts of Justice Act* (Ontario) (the “**CJA**”).

### **The Parties**

3. MarshallZehr is an Ontario corporation, which provides syndicated construction and development financing who most often require a combination of bank-alternative and mezzanine debt. The financing is sourced from institutional and private lenders and is often provided in tranches to allow for priorities to be established between the two or more tranches to reflect the differing risk/return appetites between different investors arranged to participate in the financing. The model employed by MarshallZehr allows a borrower to work with a single lender/source of capital rather than using multiple financing solutions to achieve their development/construction goals.

4. The Debtor is an Ontario corporation that has its registered office in Woodbridge, Ontario. From a review of the Corporate Profile Report dated September 5, 2019 (the “**Debtor Corporate Report**”), the officers of the Debtor are Alan Hirschfield, Nicodema Ierfino, John Di Massimo and Rudy Trevisan and the directors of the Debtor are Nicodema Ierfino, John Di Massimo and Rudy Trevisan. A copy of the Debtor Corporate Report is attached hereto as **Exhibit “A”**.

### **The Property**

5. The Debtor is the registered owner of real property municipally known as 9740, 9750 and 9760 Yonge Street, Richmond Hill, Ontario and legally described as PIN 03156-0317 (LT) and PIN 03156-0552 (LT) in Land Registry Office No. 65 (the “**Property**”). Copies of the parcel registers for the Property dated September 5, 2019 (the “**Parcel Registers**”) are attached hereto as **Exhibit “B”**.

6. The Property is currently vacant land. At the time of obtaining the Loan (as defined below), the Debtor intended to construct two towers and a four story building that would include 254 one and two bedroom units as well as approximately 30,777 square feet of office and commercial space fronting Yonge Street, Richmond Hill (the “**Project**”).

### **The Loan**

7. Pursuant to a commitment letter dated August 11, 2014 (the “**Commitment Letter**”) MarshallZehr made a loan to the Debtor in the amount of \$18,900,000.00 comprised of two tranches, tranche 1 in the amount of \$6,000,000.00 and tranche 2 in the amount of \$12,900,000.00 (the “**Loan**”). The Loan was provided for the purpose of discharging and repaying existing financing and funding ongoing costs associated with the Project. The maturity date under the original Commitment Letter was October 1, 2015 (the “**Maturity Date**”), being 12 month after the first day of the month following the initial advance of the Loan. A copy of the Commitment Letter is attached hereto as **Exhibit “C”**.

8. Pursuant to the terms of the Commitment Letter, the Maturity Date was extended to May 1, 2016.

9. The Maturity Date was subsequently extended by letter dated July 4, 2017 (the “**First Amendment**”) from May 1, 2016 to October 1, 2017. A copy of the First Amendment is attached hereto as **Exhibit “D”**.

10. The Maturity Date was again extended by letter dated June 20, 2018 (the “**Second Amendment**”) from October 2017 to August 1, 2018. The Second Amendment also increased the amount of the Loan to \$20,000,000.00, comprised of tranche 1 in the amount of \$6,000,000.00 and tranche 2 in the amount of \$14,000,000.00. The increase in tranche 2 in the amount of \$1,100,000 was only to be advanced to the Debtor solely for the purpose of funding Loan interest, fees and property taxes. A copy of the Second Amendment is attached hereto **Exhibit “E”**.

### **Security**

11. As security for the payment and performance of all its obligations under the Commitment Letter, MarshallZehr obtained the following security from the Debtor, among others:

- (a) A first ranking mortgage against the Property (the “**Mortgage**”), in the amount of \$20,000,000.00, registered on title to the Property on September 26, 2014 as

Instrument No. YR2192811. A copy of the Mortgage, including the standard charge terms referenced therein, is attached hereto as **Exhibit “F”**; and

- (b) A general security agreement dated September 26, 2014 between the Debtor and MarshallZehr (the “**GSA**” and collectively with the Mortgage, the “**Security**”) granting a security interest to MarshallZehr in all of the Debtor’s undertaking, property and assets used in connection with the Property. MarshallZehr registered its security interest under Ontario’s *Personal Property Security Act* (the “**PPSA**”) on September 3, 2014. A copy of the GSA is attached hereto as **Exhibit “G”**.

12. The certified search results of the Debtor under the PPSA Registration System with a file currency of September 4, 2019 are attached hereto as **Exhibit “H”**. The search results reflect that the Lender is the only secured creditor with PPSA registrations against the Debtor.

13. In addition to the security granted by the Debtor, at the time of the Commitment Letter the Debtor’s obligations were guaranteed by Mady Development Corporation, David Mady Investments (2008) Inc., D. Mady Investments Inc., D. Mady Holdings Inc., Charles Mady and David Mady (collectively the “**Guarantors**”). All of these guarantors were part of the Mady Group. Since granting the guarantees to the Lender, all of the Guarantors have become bankrupt.

14. As detailed below, MarshallZehr requested that the new owners of the Debtor provide guarantees to MarshallZehr (after finding out about an unauthorized change in ownership to them which occurred in January, 2015). Notwithstanding repeated requests, the new owners never provided the Lender with the requested guarantees to replace those of the Guarantors.

### **Current and Past Defaults**

15. There have been multiple events of default by the Debtor in respect of the Loan under the Commitment Letter and the Security.

16. On or about March 19, 2015, MarshallZehr became aware of a change of ownership of the Debtor, which occurred without its knowledge or consent and which constituted an event of default under the Commitment and the Security. Prior to the change of ownership the Mady group was the owner of the Property. This event of default was not remedied.

17. On June 12, 2015, the Debtor committed another event of default under the Commitment Letter and the Mortgage by transferring the Property from the Debtor to YH Richmond Hill and on the same day allowing YH Richmond Hill to transfer a partial ownership interest of the Property to Yee Hong Centre for Geriatric Care, all without the knowledge or consent of MarshallZehr. The unauthorized transfers are identified on the Parcel Registers as YR2304711 and YR2304807, respectively.

18. MarshallZehr did not become aware that the Debtor transferred the Property until October 2015, after the Loan was extended by 7 months to May 1, 2016 in accordance with the Commitment Letter. MarshallZehr discovered the unauthorized transfer when it ordered parcel registers for the Property. The Property was eventually transferred back to the Debtor on July 27, 2016.

19. Interest under tranche 2 of the Loan is 13.5 percent per annum. 8.0 percent is calculated, compounded and paid monthly by the Debtor and the remainder is calculated, compounded semi-annually not in advance and accrued to the Maturity Date or the date of full repayment of the Loan. In breach of the terms of the Commitment Letter, the Debtor stopped making its interest payments on tranche 2 of the Loan after the December 1, 2017 payment (being interest accrued from November 1-30, 2017). The Debtor has not paid any interest on tranche 2 since. As a result, as of September 9, 2019, outstanding interest in the amount of \$6,011,769.84 is owing on tranche 2, which is comprised of \$1,995,827.91 that should have been paid by the Debtor on a monthly basis and \$4,230,517.15 of accrued interest.

20. The Debtor ceased paying tranche 1 interest after the April 2, 2018 payment (being interest accrued from March 1-31, 2018). As a result, MarshallZehr made protective advances from tranche 2 to pay the interest on tranche 1. MarshallZehr agreed to the Second Amendment on June 20, 2018, which extended the Maturity Date to August 1, 2018 and also increased the amount of tranche 2 to allow it to fund unpaid interest owing under tranche 1.

