

and costs to be paid to the Chargee by the Chargor pursuant to the Commitment. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Overholding Fee"). The Chargor hereby acknowledges that the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Balance Due Date, the same shall constitute default by the Chargor under the Commitment and security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option may add the Over Holding Fee to the outstanding principal balance of the Loan and the security for the Loan also secures the Over Holding Fee.

35. CROSS DEFAULT

The Chargor covenants and agrees with the Chargee that a default on the part of the Chargor with respect to the performance of any of its obligations under the second loan in favour of 2080552 Ontario Inc. in the amount of \$1,020,038.15 (the "Second Loan") will trigger a simultaneous default under this Charge. Upon a default under either this Loan or the Second Loan, the Chargee may, among its other remedies and at its option, accelerate the indebtedness of the Chargor hereunder.

Land Registration Reform Act
SET OF STANDARD CHARGE TERMS
 (Electronic Filing)

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. L4 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

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.

Waive

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 substitute any insurance, bonds, provided for and secured by the

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

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)

TAB D

This is **Exhibit "D"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.**

Properties

PIN 02953 - 0145 LT

Description BLOCK 2, PLAN 65M4289 T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 4, 6, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN THE LIMITS OF PT 1, PL 65R30487, AS IN MA91760; T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 2, 4, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN LIMITS OF PT 5, PL 65R30487, AS IN MA110959; T/W EASE OVER PT E1/2 LT 2, ONC 5, PTS 2, 6, 7 & 8 IN FAVOUR OF PT BLK 1, PL 65M4289 LYING WITHIN LIMITS OF PT 3, PL 65R30487, AS IN R694330; S/T EASE AS IN YR1610522; S/T EASE IN GROSS AS IN YR1684881;; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1749103; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1778673; SUBJECT TO AN EASEMENT AS IN YR1905638; SUBJECT TO AN EASEMENT OVER PTS 2, 4 & 6, 65R33280 IN FAVOUR OF BLK 3, PL 65M4289 AS IN YR1936318; CITY OF MARKHAM

Address 168 OLD KENNEDY ROAD
MARKHAM

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 168 OLD KENNEDY INC.

Address for Service 505 Highway 7 East
Penthouse
Thornhill, Ontario
L3T 7T1

I, Wing-Fu Hui, Director and Shao Jun Xiao, Director, 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 VECTOR FINANCIAL SERVICES LIMITED
Address for Service 25 Imperial Street
Suite 500
Toronto, Ontario
M5P 1B9

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, YR2668099 registered on 2017/05/15 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Jonathan David Freeman 40 King Street West, Suite 2100 acting for Signed 2017 05 15
Toronto Applicant(s)
M5H 3C2

Tel 416-869-5300

Fax 416-360-8877

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

Jonathan David Freeman 40 King Street West, Suite 2100 acting for Signed 2017 05 15
Toronto Party To(s)
M5H 3C2

Tel 416-869-5300

Fax 416-360-8877

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

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

Submitted By

CASELS BROCK & BLACKWELL LLP

40 King Street West, Suite 2100
Toronto
M5H 3C2

2017 05 15

Tel 416-869-5300

Fax 416-360-8877

Fees/Taxes/Payment

Statutory Registration Fee \$63.35

Total Paid \$63.35

File Number

Party To Client File Number : 49004-22

GENERAL ASSIGNMENT OF RENTS

THIS ASSIGNMENT made as of the 4 day of May, 2017

BETWEEN:

168 OLD KENNEDY INC.

(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

VECTOR FINANCIAL SERVICES LIMITED

(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS:

i) The Assignor is the registered owner of the lands and premises situate, lying and being in the City of Markham, Province of Ontario, the boundaries of which are more particularly described in Schedule "A" annexed hereto and municipally known by the parties as 168-178 Old Kennedy Road, Markham, Ontario (the "Property");

ii) The Assignor has charged and mortgaged the Property to the Assignee to secure the repayment of the principal sum of FIVE MILLION NINE HUNDRED FORTY THOUSAND DOLLARS (\$5,940,000.00) and interest thereon at the interest rate therein expressed pursuant to a Charge in that principal amount issued by the Assignor to the Assignee dated the same date as this Assignment, registered on the same date as this instrument, being the immediately preceding instrument number in the Land Registry Office for the Land Titles Division of York (No. 65) (the "Charge");

iii) The Property is or will be leased by the Assignor, or its property manager, from time to time to one or more tenants.

iv) The Assignor has agreed as a condition precedent to the Assignee advancing the principal sum secured by the Charge to execute and deliver this Assignment for the purpose of collaterally securing the performance and observance of the Assignor's promise to pay and other obligations under the Charge.

1. NOW THEREFORE this Assignment witnesses that in consideration of the premises and other good and valuable consideration paid by the Assignee to the Assignor (the receipt and sufficiency whereof is hereby acknowledged) the Assignor hereby assigns, grants, transfers and sets over to the Assignee:

- (a) any existing and future leases of, and agreements to lease of, the whole or any portion of the Property;
- (b) every existing and future tenancy, agreement as to use or occupation, and licence in respect of the whole or any part of the Property, whether or not in writing;
- (c) every existing and future guarantee of all or any of the obligations of any existing or future tenant, subtenant, occupier or licensee of the whole or any portion of the Property;
- (d) a security interest in each lease or agreement to lease of the whole or any part of the Property; and

- (e) all rents and other monies and benefits and advantages to be derived by the Assignor (collectively the "Rents") from every existing and future lease of, agreement to lease of, agreement as to use or occupation and licence in respect of the whole or any part of the Property.