21. A copy of a summary of all interest payments in respect of the Loan and how the interest payments were funded is attached hereto as **Exhibit "I"**.



22. On the Maturity Date of August 1, 2018, the Debtor failed to repay the Loan, which is another event of default of the Commitment and Security.

23. I am advised by Kyla Mahar that on July 09, 2019, in violation of the Commitment Letter and the Mortgage, the Debtor granted a mortgage in the amount of \$5,500,000 (the “**270 Mortgage**”) in favour of 2704553 Ontario Inc. (“**270 Ontario**”). I am further advised by Kyla Mahar that, from a review of a Corporate Profile Report for 270 Ontario, three of the four officers and directors of the Debtor are also officers and directors of 270 Ontario. Those individuals are Nicodema Ierfino, John Di Massimo and Rudy Trevisan.

24. MarshallZehr had no knowledge of the 270 Mortgage prior to being advised of same by Kyla Mahar after she obtained the Parcel Registers in September 2019. A copy of the 270 Mortgage registered against the Property as Instrument No. YR2981230 and the 270 Ontario Corporate Profile Report dated September 19, 2019 are attached hereto as **Exhibit “J”** and **Exhibit “K”**, respectively.

25. In addition to the above, I have reviewed a copy of a tax certificate dated September 23, 2019 obtained from the City of Richmond Hill in respect of the Property. The tax certificate states that the Debtor owes property taxes in respect to the Property in the amount of \$81,741.18 and that the Debtor has not paid any property taxes for 2019. A copy of the tax certificate dated September 23, 2019 is attached hereto as **Exhibit “L”**.

26. Notwithstanding the numerous events of default identified above, MarshallZehr made considerable accommodations throughout the term of the Loan and since its maturity with a view to allowing the Debtor time to either refinance or market and sell the Property without MarshallZehr taking enforcement action.

27. In 2018, the Debtor retained CBRE as its broker and undertook a marketing and sale process. The process did not result in a sale of the Property. Thereafter through 2019, the Debtor continued its efforts to refinance, find a joint venture party or sell the property. However, to date, the Debtor has not been able to close a transaction and repay the Indebtedness (as defined below).



28. MarshallZehr has lost confidence in the Debtor and is not prepared to continue to provide time to the Debtor while its position continues to worsen.

**The Demand**

29. As a result of the Debtor's continuing events of default, on September 10, 2019, MarshallZehr issued a written demand for payment to the Debtor (the "**Demand**") demanding \$25,919,092.32 as of September 9, 2019, inclusive of interest and fees and costs to date plus interest and fees and costs accruing after September 9, 2019 (collectively, the "**Indebtedness**"). MarshallZehr also issued a Notice of Intention to Enforce Security (the "**NITES**") under section 244 of the BIA on September 10, 2019. A copy of the Demand and accompanying NITES is attached hereto as **Exhibit "M"**.

30. On September 18, 2019, Kyla Mahar from Miller Thomson LLP, counsel to MarshallZehr, received a letter from counsel for the Debtors responding to the Demand and NITES (the "**September 18 Letter**"). Counsel for MarshallZehr responded to the September 18 Letter by letter to the Debtor's counsel dated October 1, 2019 (the "**October 1 Response**"). A copy of the September 18 Letter and the October 1 Response are attached hereto as **Exhibit "N"** and **Exhibit "O"**, respectively.

31. Despite the issuance of the Demand, the Indebtedness has not been repaid.

**It is Just and Convenient to Appoint a Receiver**

32. The Debtor is in default of its obligations under Commitment Letter and the Security.

33. On September 10, 2019, MarshallZehr demanded repayment of the Indebtedness and issued its NITES and the Indebtedness has not been repaid.

34. Pursuant to the terms of the Mortgage and the GSA, the Debtor contractually agreed that MarshallZehr may appoint a receiver over the Debtor's property and assets and may seek to appoint a Court-appointed Receiver as we are doing in this case.

35. In the circumstances, it is just and convenient to have a receiver appointed over undertaking, property and assets of the Debtor for the purpose of realizing on the Property under the supervision of the Court for the benefit of all of the Debtor's stakeholders.

36. MarshallZehr seeks the appointment of RSM Canada to act as Receiver. RSM Canada has advised MarshallZehr that it is prepared to act as Receiver if so appointed. A copy of RSM Canada's consent is attached hereto as **Exhibit "P"**.

37. I swear this affidavit in support of an Order for the appointment of RSM Canada as Receiver and for no other or improper purpose.

SWORN BEFORE ME at the City of Kitchener, in  
the Province of Ontario this 2<sup>nd</sup> day of October,  
2019.



\_\_\_\_\_  
A Commissioner for taking Affidavits

  
\_\_\_\_\_  
CECIL HAYES

**This is Exhibit "A" referred to in the affidavit  
of CECIL HAYES, SWORN BEFORE ME  
this 2 day of October 2019**



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**A COMMISSIONER FOR TAKING AFFIDAVITS**

# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
2305992	2305992 ONTARIO INC.	2011/11/16	
		Jurisdiction	
		ONTARIO	
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address	Date Amalgamated	Amalgamation Ind.	
21 ROYSUN ROAD UNIT 17	NOT APPLICABLE	NOT APPLICABLE	
	New Amal. Number	Notice Date	
WOODBRIDGE ONTARIO CANADA L4L 8R3	NOT APPLICABLE	NOT APPLICABLE	
Mailing Address	Letter Date		
51 OAK AVENUE	NOT APPLICABLE		
	Revival Date	Continuation Date	
RICHMOND HILL ONTARIO CANADA L4C 6R5	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      Maximum	Date Commenced in Ontario	Date Ceased in Ontario
	00001      00010	NOT APPLICABLE	NOT APPLICABLE
Activity Classification			
NOT AVAILABLE			

# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2305992	2305992 ONTARIO INC.

Corporate Name History	Effective Date
2305992 ONTARIO INC.	2011/11/16

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

Administrator: Name (Individual / Corporation)	Address
ALAN HIRSCHFIELD	51 OAK AVENUE  RICHMOND HILL ONTARIO CANADA L4C 6R5

Date Began	First Director	
2011/11/16	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

# CORPORATION PROFILE REPORT

**Ontario Corp Number**

**Corporation Name**

2305992

2305992 ONTARIO INC.

**Administrator:**

**Name (Individual / Corporation)**

**Address**

ALAN  
HIRSCHFIELD

51 OAK AVENUE  
  
RICHMOND HILL  
ONTARIO  
CANADA L4C 6R5

**Date Began**

**First Director**

2014/12/23

NOT APPLICABLE

**Designation**

**Officer Type**

**Resident Canadian**

OFFICER

PRESIDENT

Y

**Administrator:**

**Name (Individual / Corporation)**

**Address**

NICODEMO  
IERFINO

21 ROYSUN ROAD  
  
**Suite # 17**  
WOODBIDGE  
ONTARIO  
CANADA L4L 8R3

**Date Began**

**First Director**

2015/04/21

NOT APPLICABLE

**Designation**

**Officer Type**

**Resident Canadian**

DIRECTOR

Y

# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2305992	2305992 ONTARIO INC.