Every existing and future lease of, agreement to lease of, agreement as to use or occupation and licence in respect of the whole or any part of the Property shall hereinafter be referred to as the "Leases". The within assignment of Leases and Rents in favour of the Assignee is given as security for the payment of the principal sum, interest and other monies payable by the Assignor to the Assignee pursuant to the Charge and for the performance of all of the covenants of the chargors pursuant to the Charge. The within assignment and grant includes all the Assignor's right to demand, sue for, collect and receive all Rents, and otherwise to enforce (either in the name of the Assignor or the Assignee) the Assignor's rights under any Lease consequent on any default by the tenant thereunder whether such rights arise under such Lease or by statute or at law or in equity, including without limitation the Assignor's rights to distrain.

2. THE ASSIGNEE acknowledges that this Assignment is being executed and delivered as a continuing and additional security for the performance and observance of the Assignor's promise to pay and other obligations pursuant to the Charge and neither the execution and delivery of the Assignment nor anything done pursuant thereto shall in any way impair and diminish the obligation of the Assignor as landlord of the Leases.

3. NO PROVISION contained in this Assignment shall be deemed to have the effect of making the Assignee responsible for the collection of any Rents, or any part thereof or for the performance or observance of any of the covenants, terms, conditions or other obligations imposed upon either party to any of the Leases.

4. THE ASSIGNEE shall not by virtue of this Assignment be deemed to be a mortgagee in possession of the Property and upon the payment of the principal sum, interest and other monies secured by the Charge, this Assignment shall terminate and the Assignee shall execute and deliver at the expense of the Assignor a reassignment of the Leases to the Assignor. It is further agreed that a full and complete discharge (but not a partial discharge) of the Charge from title to the Property shall operate as a full and complete release of the Assignee's interest and rights hereunder.

5. IT IS UNDERSTOOD and agreed that the Assignee shall be liable to account for only such monies as may actually come into its hands by virtue of this Assignment less proper collection and management charges and that such monies when so received by the Assignee shall be applied pro rata on account of the principal sum, interest and other monies secured by the Charge.

6. ALTHOUGH IT IS the intention of the parties that this Assignment shall be a present assignment, effective immediately upon execution, it is expressly understood and agreed that the Assignee shall not exercise any of the rights or powers herein conferred upon it until an Event of Default (as defined in the Charge) shall occur under the terms and provisions of the Charge. Upon such Event of Default occurring: (i) the Assignee shall be entitled, upon written notice to the tenants of the Property, to collect and receive all Rents under the Leases and (ii) this Assignment shall constitute an irrevocable direction and authorization of the Assignor to such tenants to pay such amounts to the Assignee or as the Assignee shall direct otherwise in writing without proof of any Event of Default by the Assignor. Without limiting the generality of the foregoing, such tenants are hereby irrevocably authorized and directed to rely upon and comply with, and to be fully protected in so doing, any notice or demand by the Assignee for the payment to the Assignee of any rent, or for the performance of any other obligation of the tenants under the Leases and the tenants shall not be required to or be under any duty to inquire as to whether any Event of Default under the Charge has actually occurred or is then existing. Until an Event of Default occurs, the Assignor can continue to collect rents and deal with the Leases in the ordinary course of business.

7. THE ASSIGNOR covenants and agrees that:
- (a) there is no outstanding encumbrance or assignment of the Leases in priority to this Assignment or the rents payable or receivable thereunder;
 - (b) it shall at all times perform and observe all of the Landlord's obligations contained in the Leases;
 - (c) it now has full power and absolute authority to assign its interest in the Leases and Rents and all benefits and advantages to be derived therefrom to the Assignee according to the intention of this Assignment; and
 - (d) it shall forthwith on demand enter into, execute and deliver to the Assignee, at the Assignor's expense, such further assignments and assurances of the Leases and Rents as the Assignee shall reasonably require subject to reasonable review.
8. THE ASSIGNOR further covenants and agrees that it will not without the prior written consent of the Assignee:
- (a) (i) cancel or take any action to cancel any Lease; (ii) accept the surrender of any Lease; (iii) alter or amend or consent to or permit the altering, or amending of any term or provision of any Lease so as to decrease the Tenant's financial obligations or increase the responsibility of the Landlord thereunder; and (iv) consent to or permit the assigning or subleasing of any Lease except in circumstances where the Landlord's consent cannot be unreasonably withheld or where no consent is required; and
 - (b) collect or attempt to collect or permit either the payment or the prepayment of rent for a period greater than one (1) month or in any manner and at any time other than that stipulated in the Leases.

Notwithstanding the provisions of sub-paragraphs (a) and (b) above, the Assignor shall not be required to obtain the Assignee's consent to any such action with respect to a lease for residential premises so long as the Assignor is acting reasonably as a prudent landlord of such premises within the area of the Property or areas which the Assignee, acting reasonably, determines are comparable.

9. THE ASSIGNOR warrants and represents that, except as otherwise disclosed to the Assignee in writing:
- (a) each Lease is a valid and subsisting lease constituting the entire and only agreement between the Assignor and its tenant thereunder pertaining to the premises demised;
 - (b) the said tenants are occupying the premises described in each Lease and paying the full rent stipulated therein;
 - (c) no notice has been received from any Tenant indicating an intention to assign or sublet or indicating an intention to surrender the term or otherwise part with possession of the premises demised to it other than as specifically provided for herein; and
 - (d) no notice has been received by the Assignor from any tenant alleging default by the Assignor in the performance of its obligations as landlord pursuant to any Lease which notice has not been complied with by the Assignor to such tenant's reasonable satisfaction.

10. THE ASSIGNOR agrees that any and all rights of the Assignee pursuant to this Assignment may be exercised by any trustee or receiver appointed at the instance of or

for the benefit of the Assignee. The Assignor further agrees that the Assignee is authorized (but is not obligated) in the name of the Assignor to take at any time any proceeding which in the opinion of the Assignee or its solicitors may be expedient or necessary for the purpose of enforcing any of the rights of the Assignor under the Leases and further to compromise or submit to arbitration any dispute which has arisen or may arise in respect of any Lease and any settlement arrived at shall be binding upon the Assignor. The Assignee is further authorized (but is not obligated) in the name and for the account of the Assignor to perform and observe any of the Assignor's obligations, as landlord, under the Leases, or any of them, and without limiting the generality of the foregoing, any amount paid by the Assignee in respect thereof as well as any other expense incurred by the Assignee shall be added pro rata to the monies secured by the Charge and shall bear interest at the interest rate stipulated therein.

11. THE TERM "**Leases**" shall extend to and include (i) the Leases as they may be extended or renewed or replaced; (ii) any amending agreement whether written or oral; and (iii) any guarantee whether included in the Leases or otherwise.

12. THE TERM "**tenants**" means and includes (i) the person, firm or corporation named as tenant or lessee in a Lease; and (ii) any person, firm or corporation who has guaranteed (whether as a primary debtor, surety or otherwise) the performance and observance of a tenant's covenants and other obligations pursuant to a Lease.

13. THE TERM "**Landlord**" means the Assignor, its successors and assigns and includes the person, firm or corporation named as landlord or lessor in a Lease.

14. THE TERM "**Rent**" or "**Rents**" shall extend to and include all monies that the Assignor is entitled to receive under the terms of the Leases including without limitation insurance proceeds, arbitration awards and the proceeds arising from any guarantee or other security held by the Assignor.

15. THE RIGHTS, remedies and security given to the Assignee hereunder are cumulative and are not in substitution for any rights, remedies or security to which the Assignee may be entitled, either under the Charge or under any other security or at law.

16. THE ASSIGNOR acknowledges receiving a true copy of this Assignment.

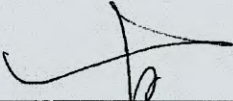
17. THIS ASSIGNMENT shall be binding upon and enure to the benefit of and shall be enforceable by the respective successors and assigns of the parties hereto and all words and phrases shall be taken to include the singular or plural or masculine, feminine or neuter gender as the circumstances shall require.

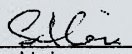
18. THE ASSIGNOR covenants that upon the registration of a complete discharge of the Charge this Assignment shall be deemed to be null and void and of no further effect.

[Signature Page Follows]

IN WITNESS WHEREOF the Assignor has executed this Assignment by the hands of its duly authorized officer in that behalf on the day and year first written above.

168 OLD KENNEDY INC.

Per: 
Name: Shao Jun Xiao
Title: Director

Per: 
Name: Wing-Fu Hui
Title: Director

We have authority to bind the corporation.

SCHEDULE "A"

(the Property)

Municipal Address: 168-178 Old Kennedy Road, Markham, Ontario

Legal Description: BLOCK 2, PLAN 65M4289 T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 4, 6, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN THE LIMITS OF PT 1, PL 65R30487, AS IN MA91760; T/W EASE OVER PTE1/2 LT 2, CON 5, PTS 2, 4, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN LIMITS OF PT 5, PL 65R30487, AS IN MA110959; T/W EASE OVER PT E1/2 LT 2, ONC 5 PTS 2, 6, 7 & 8 IN FAVOUR OF PT BLK 1, PL 65M4289 LYING WITHIN LIMITS OF PT 3, PL 65R30487, AS IN R694330; S/T EASE AS IN YR1610522; S/T EASE IN GROSS AS IN YR1684881; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1749103; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1778673; SUBJECT TO AN EASEMENT AS IN YR1905638; SUBJECT TO AN EASEMENT OVER PTS 2, 4 & 6, 65R33280 IN FAVOUR OF BLK 3, PL 65M4289 AS IN YR1936318; CITY OF MARKHAM

PIN: 02953-0145 (LT)

Registry Office: Land Titles Division of York (No.65)

TAB E

This is **Exhibit "E"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student
Expires May 10, 2021.