Administrator: Name (Individual / Corporation)	Address
NICODEMO IERFINO	21 ROYSUN ROAD  Suite # 17 WOODBIDGE ONTARIO CANADA L4L 8R3

Date Began	First Director	Resident Canadian
2015/04/21	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	TREASURER	Y

Administrator: Name (Individual / Corporation)	Address
JOHN DI MASSIMO	100 DEERCHASE CIRCLE  WOODBIDGE ONTARIO CANADA L4H 1B4

Date Began	First Director	Resident Canadian
2015/04/21	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

# CORPORATION PROFILE REPORT

**Ontario Corp Number**

2305992

**Corporation Name**

2305992 ONTARIO INC.

**Administrator:**

**Name (Individual / Corporation)**

JOHN  
DI  
MASSIMO

**Address**

100 DEERCHASE CIRCLE

WOODBIDGE  
ONTARIO  
CANADA L4H 1B4

**Date Began**

2015/04/21

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

VICE-PRESIDENT

**Resident Canadian**

Y

**Administrator:**

**Name (Individual / Corporation)**

RUDY  
TREVISAN

**Address**

15 EAST LIBERTY ST,

Suite # 2405  
TORONTO  
ONTARIO  
CANADA M6K 3R5

**Date Began**

2015/04/21

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type**

**Resident Canadian**

Y



# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2305992	2305992 ONTARIO INC.

Administrator: Name (Individual / Corporation)	Address
RUDY TREVISAN	15 EAST LIBERTY ST,  Suite # 2405 TORONTO ONTARIO CANADA M6K 3R5

Date Began	First Director	Resident Canadian
2015/04/21	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2305992	2305992 ONTARIO INC.

Last Document Recorded		
Act/Code	Description	Date
CIA	ANNUAL RETURN 2015	2017/07/09 (ELECTRONIC FILING)

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

**ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.**

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

**This is Exhibit "B" referred to in the affidavit  
of CECIL HAYES, SWORN BEFORE ME  
this 2 day of October 2019**



---

**A COMMISSIONER FOR TAKING AFFIDAVITS**

PROPERTY DESCRIPTION: PCL 3-2, SEC 65M2368 ; PT BLK 3, PL 65M2368 , PART 1 , 65R10347 ; S/T EASE OVER PT 2, 65R22016, AS IN LT1488237; TOWN OF RICHMOND HILL

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE  
ABSOLUTE

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

1997/04/21

OWNERS' NAMES

2305992 ONTARIO INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p><b>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/04/21 ON THIS PIN**</b></p> <p><b>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1997/04/21**</b></p> <p><b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1997/04/18 **</b></p>						
LT44126	1981/05/15	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
LT88247	1982/07/19	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
65R10347	1987/03/20	PLAN REFERENCE				C
LT371767	1987/04/10	TRANSFER		*** COMPLETELY DELETED ***	MOELLER, BELINDA	
65R22016	1999/11/29	PLAN REFERENCE				C
LT1488237	2000/06/12	TRANSFER EASEMENT		MOELLER, BELINDA	THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
YR1064712	2007/10/02	TRANSFER		*** COMPLETELY DELETED *** MOELLER, BELINDA	AMICA (RICHMOND HILL) INC.	
YR1072605	2007/10/18	CHARGE		*** COMPLETELY DELETED *** AMICA (RICHMOND HILL) INC.	HSBC BANK CANADA	
YR1072606	2007/10/18	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** AMICA (RICHMOND HILL) INC.	HSBC BANK CANADA	
		REMARKS: YR1072605				
65R31885	2009/09/16	PLAN REFERENCE				C
YR1771909	2012/01/17	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** AMICA (RICHMOND HILL) INC.	2305992 ONTARIO INC.	
		REMARKS: PLANNING ACT STATEMENTS				

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.

LAND  
REGISTRY  
OFFICE #65

03156-0317 (LT)

PREPARED FOR Patricia01  
ON 2019/09/05 AT 14:14:04

\* 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
YR1771910	2012/01/17	CHARGE		*** COMPLETELY DELETED *** 2305992 ONTARIO INC.	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	
YR1777654	2012/01/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
	REMARKS: YR1072605.					
YR1781557	2012/02/08	NOTICE		*** COMPLETELY DELETED *** 2305992 ONTARIO INC.	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	
	REMARKS: YR1771910					
YR1934060	2013/01/15	NOTICE		*** COMPLETELY DELETED *** 2305992 ONTARIO INC.	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	
	REMARKS: YR1771910 & YR17811557					
YR2077663	2013/12/20	CHARGE		*** COMPLETELY DELETED *** 2305992 ONTARIO INC.	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	
YR2077664	2013/12/20	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2305992 ONTARIO INC.	MARSHALLZEHR GROUP INC, THE BANK OF NOVA SCOTIA TRUST COMPANY	
	REMARKS: YR2077663					
YR2077665	2013/12/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY		
	REMARKS: YR1771910.					
YR2152659	2014/07/08	CHARGE		*** COMPLETELY DELETED *** 2305992 ONTARIO INC.	MARSHALLZEHR GROUP INC.	
YR2152660	2014/07/08	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2305992 ONTARIO INC.	MARSHALLZEHR GROUP INC.	
	REMARKS: YR2152659					
YR2192811	2014/09/26	CHARGE	\$20,000,000	2305992 ONTARIO INC.	MARSHALLZEHR GROUP INC.	C
YR2192812	2014/09/26	NO ASSGN RENT GEN		2305992 ONTARIO INC.	MARSHALLZEHR GROUP INC.	C
	REMARKS: YR2192811.					

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR2193413	2014/09/29	DISCH OF CHARGE		*** COMPLETELY DELETED *** MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY		
		REMARKS: YR2077663.				
YR2193414	2014/09/29	DISCH OF CHARGE		*** COMPLETELY DELETED *** MARSHALLZEHR GROUP INC.		
		REMARKS: YR2152659.				
YR2224088	2014/12/01	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** J & I GAWEDA CONSTRUCTION LIMITED		
YR2235882	2014/12/22	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** SEREEN PAINTING LTD.		
YR2236322	2014/12/23	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** GLOBAL MECHANICAL LTD.		
YR2237717	2014/12/30	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** DIRCAM ELECTRIC LIMITED		
YR2237953	2014/12/30	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** GREAT PYRAMID ALUMINUM LTD.		
YR2244960	2015/01/19	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** TURNER FLEISCHER ARCHITECTS INC.		
YR2247424	2015/01/23	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** DLB GROUP LIMITED		
YR2252292	2015/02/04	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** J & I GAWEDA CONSTRUCTION LIMITED		
		REMARKS: YR2224088.				
YR2252357	2015/02/04	CERTIFICATE		*** DELETED AGAINST THIS PROPERTY *** TURNER FLEISCHER ARCHITECTS INC.	MADY DEVELOPMENT CORPORATION 2305992 ONTARIO INC. MARSHALLZEHR GROUP INC.	
		REMARKS: YR2244960				
YR2252530	2015/02/05	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** DIRCAM ELECTRIC LIMITED		