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, 168 Old Kennedy Inc. (the "**Debtor**"), hereby grants to Vector Financial Services Limited (the "**Lender**"), by way of assignment and transfer, a security interest (the "**Security Interest**") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Accounts, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor relating to the Property described in Schedule "A" annexed hereto (including such as may be returned to or repossessed by the Debtor) and in all Proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "**Collateral**"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- (i) all present and future equipment of the Debtor, including all machinery, appliances, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto ("**Equipment**");
 - (ii) all present and future inventory of the Debtor, including all raw materials, materials used or consumed in the business or profession of the Debtor, work-in-progress, finished goods, goods used for packing, materials used in the business of the Debtor not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ("**Inventory**");
 - (iii) all book accounts and book debts and generally all accounts, receivables, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("**Accounts**");
 - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (v) all present and future intangible personal property of the Debtor, including all contract rights, licences, goodwill, patents, trade marks, copyrights and other industrial property, and all other choses in action of the Debtor of every kind, whether due at the present time or hereafter to become due or owing ("**Intangibles**");
 - (vi) all monies other than trust monies lawfully belonging to others;

- (vii) all present and future securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and including an uncertificated security within the meaning of Part VI (Investment Securities) of the Business Corporations Act, 1982, (Ontario) and all substitutions therefor and dividends and income derived therefrom ("Securities");
 - (viii) all Personal Property now in or in the future located at the premises of the Debtor described in Schedule "A" annexed or described in any schedule hereafter annexed or in any subsequent security agreement related to the Indebtedness of the Debtor and belonging to the Debtor.
- (b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
 - (c) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Accounts", "Money", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", "Personal Property", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act (Ontario), as amended from time to time (herein referred to as the "P.P.S.A."). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The term "Proceeds", whenever used herein and interpreted as above shall, by way of example, include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender arising out of a certain mortgage delivered by the Debtor to the Lender for the principal sum of FIVE MILLION NINE HUNDRED FORTY THOUSAND DOLLARS (\$5,940,000.00) and given in accordance with a loan proposal dated April 10, 2017 and a commitment letter dated May ____, 2017, as it may be amended from time to time (the "**Commitment Letter**"), which indebtedness shall be fully satisfied upon payment in full of the said mortgage (hereinafter collectively called the "**Indebtedness**").

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

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

- (a) The Collateral is genuine and owned both legally and beneficially by the Debtor free of all interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called

"Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption;

- (b) Each Account, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Debtor**"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors is owing except for normal cash discounts where applicable, and the Debtor will use its best efforts to insure that no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified in Schedule "A" as to business operations, the location of Collateral and records is accurate and complete.

4. COVENANTS OF THE DEBTOR

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

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption and not to sell, exchange, transfer, assign, lease, otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until the occurrence of an Event of Default, as hereinafter defined, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use monies available to the Debtor;
- (b) To notify the Lender promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting Collateral;
 - (iv) any material loss or damage to Collateral;
 - (v) any material Event of Default (as hereinafter defined) by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - (vi) the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;

- (d) To do, execute, acknowledge and deliver such further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all reasonable costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;
- (f) To insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) To deliver to the Lender from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to Collateral; and
 - (v) such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request;
- (j) To have the premises at which the Debtor carries on business or where Collateral is located professionally managed at all times.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until the occurrence of an Event of Default (as defined in the Charge), possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider

appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access, upon forty-eight (48) hours' notice, to all places where Collateral may be located and to the premises described in Schedule "A".

6. **COLLECTION OF DEBTS**

Before or after an Event of Default (as hereinafter defined) under this Security Agreement, if the Lender believes that its security is impaired, the Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Lender. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from Account Debtors, whether on or before or after an Event of Default under this Security Agreement, shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request if the Lender believes that its security is impaired.

7. **DISPOSITION OF MONIES**

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

8. **EVENTS OF DEFAULT**

Has the meaning ascribed to it in the Charge in favour of the Lender.

9. **REMEDIES**

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

discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

- (b) Upon an Event of Default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing subclause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon an Event of Default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may deem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after an Event of Default, all rights and remedies of a secured party under the P.P.S.A. provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed if practicable.
- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or indirectly for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have its premises professionally managed in accordance with Clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or

managers, as it may deem necessary in its sole discretion, to manage such premises at the sole expense of the Debtor.

10. **MISCELLANEOUS**

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted encumbrances affecting Collateral) as the Lender may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
- (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.
- (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any Event of Default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent Event of Default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (e) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and, subject to Clause 9(g) hereof, notice of any other action taken by the Lender.
- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a

Written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

- (h) Subject to the requirements of Clauses 9(g) and 10(e) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon that other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.
- (i) This Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.

11. **COPY OF AGREEMENT AND ATTACHMENT**

The Debtor hereby acknowledges receipt of a copy of this Security Agreement and that the parties do not intend any postponement of the attachment of the Security Interest to the Collateral.

[Signature Page Follows]

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officer(s) this 4 day of May, 2017.

168 OLD KENNEDY INC

Per: 

Name: Shao Jun Xiao

Title: Director

Per: 

Name: Wing-Fu Hui

Title: Director

We have authority to bind the corporation.

SCHEDULE "A"

Description of Land

Municipal Address:

168-178 Old Kennedy Road, Markham, Ontario

Legal Description:

BLOCK 2, PLAN 65M4289 T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 4, 6, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN THE LIMITS OF PT 1, PL 65R30487, AS IN MA91760; T/W EASE OVER PTE1/2 LT 2, CON 5, PTS 2, 4, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN LIMITS OF PT 5, PL 65R30487, AS IN MA110959; T/W EASE OVER PT E1/2 LT 2, ONC 5 PTS 2, 6, 7 & 8 IN FAVOUR OF PT BLK 1, PL 65M4289 LYING WITHIN LIMITS OF PT 3, PL 65R30487, AS IN R694330; S/T EASE AS IN YR1610522; S/T EASE IN GROSS AS IN YR1684881; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1749103; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1778673; SUBJECT TO AN EASEMENT AS IN YR1905638; SUBJECT TO AN EASEMENT OVER PTS 2, 4 & 6, 65R33280 IN FAVOUR OF BLK 3, PL 65M4289 AS IN YR1936318; CITY OF MARKHAM

PIN:

02953-0145 (LT)

Registry Office:

Land Titles Division of York (No.65)

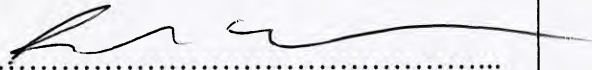
SCHEDULE "B"

Permitted Encumbrances

NIL.

TAB F

This is **Exhibit "F"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law,
Expires May 10, 2021.**

COVENANT AND POSTPONEMENT OF CLAIM

TO: Vector Financial Services Limited (the "**Chargee**")

RE: Chargee First Mortgage Loan to 168 Old Kennedy Inc. (the "**Chargor**") on the security of 168-178 Old Kennedy Road, Markham, Ontario (the "**Property**") and as guaranteed by Shao Jun Xiao and Wing-Fu Hui (collectively, the "**Covenantor**")

Loan No. 17-18

WHEREAS the Chargee has agreed to extend a loan to the Chargor pursuant to a loan proposal dated April 10, 2017 issued by the Chargee to the Chargor and a commitment letter dated May 3, 2017 setting out the terms of the loan secured by a first charge (the "**Charge**"), as it may be amended from time to time (collectively, the "**Commitment**").

AND WHEREAS the loan contemplated by the Commitment is secured by the Charge of the Property securing the Principal Amount of \$5,940,000.00 entered into between the Chargee and the Chargor and the collateral security contemplated by the Commitment and the Charge (collectively the "**Security**").

AND WHEREAS as a condition of making the loan to the Chargor, the Chargee requires the delivery of this Covenant by the Covenantor.

IN CONSIDERATION OF the Chargee making the loan to the Chargor and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Covenantors) the Covenantor hereby covenants in favour of the Chargee:

- (a) to be jointly and severally liable with the Chargor and any other covenantor as principal debtor, and not as surety, for the due payment of all amounts owing under the Security (the "**Indebtedness**") at the times and in the manner herein provided; and it is the express intention of the parties hereto that the Covenantor is and shall be liable to the Chargee in the same manner and to the same extent as if the Covenantor had executed the Security as Chargor;
- (b) that if the Indebtedness is not recoverable under paragraph (a) for any reason whatsoever, the Covenantor unconditionally guarantees the full performance and discharge of all of the obligations to be fulfilled by the Chargor pursuant to the provisions of the Security at the times and in the manner provided in the Security;
- (c) that if the Indebtedness is not recoverable under paragraphs (a) and (b) for any reason whatsoever, the Covenantor agrees to indemnify and save harmless the

Chargee against and from all losses, damages, costs, charges and expenses which the Chargee may sustain, incur, or be or become liable for by reason of:

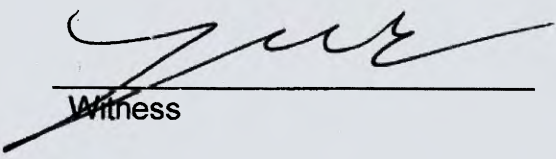
- (i) the failure, for any reason whatsoever, of the Chargor to pay the Indebtedness, or
 - (ii) the Chargor's failure, for any reason whatsoever, to do and perform any other act, matter or thing, required to be done or performed pursuant to the Security, or
 - (iii) the Chargor's failure to refrain from any act, matter or thing required not to be done or performed by it pursuant to the Security, or
 - (iv) any act, action or proceeding of or by the Chargee for or in connection with the recovery of the Indebtedness or the obtaining of performance by the Chargor or the Covenantor of any other act, matter or thing pursuant to the Security or restraining the Chargor from any act, matter or thing required not to be done or performed pursuant to the Security;
- (d) that the Chargee may at any time and from time to time and without notice to the Covenantor, or obtaining any consent of the Covenantor, make any compromise, settlement, extension, renewal or variation in the terms of the Security, including any variation or increase of the interest rate or any renewal or extension of the Security between the Chargor or any successor and the Chargee, or take surrender of the Security or any collateral security or a part thereof, and that no such thing done by the Chargee, nor any carelessness or neglect by the Chargee in asserting its rights, nor the Chargee's loss of any right by operation of law, nor the loss or destruction of any security, nor the lack of validity or enforceability of the Security or any collateral security or any portion thereof shall in any way release or diminish the liability of the Covenantor under the Security as long as any Indebtedness remains unpaid or the Chargee has not been reimbursed for all such losses, damages, costs, charges and expenses as aforesaid;
- (e) that the Chargee shall not be obliged to proceed against the Chargor or to enforce or exhaust any security before proceeding to enforce the obligations of the Covenantor and that enforcement of such obligations may take place before, after or contemporaneously with the enforcement of any debt or obligation of the Chargor or the enforcement of any security for any such debt or obligation;
- (f) that nothing but payment and satisfaction in full of the Indebtedness and the due performance and observation of all covenants, agreements and provisos in the Security and any other security to be given to the Chargee shall release the Covenantor of this Covenant;
- (g) this covenant shall be assignable by the Chargee and that assignment of the Security shall constitute assignment of this covenant and that this covenant shall

- not be deemed to have been waived, released, discharged, impaired or affected by reason of the assignment and/or reassignment of the Security at any time;
- (h) to hereby waive all notices of default, non-performance, non-payment and non-observance on the part of the Chargor of the terms, covenants and provisos contained in the Security;
 - (i) that the Security would not have been entered into by the Chargee without this covenant;
 - (j) that the liability of the Covenantor under this covenant shall not be impaired or discharged by reason of the Chargee taking further or other security for payment of the Indebtedness or by any transfer of the Property or any approval thereof by the Chargee or any assumption of the Security by any transferee of the Property, or by the Chargee at any time releasing any security or partial security hereunder, or by any extension or renewal of the term of the Security, or the release or partial release of the Covenantor or guarantor of the Security whether by the Chargee or by operation of law, or by any other act or thing whereby, as guarantor, the Covenantor will or might be released in whole or in part;
 - (k) that any payment by the Covenantor of any monies under this covenant 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 Covenantor against the Chargor and the Covenantor shall, to the extent of any such payments made by it, 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 Covenantor, provided, nevertheless, that the Covenantor shall not be entitled in any event to rank for payment against the Property or any collateral security in competition with the Chargee and shall not, unless and until the whole of the Indebtedness has been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee;
 - (l) to hereby waive any right of set-off the Covenantor may have in respect of any payment to be made under this covenant;
 - (m) that the Covenantor has received a fully executed copy of the Security;
 - (n) that this Covenant shall be binding upon the Covenantor and its successors and assigns;
 - (o) that upon the discharge of the Security this Covenant will be deemed to be automatically discharged and released; and
 - (p) that the undersigned postpones in favour of the Chargee all debts and liabilities that the Chargor now owes or later may from time to time owe to the undersigned until the Indebtedness has been paid in full and in the event that the undersigned receives any monies in payment of any such debts and liabilities, the

undersigned will hold them in trust for, and will immediately pay them to, the Chargee without reducing any liability under this Covenant.

[Signature Page Follows]

DATED this 4 day of May, 2017.



Witness



SHAO JUN XIAO

Address for Service:

505 Highway 7 East, Penthouse, Thornhill, ON L3T
7T1



Witness



WING-FU HUI

Address for Service:

505 Highway 7 East, Penthouse, Thornhill, ON L3T
7T1

TAB G

This is **Exhibit "G"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.**

ASSIGNMENT OF INSURANCE PROCEEDS

TO: Vector Financial Services Limited (the "**Chargee**")

RE: Chargee first mortgage loan to 168 Old Kennedy Inc. (the "**Chargor**") on the security of 168-178 Old Kennedy Road, Markham, Ontario (the "**Property**")

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned hereby assigns in favour of the Chargee all rights of the undersigned under any policies of insurance relating to the Property and all monies which may at any time be or become payable thereunder or in connection therewith or be derived therefrom and any insurer holding any such policy of insurance is hereby requested to give effect to the foregoing.

[Signature Page Follows]

DATED this 4 day of May, 2017.

168 OLD KENNEDY INC.

Per: 

Name: Shao Jun Xiao

Title: Director

Per: 

Name: Wing-Fu Hui

Title: Director

We have authority to bind the corporation.

TAB H

This is **Exhibit "H"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student at Law,
Expires May 10, 2021.



CASSELS BROCK
LAWYERS

WRITER'S DIRECT LINE: (416) 869-5975

OUR FILE NO: 49004-22

December 13, 2017

DELIVERED BY REGISTERED AND ORDINARY MAIL

168 Old Kennedy Inc.
505 Highway 7 East
Penthouse
Thornhill ON L3T 7T1

Shao Jun Xiao
505 Highway 7 East
Penthouse
Thornhill ON L3T 7T1

Wing-Fu Hui
505 Highway 7 East
Penthouse
Thornhill ON L3T 7T1

Dear Sir/Madam:

Re: Vector Financial Services Limited
Mortgage Loan to 168 Old Kennedy Inc. (the "Borrower")
168 Old Kennedy Road, Markham, Ontario (the "Property")
Mortgage No. 16-18

Further to our client's letter to you of December 1, 2017, we confirm that we are the solicitors for Vector Financial Services Limited and have been advised that the above-noted mortgage loan is in default as a result of your failure to obtain approval from our client to have registered on title of the Property a third (3rd) Charge/Mortgage.