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
		REMARKS: YR2237717.				
YR2252540	2015/02/05	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** GREAT PYRAMID ALUMINUM LTD.		
		REMARKS: YR2237953.				
YR2255772	2015/02/13	CERTIFICATE		*** DELETED AGAINST THIS PROPERTY *** GLOBAL MECHANICAL LTD.	2305992 ONTARIO INC. YEE HONG CENTRE FOR GERIATRIC CARE MARSHALLZEHR GROUP INC.	
		REMARKS: CERTIFICATE OF ACTION RE: YR2236322				
YR2271089	2015/03/26	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** GLOBAL MECHANICAL LTD.		
		REMARKS: YR2236322. ALSO DELETES CERTIFICATE YR2255772 FROM INSTRUMENT SUMMARY.				
YR2286760	2015/05/05	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** DLB GROUP LIMITED		
		REMARKS: YR2247424.				
YR2287150	2015/05/05	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** SEREEN PAINTING LTD.		
		REMARKS: YR2235882.				
YR2288428	2015/05/08	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** TURNER FLEISCHER ARCHITECTS INC.		
		REMARKS: YR2244960.				
YR2304711	2015/06/12	TRANSFER		*** COMPLETELY DELETED *** 2305992 ONTARIO INC.	YH RICHMOND HILL	
YR2304807	2015/06/12	TRANSFER		*** COMPLETELY DELETED *** YH RICHMOND HILL	YEE HONG CENTRE FOR GERIATRIC CARE	
		REMARKS: PLANNING ACT STATEMENTS.				
YR2502358	2016/07/07	TRANSFER		*** COMPLETELY DELETED *** YEE HONG CENTRE FOR GERIATRIC CARE	YH RICHMOND HILL	
YR2502359	2016/07/07	CHARGE		*** COMPLETELY DELETED *** YH RICHMOND HILL	YEE HONG CENTRE FOR GERIATRIC CARE	
YR2513062	2016/07/26	DISCH OF CHARGE		*** COMPLETELY DELETED *** YEE HONG CENTRE FOR GERIATRIC CARE		

LAND  
REGISTRY  
OFFICE #65

03156-0317 (LT)

PREPARED FOR Patricia01  
ON 2019/09/05 AT 14:14:04

\* 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: YR2502359.						
YR2513878	2016/07/27	TRANSFER		YH RICHMOND HILL	2305992 ONTARIO INC.	C
YR2981230	2019/07/09	CHARGE	\$5,500,000	2305992 ONTARIO INC.	2704553 ONTARIO INC.	C





LAND  
REGISTRY  
OFFICE #65

03156-0552 (LT)

PAGE 1 OF 3  
PREPARED FOR Patricia01  
ON 2019/09/05 AT 14:11:56

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

PROPERTY DESCRIPTION: BLK 39, PL 65M2079 EXCEPT PTS 1 & 2, EXPROP PL YR2257896 ; S/T LT74777; S/T EASEMENT AS IN YR1882796; S/T TEMPORARY EASEMENT FOR A PERIOD OF 4 YEARS COMMENCING UPON REGISTRATION OF THIS PLAN OVER PTS 3 & 4, EXPROP PL YR2257896, AS IN YR2257896; S/T A TEMPORARY EASEMENT COMMENCING 2019/02/15 UNTIL 2021/04/30 OVER PARTS 1 & 2, EXPROPRIATION PLAN YR2818461 AS IN YR2818461; TOWN OF RICHMOND HILL

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
DIVISION FROM 03156-0359

PIN CREATION DATE:  
2015/03/05

OWNERS' NAMES  
2305992 ONTARIO INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2015/03/05 **</b>						
LT69477	1981/12/17	NO SUB AGREEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
65R4787	1982/02/10	PLAN REFERENCE				C
LT74777	1982/02/17	TRANSFER EASEMENT			THE CORPORATION OF THE TOWN OF RICHMOND HILL	C
65R5758	1983/02/04	PLAN REFERENCE				C
LT789803	1991/10/03	RELEASE				C
		REMARKS: PARTIAL LT225225				
65R31885	2009/09/16	PLAN REFERENCE				C
YR1771909	2012/01/17	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** AMICA (RICHMOND HILL) INC.	2305992 ONTARIO INC.	
		REMARKS: PLANNING ACT STATEMENTS				
YR1882796	2012/09/10	TRANSFER EASEMENT	\$2	2305992 ONTARIO INC.	ROGERS COMMUNICATIONS INC.	C
65R34677	2014/01/03	PLAN REFERENCE				C
YR2192811	2014/09/26	CHARGE	\$20,000,000	2305992 ONTARIO INC.	MARSHALLZEHR GROUP INC.	C
YR2192812	2014/09/26	NO ASSGN RENT GEN		2305992 ONTARIO INC.	MARSHALLZEHR GROUP INC.	C
		REMARKS: YR2192811.				
YR2235882	2014/12/22	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** SREEN PAINTING LTD.		
YR2236322	2014/12/23	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** GLOBAL MECHANICAL LTD.		

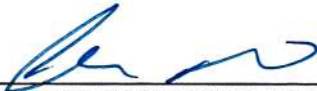
NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR2244960	2015/01/19	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** TURNER FLEISCHER ARCHITECTS INC.		
YR2247424	2015/01/23	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** DLB GROUP LIMITED		
YR2252357	2015/02/04	CERTIFICATE		*** DELETED AGAINST THIS PROPERTY *** TURNER FLEISCHER ARCHITECTS INC.	MADY DEVELOPMENT CORPORATION 2305992 ONTARIO INC. MARSHALLZEHR GROUP INC.	
	REMARKS: YR2244960					
YR2255772	2015/02/13	CERTIFICATE		*** DELETED AGAINST THIS PROPERTY *** GLOBAL MECHANICAL LTD.	2305992 ONTARIO INC. YEE HONG CENTRE FOR GERIATRIC CARE MARSHALLZEHR GROUP INC.	
	REMARKS: CERTIFICATE OF ACTION RE: YR2236322					
YR2257896	2015/02/20	PLAN EXPROPRIATION			THE REGIONAL MUNICIPALITY OF YORK	C
	REMARKS: 1, 2, 3 & 4					
YR2271089	2015/03/26	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** GLOBAL MECHANICAL LTD.		
	REMARKS: YR2236322. ALSO DELETES CERTIFICATE YR2255772 FROM INSTRUMENT SUMMARY.					
YR2286760	2015/05/05	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** DLB GROUP LIMITED		
	REMARKS: YR2247424.					
YR2287150	2015/05/05	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** SEREEN PAINTING LTD.		
	REMARKS: YR2235882.					
YR2288428	2015/05/08	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** TURNER FLEISCHER ARCHITECTS INC.		
	REMARKS: YR2244960.					
YR2304711	2015/06/12	TRANSFER		*** COMPLETELY DELETED *** 2305992 ONTARIO INC.	YH RICHMOND HILL	
YR2304807	2015/06/12	TRANSFER		*** COMPLETELY DELETED *** YH RICHMOND HILL	YEE HONG CENTRE FOR GERIATRIC CARE	