As this default was not cured with the five (5) days of our client's notice to you on December 1, 2017, the whole of the principal and interest is due as follows:

Principal Balance	\$5,940,000.00
(provided the Preauthorized Debit of \$40,590.00 processed on December 11, 2017 is honoured)	
Interest from December 10, 2017 to December 13, 2017	5,337.86
Prepayment interest	121,879.44
Administration Fee	2,500.00
Default Letter Fee	750.00
Annual Review Fee	500.00

Cassels Brock & Blackwell LLP

2100 Scotia Plaza, 40 King Street West, Toronto Canada M5H 3C2
tel 416 869 5300 fax 416 360 8877 www.casselsbrock.com



CASSELS BROCK - 2 -
LAWYERS

Bank Processing Fee	500.00
Bank Wire Fee	15.00
Statement Fee	395.50
Legal Costs	<u>3,500.00</u>
TOTAL:	<u>\$6,075,877.80</u>

We, therefore, require that you provide this office with a certified cheque or money order made payable to Vector Financial Services Limited in the amount of \$6,075,877.80, on or before the 27th day of December, 2017.

Failure to provide the sums as aforesaid will result in our client instructing us to commence enforcement proceedings to protect its interests. In this regard, we enclose herewith a Notice of Intention to Enforce Security served pursuant to the *Bankruptcy and Insolvency Act*.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours very truly,

CASSELS BROCK & BLACKWELL LLP



Paul Muchnik

PM/al
Enclosure

NOTICE OF INTENTION TO ENFORCE SECURITY

TO: 168 Old Kennedy Inc.
505 Highway 7 East
Penthouse
Thornhill ON L3T 7T1

Shao Jun Xiao
505 Highway 7 East
Penthouse
Thornhill ON L3T 7T1

Wing-Fu Hui
505 Highway 7 East
Penthouse
Thornhill ON L3T 7T1

TAKE NOTICE THAT:

1. The Vector Financial Services Limited, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

Lands and premises municipally known as 168 Old Kenny Road, Markham, Ontario.

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

- (a) a Mortgage registered in the Land Registry Office at Aurora, Ontario, for the Land Registry Division of York Region (No. 65) on the 15th day of May, 2017 as Instrument No. YR2668099;
- (b) an Assignment of Rents registered in the Land Registry Office at Aurora, Ontario, for the Land Registry Division of York Region (No. 65) on the 15th day of May, 2017 as Instrument No. YR2668100; and
- (c) All ancillary and supplemental documents thereto.

3. The total amount of indebtedness secured by the security is:

Principal balance	\$5,940,000.00
(provided the preauthorized debit of \$40,590.00 processed on December 11, 2017 is honoured)	
Interest from December 10, 2017 to December 13, 2017	5,337.86
Prepayment Interest	121,879.44
Administration Fee	2,500.00
Default Letter Fee	750.00
Annual Review Fee	500.00
Bank Processing Fee	500.00
Bank Wire Fee	15.00
Statement Fee	395.50
Legal costs	<u>2,500.00</u>
TOTAL	<u>\$6,075,877.80</u>

Additional amounts will accrue after December 27, 2017 including interest, proper costs, charges and expenses as set out in the mortgage.

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


DATED at Toronto, the 13th day of December, 2017.

VECTOR FINANCIAL SERVICES LIMITED

By its Solicitors:

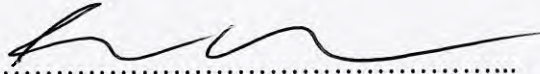
CASSELS BROCK & BLACKWELL LLP

Suite 2100
40 King Street West
Toronto, Ontario
M5H 3C2

Per: 
Paul Muchnik

TAB I

This is **Exhibit "I"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.**

SUBORDINATION AND STANDSTILL AGREEMENT

THIS AGREEMENT effective as of the 20th day of December, 2017.

BETWEEN:

168 OLD KENNEDY INC.
hereinafter called the "**Borrower**"

- and -

VECTOR FINANCIAL SERVICES LIMITED
hereinafter called the "**Prior Lender**"

- and -

10114812 CANADA CORPORATION
hereinafter collectively called the "**Subordinate Lender**")

WHEREAS:

- A. The Borrower is the registered owner of certain lands and premises legally described in Appendix 1 attached hereto and municipally known as 168-178 Old Kennedy Road, Markham, Ontario (the "**Lands**") together with all personal property (the "**Personal Property**") located on or arising out of, from or in connection with ownership, use or disposition of the Lands (the said Lands and Personal Property being hereinafter collectively referred to as the "**Property**");
- B. The Prior Lender agreed to make or extend a loan (the "**Loan**") to the Borrower in the maximum principal amount of Five Million Nine Hundred Forty Thousand Dollars (\$5,940,000.00) which loan or credit facility was secured by, *inter alia*, a first Charge/Mortgage registered in the Land Registry Office for the Land Titles Division of York Region (#65) ("**Land Titles Office**") as Instrument No YR2668099 on May 15, 2017 (the "**First Charge**");