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<i>REMARKS: PLANNING ACT STATEMENTS.</i>						
65R35851	2015/08/20	PLAN REFERENCE				C
YR2502358	2016/07/07	TRANSFER		*** COMPLETELY DELETED *** YEE HONG CENTRE FOR GERIATRIC CARE	YH RICHMOND HILL	
YR2502359	2016/07/07	CHARGE		*** COMPLETELY DELETED *** YH RICHMOND HILL	YEE HONG CENTRE FOR GERIATRIC CARE	
YR2513062	2016/07/26	DISCH OF CHARGE		*** COMPLETELY DELETED *** YEE HONG CENTRE FOR GERIATRIC CARE		
<i>REMARKS: YR2502359.</i>						
YR2513878	2016/07/27	TRANSFER		YH RICHMOND HILL	2305992 ONTARIO INC.	C
YR2802957	2018/03/07	CERTIFICATE		THE REGIONAL MUNICIPALITY OF YORK		C
<i>REMARKS: CERTIFICATE OF APPROVAL</i>						
YR2818461	2018/04/20	PLAN EXPROPRIATION			THE REGIONAL MUNICIPALITY OF YORK	C
<i>REMARKS: 1, 2</i>						
YR2981230	2019/07/09	CHARGE	\$5,500,000	2305992 ONTARIO INC.	2704553 ONTARIO INC.	C

**This is Exhibit "C" referred to in the affidavit  
of CECIL HAYES, SWORN BEFORE ME  
this 2 day of October 2019**



---

**A COMMISSIONER FOR TAKING AFFIDAVITS**

# MARSHALLZEHR

- REAL ESTATE CAPITAL -

Monday, 11 August 2014

2305992 Ontario Inc.  
8791 Woodbine Avenue, Suite 100  
Markham, ON L3R 0PA

**Attention: Greg Pukilcz**

Dear Greg,

**Re: 9740, 9750 and 9760 Yonge St. Richmond Hill, ON**

**Project Name: Yee Hong Garden Terrace (the "Project")**

This commitment letter confirms that MarshallZehr Group Inc. is prepared to provide financing (the "Loan") for the Project conditional on the terms and conditions contained in this letter agreement (the "Commitment").

## I. LOAN

**Borrower:** 2305992 Ontario Inc. (the "Borrower")

**Guarantors:** Mady Development Corporation, David Mady Investments (2008) Inc., D. Mady Investments Inc., D. Mady Holdings Inc., Charles Mady and David Mady together with such other related parties as the Lender may deem advisable (the "Guarantors")

**Lender:** MarshallZehr Group Inc. (the "Lender") and/or such other assignee or investors as MarshallZehr Group Inc. may arrange to participate in the Loan.

**Project:** The Project consists of approximately 2.1 acres located at 9740, 9750 and 9760 Yonge St., Richmond Hill, ON and legally described as Block 39, Plan 65M2079. Town of Richmond Hill in the Regional Municipality of York; SIT easements as set out in instrument Nos. LT4777 and LT225225; and PIN No. 03156-0317 (LT) being part of Block 3, Plan 65M2368.

We understand that the Project will consist of two towers and a 4 storey building and includes 254 one and two bedroom units, as well as approximately 30,777 ft<sup>2</sup> of office and commercial space fronting on Yonge St.

**Loan Amount:** \$18,900,000

Comprised of: \$ 6,000,000 Tranche 1  
\$12,900,000 Tranche 2 (will be subordinate and in second position to Tranche 1 under the mortgage security)

**Purpose:** To discharge and repay existing financing and to fund ongoing costs associated with the Project.

**Tranche 1:** To discharge and repay the balance of the existing MarshallZehr Group mortgage(s) and to fund ongoing costs associated with the Project. Advances beyond the initial advance will be made from the Lender's Trust Account.

**Tranche 2:** To discharge and repay a portion of the existing MarshallZehr Group mortgage(s).

MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453  
465 Philip St., Suite 206, Waterloo, ON N2L 6C7 | p.519.342.1000 f.519.342.0851 | www.marshallzehr.com

We understand the sources and uses of financing to be as follows:

**Sources  
and Uses:**

Sources & Uses			
<b>Uses</b>			
Land Value	64%	\$	16,600,000
Development Costs	27%	\$	7,000,887
Financing Costs	9%	\$	2,331,576
<b>Total</b>	<b>100%</b>	<b>\$</b>	<b>25,932,463</b>
<b>Source</b>			
Tranche 1	23%	\$	6,000,000
Tranche 2	50%	\$	12,900,000
Equity (Cash and Appraisal Surplus)	27%	\$	7,032,463
<b>Total</b>	<b>100%</b>	<b>\$</b>	<b>25,932,463</b>

**Maturity Date:** 12 months (the "Term") from the first day of the month immediately following the initial advance (the "Interest Adjustment Date" or "IAD"). Interest from the date of the advance to the IAD shall be deducted by the Lender from the initial advance.

**Renewal:** Provided the Borrower is not in default of any of its obligations under this Commitment or under any security, the Lender will offer one seven month extension option with 30 days written notice prior to the end of the original term. The interest will be calculated and compounded at the same rate as the original term of this mortgage. A 1% (\$189,000) renewal fee will apply and will be withheld as a holdback from the Loan Amount. The holdback will be used to pay the renewal fee at the end of the original Term if the Borrower elects to exercise the Renewal.

The extension is open for repayment at any time, within the Renewal Term with 30 days' notice. The Borrower will be responsible for any reasonable costs associated with the extension.

The final month of the Renewal Term shall be the beginning of the Wrap Up Period, and bear interest at twice the Interest Rate being 25.00% per annum, compounded and payable monthly thereafter.

**Fees:** The Borrower shall pay the following fees to the transaction mortgage broker, MarshallZehr Group Inc.:

**Good Faith Deposit:** \$25,000 (received) non-refundable if borrower fails to proceed based on the terms of this Commitment Letter and is full compensation to the Lender for all costs incurred in preparation of this Commitment Letter and any other funding agreements and any other future documents. This fee is accepted upon signing of the Commitment Letter and is payable to "MarshallZehr Group Inc. In Trust". The Good Faith Deposit will be credited to the Borrower against the Broker Fee payable on closing.

**Broker Fee:** 2.00% of the Loan Amount being \$378,000 (less the Good Faith Deposit) will be considered earned upon full execution of this commitment letter and the funding of the initial advance of Tranche #1 and payable on closing and deducted from the initial advance of Tranche #1.

**FSCO Fee:** An additional fee of CAD 1,250.00 payable to MarshallZehr Group Inc. will be paid by the Borrower at closing of the initial advance in order to complete the FSCO required documentation.

**Initial  
Advance**

**Date:** The initial advance shall take place on or before September 11, 2014. Upon receipt by the Lender before September 1, 2014, of written notice of the Borrower's intent the Borrower may extend the date of Initial Advance by up to 60 days.

**Interest Rate:** The annual interest rate for Tranche 1 (the "Interest Rate") shall be the Canadian Imperial Bank of Commerce ("CIBC") Prime Rate (currently 3.00%) plus 5.00% (500 bps) (floating rate at the time of the advance) calculated and payable monthly not in advance, both before and after maturity, default and judgment and in any event shall not be less than 8.00%.

The annual interest rate for Tranche 2 (the "Secondary Interest Rate") shall be 13.50% per annum with 8.00% calculated, compounded and paid monthly and the remainder calculated and compounded semi-annually not in advance, with interest accruing to the maturity date or the date of full repayment of the Loan.

The final month of the Term shall be the beginning of the Wrap Up Period, and the Loan Amount (inclusive of Tranche 1 and Tranche 2) shall bear interest at 27.00%, per annum, compounded and payable monthly thereafter.

Note: Interest is calculated on the day of closing of the transaction and will be charged on the day of payment of the mortgage if it is received after 1 p.m. EST.

**Time and  
Place of  
Payments:**

Monthly Interest payments will be deducted on the 1<sup>st</sup> of the month from the Lender's Trust Account to a maximum amount as outlined in the approved Project budget. Any interest payments above those in the approved budget will come from the Borrower/Guarantor's own resources. Payments are to be made to the Lender at its offices at Suite 206, 465 Phillip Street, Waterloo, Ontario no later than 1:00 p.m. on the 1<sup>st</sup> of the month. Payments made after such time shall be treated as having been received on the next business day. Payments made after the 1<sup>st</sup> of the month must be made by certified cheque or bank draft. Whenever any payment is due on a day that is not a business day, then such payment will be due on the next business day, and interest will accrue to such business day.

**Standby  
Interest:**

In the event that funds have not been fully advanced by the Initial Advance Date or such other date mutually agreed to by the parties, for any reason other than a default by the Lender, interest will commence on Initial Advance Date in the form of standby interest on any non-advanced portion and will become due and payable upon registration at a rate equal to the rate of interest set out herein until the earlier of the respective draw being fully advanced, or the termination of this Commitment Letter without any advances having been made.



**The standby interest shall be calculated from the Initial Advance date to the 1<sup>st</sup> of the month following the date of registering the mortgage or the date of advance whichever is earlier, and shall be payable at the next regularly scheduled interest payment.**

- Principal Payments:** There shall be no regularly scheduled principal repayments and the entire outstanding principal amount shall become due and payable at maturity.
- Final Discharge:** The Borrower will pay the Lender an administration fee of \$250 and its solicitor's reasonable legal fees in respect of the preparation of the discharge for this mortgage.
- Prepayment:** The mortgage shall be closed for 6 months. After 6 months, the mortgage may be prepaid in whole or in part at any time or times on the following terms:  
a) At least 60 days prior written notice is given to the Lender; and  
b) No pre-payment shall be in an amount of less than \$100,000 without consent of the Lender
- Expenses:** All reasonable expenses of the Lender and the Borrower shall be paid by the Borrower including (but not limited to), the cost of any third party reports and all legal costs. Upon request the Lender shall provide an estimate of the legal fees to be incurred by the Lender. Regardless, the Borrower is responsible for all reasonable legal fees incurred by the Lender.
- No Subordinate Financing:** Save and except for a subordinate charge relating to purchaser deposits to be funded into the project, no additional financing will be permitted without the prior written consent of the Lender and in the event of a default under this restriction, the entire principal, interest, fees and all other amounts under the commitment and security issued pursuant thereto become immediately due and payable.
- Should additional subordinate financing be placed by the Borrower on the consent of the Lender, such consent will be conditional upon the secondary lender entering into a postponement, subordination and standstill agreement that requires the secondary lender to issue zero dollar discharges to the Lender and Borrower within 2 business days of being requested and requires complete cooperation in executing all postponements and consents as may be required to advance the development of the Project. Any discharge greater than zero shall require prior consent from the Lender. Failure to comply shall be considered a default by the Borrower.
- Construction Financing**
- Right of First Refusal:** The Lender, after receiving the Construction Financing information package, shall have a 14-day exclusivity period in order to provide an acceptable offer for construction financing to the Borrower for construction financing for the Project.
- Maximum Rate of Return:** The parties agree that notwithstanding any agreement to the contrary, no interest on the credit advanced will be payable in excess of that permitted by the laws of Canada.

If the effective annual rate of interest calculated in accordance with generally accepted actuarial practices and principles would exceed sixty percent (or such other rate as the Parliament of Canada may deem from time to time as The Criminal Rate) on the credit advance, then (1) the amount of any fees, bonus, commissions or like charges payable in connection therewith will be reduced to the extent necessary to eliminate such excess; (2) any remaining excess that has been paid will be credited toward prepayment of the credit advanced; and (3) any overpayment that may remain after such crediting will be returned forthwith upon demand. In this paragraph the terms "Interest", "Criminal Rate" and "credit advanced" have the meaning ascribed to them in Section 347 of The Criminal Code; and "credit advanced" has the same meaning as "Loan" referred to elsewhere in this Commitment.

**Administration  
Fee Payable  
on Default:**

In the event of a default by the Borrower or any Guarantor in their respective obligations under this Commitment, Loan or Security that is not cured within a reasonable period of time following receipt of written notice of default from the Lender, then, the Lender shall, notwithstanding anything contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements, an administration and management fee in the amount of \$5,000 for each month or part thereof that the Borrower and/or any Guarantor is in default of its obligations under the Commitment, Loan or Security. The said sum or sums are agreed to be liquidated damages to cover the Lender's administration and management costs and are not intended nor shall they be construed as a penalty. All such sums payable to the Lender shall be a charge upon the Project and its assets and interest shall accrue thereon as if they were Loan principal. If the Borrower is in default, interest will compound monthly and accrue on the principal balance outstanding.

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## II. TERMS AND CONDITIONS

The Loan terms and conditions shall be such terms and conditions as the Lender may from time to time require and shall include, but not be limited to the following:

### 2.1 General Funding Conditions

The Lender shall not be required to advance any funds prior to the Borrower having fulfilled to the Lender's satisfaction the following conditions:

1. All the Security and ancillary loan agreements and documents and opinions shall have been executed and delivered to the Lender or its solicitors and registered where and as required.
2. The Lender shall have satisfied itself with the financial performance and condition of the Borrower and each of the Guarantors in the Lender's sole discretion. Each of the Borrowers and Guarantors shall provide within five business days of the date of execution of this Commitment, at a minimum, financial statements for its two most recently ended fiscal years. To facilitate the Lender's due diligence regarding the creditworthiness of the Borrower and each of the Guarantors, each of the Guarantors and the Borrower shall authorize the Lender to conduct credit checks and each of the financial institutions with which the Borrower and the respective Guarantors deal to release any and all information reasonably required and requested by the Lender to adequately assess the credit worthiness of each respectively. Each of the individual Guarantors shall complete the Lender's form of Personal Net Worth Statement.
3. The Borrower shall deliver to the Lender within five business days of the acceptance of this Commitment for the Lender's satisfactory review and acceptance the following:
  - (a) A copy of the Purchase and Sale Agreement (and any subsequent amendments or side letters related thereto) and statement of adjustments for the purchase by the Borrower of the Project Lands confirming a purchase price of not less than \$10,300,000. **(Already Received)**
  - (b) A soils test report (load bearing capacity) by a professional engineer as is acceptable to the Lender demonstrating to the satisfaction of the Lender that the proposed construction and site improvements of the Project are feasible under existing soil conditions, together with evidence that the construction specifications for the Project provide for construction in compliance with such conditions and with the recommendations, if any, which may be contained in such soils test report. **(Already Received)**
  - (c) An appraisal, satisfactory to the Lender, of the Project confirming a fair market value of the land once site plan approved to be \$16,600,000 inclusive of HST to be prepared at the Borrower's expense and paid in advance by a Lender approved appraiser. Such appraisal report must be addressed to the Lender or be accompanied by a Transmittal Letter from the appraiser to the Lender and shall confirm that the Lender can rely upon such appraisal for lending purposes. **(Already Received)**
  - (d) Prior to the initial advance, a detailed project construction schedule outlining the time to complete the various construction stages and phases of the Project, acceptable to the Lender.
  - (e) Satisfactory review by the Lender of the development status of the Project.
  - (f) Satisfactory Phase 1 Environmental Site Assessment Report (and Phase 2 Report if necessary) conducted and prepared by a consultant approved by the Lender together with a Letter of Transmittal from the consultant permitting the Lender to rely on the Assessment Report. **(Already Received)**

- (g) A survey of the Project by an Ontario licensed land surveyor showing the relationship of the lands to public thoroughfares for access purposes; and indicating no encroachments, easements or rights of way, save and except those that do not encroach or hinder the Borrower's ability to construct the project in accordance with the proposed site plan which the Lender may specifically accept. **(Already Received)**
  - (h) The Lender or a related party may post two signs (on each main street) so long as the signs comply with all applicable by-laws.
  - (i) Satisfactory proof of \$1,030,000 in invested capital in the Project **(Already Received)**.
4. The loan to value ratio inclusive of all prior advances, as determined in the Lender's sole discretion, acting reasonably, shall not be greater than 80.00%.
  5. Such other matters as the Lender may deem appropriate and necessary to satisfy itself of the Project's viability and the ability of the Borrower and Guarantors to fulfil their obligations herein.

## **2.2 Funding Conditions Tranche 1: Project Cost Reserve**

### **Initial**

**Advance:** Subject to all General Funding Conditions being met, an Initial Advance of \$6,000,000 will be made to the Lender's Trust Account.

### **Initial**

**Draw:** Subject to all General Funding Conditions being met, an Initial Draw in the amount of \$3,000,000 will be made from the Lender's Trust Account. It is understood and agreed that the Initial Draw will be used to repay the existing financing on the Project plus accrued interest, plus fees and closing costs associated with the subject Loan with the balance being used to repatriate the Borrower for Project costs incurred by the Borrower.

### **Progress**

**Draws:** Monthly Progress Draws will be made from the Lender's Trust Account for Project costs on a monthly basis, the "Construction Draws".

The Lender shall not be required to advance the Construction Draws to the Borrower prior to the Borrower having fulfilled to the Lender's satisfaction the following conditions at the time of each and every advance:

- 1) No default has occurred and is continuing at the time of any advance.
- 2) A title search will be conducted with each advance of the Loan. The title search and solicitors fees and expenses applicable thereto are at the Borrower's expense.
- 3) The Borrower shall sign a Statutory Declaration indicating that all funds provided by the Borrower shall be used to pay Project expenses as outlined in the draw request.
- 4) Each draw request shall be in a form agreeable to the Lender, and shall reference the approved budget. The funds paid to date, and any revisions to the approved budget, and shall be provided to the Lender with a minimum 5 business days' notice prior to payment.
- 5) Construction Draws are to be made by way of progress advances no more frequently than monthly, shall only be used to pay Project specific costs provided for in the approved Project Budget (save and except for interest costs which will be automatically drawn monthly from the Lender's trust account), and shall be limited to the Maximum Available Loan Amount

determined as follows:

**Adjusted Costs To Date**

- i. Actual Costs To Date – which must be established to the Lender's satisfaction for cost items provided in the approved Project Budget
- ii. Less: the Borrower's required equity
- iii. Less: the sum of outstanding obligations incurred to date:
  - a Unpaid Project payables, excluding those to be paid from the requested Borrowing;
  - b Project lien holdbacks; and
  - c Interim Project revenue received.

Multiplied by (Percentage Complete) (iv) / ((v)+(vi)):

- iv. Adjusted Costs To Date (from above)

Divided by:

- v. Total Estimated Project Costs – total estimated costs to complete, plus Adjusted Costs To Date; and
- vi. Less: Forecasted Interim Project revenue to be received during the construction period.

Please note after giving effect to the requested Borrowing this amount must be:

- i) less than or equal to the unutilized portion of this facility; and
- ii) inclusive of all remittances for Potential Prior-Ranking Claims and ensure they are current; and
- iii) The Lender will be under no obligation to advance further Borrowings if at any of the funding conditions and timelines outlined in 2.2 are not met.

The Borrower and the Guarantors will be jointly and severally liable to immediately cover any such deficiency as soon as it arises or is identified by the Lender. As used herein "Potential Prior Ranking Claim" means all amounts owing or required to be paid, where the failure to pay such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the lender's security or otherwise in priority to any claim by the Lender for repayment of any amounts owing under this commitment letter.

**II. SECURITY TO BE DELIVERED**

The Borrower shall deliver the following security (the "Security") duly registered where applicable subject only to the Primary Lender's security and all in the form and on the terms acceptable to the Lender's solicitors:

1. A First Mortgage in the amount of \$20,000,000 on the 9750 Yonge St. project and property plus accrued interest and fees. (Tranche 2 will be subordinate and in second position to Tranche 1 under the mortgage security)
2. First General assignment of all leases and rents with respect to this project.
3. First General Security Agreement over all of the Project assets and undertaking of the Borrower and each corporate Guarantor.
4. Unlimited joint and several guarantees from each of the Guarantors.
5. Joint and Several Deficiency Agreement executed by the Borrower and the Guarantors agreeing to fund costs not included or in excess of forecasted expenditure.

6. An Environmental Undertaking and Indemnity and Checklist from the Borrower in such form as the Lender shall require.
7. A favourable Letter of Opinion from the Lender's solicitor confirming the validity and enforceability of the Lender's security.
8. First Assignment of builder's all risk insurance.
9. Commercial Liability Insurance, satisfactory to the Lender, showing the Lender as additional named insured, and coverage of not less than \$5,000,000.
10. Postponement, Subrogation and Assignment from the shareholders of the Borrower (and such other creditors as the Lender may require upon completion of its due diligence) of all indebtedness owed by and claims against the Borrower to and by the shareholders to the indebtedness and claims of the Lender.
11. A First General Assignment and Transmittal Letters from the authors of all project plans, specifications, drawings and permits, all architectural, engineering, general contractor and construction contracts and copies of all third party purchase and sale agreements and deposits for individual units sold together with any other rights, interests and obligations of any kind respecting the Project and reasonably necessary for the completion of the Project as contemplated by the Lender on a default by the Borrower.
12. If required by the Lender such preauthorized payment documentation necessary to authorize the Lender to debit directly from the Borrower's account amounts due under the Commitment and Loan.
13. Such further security, guarantors and ancillary documents and agreements as the Lender or its solicitors may, acting reasonably, deem necessary to adequately secure the Loan obligations and complete and perfect the Security.
14. Borrower provides satisfactory proof that taxes are current.

#### **IV. BORROWERS COVENANTS**

The Borrower and, where applicable, each of the Guarantors covenants as follows and a breach of any covenant shall be a default under the terms of the Security:

1. The Borrower shall not assign, transfer or otherwise dispose of this Commitment or the Security without the Lender's prior written consent. However, the Commitment and Security may be assigned by the Lender in whole or in part to another lender(s). Except as hereinafter provided, the Borrower and Guarantor consent to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Project, the Borrower, and the Guarantor within the possession or control of the Lender.
2. Without the Lender's prior written consent having first been obtained, the Borrower shall not sell, transfer or convey the Project or its rights therein. In the event of a breach by the Borrower of this covenant then, at the sole option of the Lender, all monies outstanding, together with all accrued and unpaid interest thereon and any other amounts due under the Commitment or the Security, shall become due and payable.
3. The Borrower shall not commit any waste on the lands.

4. Borrower and Guarantors must have and maintain throughout the term of the loan a minimum combined net equity (Cash and Appraisal Surplus) in the Project of \$7,032,463. For the purposes of this paragraph net equity shall be equal to the sum of the cost of the raw land as determined by the Lender (to a maximum value of \$10,300,000.) plus the value of the Project completed to date (exclusive of land value) net of all payables, purchaser deposits paid into the Project, construction holdbacks, unsubordinated Project financing, amounts advanced by the Lender and all Recoveries (Recoveries being defined as all recaptured Project expenses including, HST, previously funded by the construction lender or the proceeds of the Loan herein).
5. The Borrower shall not permit any transfer or issuance of shares in the share capital of the Borrower or in the officers and directors or a change in the terms or the termination of the shareholders agreement made between the Borrower and each of its shareholders, without the prior written consent of the Lender.
6. On each anniversary or renewal date of the mortgage, the Borrower will provide to the Lender proof that the taxes are current, an update that insurance is still in effect and updated financial statements for the Borrower and any corporate guarantor as well as updated personal net worth statements for any personal Guarantors.
7. The Borrower shall provide editorial updates including status updates on the project and photos showing the progress on the project for our file on a quarterly basis starting 3 months after registration of the mortgage.

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## **V. DEFAULT PROVISIONS**

1. Upon any default under this Commitment or the Security, that is not cured in a reasonable period of time following written notice of default by the Lender, the Lender may declare, after providing reasonable written notice, any or all of the obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Lender or not, and the Lender may remove any receiver or receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Project or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Borrower. Any such receiver or receivers so appointed shall have power to take possession of the Project or any part thereof and to carry on the business of the Borrower, and to borrow money required for the maintenance, preservation or protection of the Project or any part thereof, and to further charge the Project in priority to the security constituted by this Commitment as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Project on such terms and conditions and in such manner as he shall determine. In exercising any powers, any such receiver or receivers shall act as agent or agents for the Borrower and the Lender shall not be responsible for his or their actions.
2. In addition, the Lender may enter upon the applicable premises and lease or sell the whole or any part or parts of the Project. The Borrower agrees that it will be commercially reasonable to sell such part of the Project:
  - (a) as a whole or in various units;
  - (b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and
  - (c) by private sale after the receipt by the Lender of at least two offers from prospective arms-length purchasers.
3. Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Lender in its sole discretion may seem advantageous and such sale may take place whether or not the Lender has taken possession of such property and assets.
4. No remedy for the realization of the security hereof or for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this letter includes a receiver and manager.

**VI. GENERAL PROVISIONS**

1. The Lender shall have no obligation to advance funds unless and until all of the above terms and conditions have been deemed by the Lender to be complete, true and otherwise in all respects satisfactory, in the Lender's sole discretion.
2. No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantor.
3. The Lenders solicitors shall be:

Sorbara Schumacher McCann LLP  
31 Union Street East  
Waterloo, Ontario N2J 1B8  
Tel (519) 741-8010 ext. 250

Attention: Mark W. Schumacher

The Borrower's solicitor shall be:

Harris, Sheaffer LLP Barristers & Solicitors  
4100 Yonge Street, Suite 610  
Toronto, ON, M2P 2B5  
Tel 416 250-3685

The Borrower shall bear any and all reasonable legal costs of the Lender.

4. Time is of the essence in this Commitment.
5. The Borrower and Guarantors agree that if any one or more of the provisions contained in this Commitment shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment and this Commitment shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
6. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.
7. The representations, warranties, covenants and obligations herein set out shall not merge or be extinguished by the execution or registration of the Security but shall survive until all obligations under this Commitment and the Security have been duly performed and the Loan, interest thereon and any other moneys payable to the Lender are repaid in full. In the event of a conflict between the terms of the Security and the terms of this Commitment Letter, the Lender, in its sole discretion may determine which shall take precedence and govern.
8. No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantors.

9. Notwithstanding the registration of the Security or the advancement of funds, the terms of this Commitment Letter shall not merge with the delivery and/or registration of the Security and shall remain in full force and effect. Any default under the terms of this Commitment Letter shall be deemed a default under the Security and any default under the terms of the Security shall be deemed a default under the terms hereof. In the event of a conflict between the terms of the Security and the terms of this Commitment Letter, the Lender, in its sole discretion may determine which shall take precedence and govern.
10. This Agreement may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. A facsimile or electronic copy of an executed counterpart shall be deemed to be an original.

If you are in agreement with the above terms, please indicate such agreement by signing and forwarding to the undersigned a copy of this letter agreement. The execution of this letter does not obligate the Lender to advance any of the agreed funds unless all of the conditions to such advances have been satisfied to the satisfaction of the Lender and its solicitors.

By signing this Commitment Letter the Borrowers and Guarantors agree that the Lender may obtain credit and other financially related information about the Borrower(s) and the Guarantor(s), including reports from other credit grantors, consumer reporting agencies and credit bureau.

**Unless this Commitment Letter is accepted by the Borrower and all required Guarantors within five business days of the date hereof by delivery of a fully executed copy to the Lender, then, at the Lender's sole option, the Commitment shall be terminated.**

Yours truly,

MarshallZehr Group Inc.

Per: 

Cecil Hayes  
COO

I have authority to bind the corporation

Acknowledged and agreed at Markham this 12th day of August, 2014.

**Borrower:**

**Borrower:**

2305992 Ontario Inc.

Per: \_\_\_\_\_

Name: **Charles Mady**  
Title: **President**

I have authority to bind the corporation

Per: \_\_\_\_\_

Name: **Alan Hirschfield**  
Title: **Secretary**

I have authority to bind the corporation

**Guarantors:**

The following parties execute this commitment letter in their capacities as guarantors only.

Mady Development Corporation

Per: \_\_\_\_\_

Name: **David Mady**  
Title: **President**

I have authority to bind the corporation

D. Mady Investments Inc.

Per: \_\_\_\_\_

Name: **David Mady**  
Title: **President**

I have authority to bind the corporation

David Mady Investments (2008) Inc.

Per: \_\_\_\_\_

Name: **David Mady**  
Title: **President**

I have authority to bind the corporation

D. Mady Holdings Inc.

Per: \_\_\_\_\_

Name: **David Mady**  
Title: **President**

I have authority to bind the corporation

Witness: \_\_\_\_\_  
Witness: \_\_\_\_\_

\_\_\_\_\_  
Charles Mady is  
\_\_\_\_\_  
David Mady is

**Lender:**

I HEREBY accept the terms and conditions as stated herein.

DATED at Waterloo, this    day of August, 2014.

MarshallZehr Group Inc. "In Trust"

Per: 

Gregory Zehr    David Marshall  
DM                    CEO

"I/We have the authority to bind the Corporation"