All existing and future indebtedness and all other obligations and liabilities owing by the Borrower to the Prior Lender from time to time pursuant to the Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Prior Lender thereunder being hereinafter referred to as the "**Prior Indebtedness**", and the First Charge and all other additional or collateral security now or hereafter securing the Prior Indebtedness being hereinafter referred to as the "**Prior Security**";

And for greater particularity, reference in this Agreement to the Loan, the Prior Indebtedness and the Prior Security includes all renewals, extensions, amendments, modifications and restatements thereof or thereto from time to time;

- C. The Subordinate Lender has been given a security interest in the Property to secure the maximum principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000.00) (the "**Subordinate Loan**") which amount is secured by, *inter alia*, the following security:
- (i) a Charge/Mortgage of Land in the original principal amount of \$3,500,000.00 registered in the Land Titles Office as Instrument No. YR2709457 on the 28th day of July, 2017 (the "**Subordinate Charge**");

All existing and future indebtedness and all other obligations and liabilities owing by the Borrower to the Subordinate Lender from time to time pursuant to the Subordinate Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Subordinate Lender thereunder being hereinafter referred to as the "**Subordinate Indebtedness**", and the Subordinate Charge and all other additional or collateral security now or hereafter securing the Subordinate Indebtedness being hereinafter referred to as the "**Subordinate Security**";

2

And for greater particularity, reference in this Agreement to the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security includes all renewals, extensions, amendments, modifications and restatements thereof or thereto from time to time;

- D. The Subordinate Lender has agreed to subordinate and postpone the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security to and in favour of the Prior Lender, the Loan, the Prior Indebtedness and the Prior Security.

NOW THEREFORE for good and valuable consideration, including the sum of TEN DOLLARS (\$10.00) now paid by the Prior Lender to the Subordinate Lender, the receipt and sufficiency of which is hereby acknowledged by the Subordinate Lender, the parties agree as follows:

1. **Covenants, Representations and Warranties of the Subordinate Lender.** The Subordinate Lender consents to the Prior Indebtedness and the Prior Security, and covenants, represents and warrants to the Prior Lender that:

- (a) as of the date hereof, the Subordinate Loan and the Subordinate Security are in good standing, in full force and effect, unamended, and the Borrower is not in default thereunder;
- (b) it holds no security of any kind against the Property other than the Subordinate Security;
- (c) it has full power, lawful authority and legal right to enter into this Agreement on its own behalf and on behalf of all present and future beneficial owners of the Subordinate Loan, Subordinate Indebtedness and the Subordinate Security, and this Agreement constitutes a valid and binding obligation of the Subordinate Lender enforceable against it in accordance with its terms; and
- (d) upon request by the Prior Lender from time to time, the Subordinate Lender shall provide the Prior Lender with copies of the Subordinate Security and/or a statement in detail of the Subordinate Indebtedness then outstanding.

2. **Subordination and Postponement.** The Subordinate Lender hereby subordinates and postpones the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security to the Loan, the Prior Indebtedness and the Prior Security and agrees with the Prior Lender that the Prior Security shall be a first priority lien and charge against the Property for the full amount of the Prior Indebtedness in full priority to the Subordinate Security and the Subordinate Indebtedness. The subordination and postponement of the Subordinate Loan, Subordinate Indebtedness and the Subordinate Security to the Loan, the Prior Indebtedness and the Prior Security, shall include subordination of the Subordinate Security and the Subordinate Indebtedness to the extent required to make the Prior Security and the Prior Indebtedness a first priority lien and charge against the Property.

No discharge, release or waiver by the Prior Lender of any of the Prior Security against or in respect of the Property or any person(s), corporation(s) or entity(ies), or any amendment, renewal, extension, replacement discharge, modification, supplement or restatement of any portion of the Prior Indebtedness and/or the Prior Security shall require notice to or the consent of the Subordinate Lender or otherwise affect the subordination and postponement of the Subordinate Security, the Subordinate Loan and the Subordinate Indebtedness hereby granted by the Subordinate Lender.

The Subordinate Lender hereby acknowledges and agrees that this Agreement shall not defer or otherwise affect the present or future rights and remedies of the Prior Lender with respect to the present or future indebtedness and other liabilities of the Borrower to the Prior Lender, or with respect to any securities which the Prior Lender now holds or may hereafter receive from the Borrower as collateral for the Prior Indebtedness.

The Subordinate Lender agrees to execute and deliver at its cost, upon request by the Prior Lender, such further instruments and agreements and assurances as may reasonably be required by the Prior Lender in the circumstances in order to confirm and give effect to the provisions of this Agreement, and further, to register, record, amend, file or re-file notice of this Agreement and/or the subordination and postponement of the



Subordinate Security in any office of public record as the Prior Lender may in its discretion consider necessary or desirable from time to time.

3. **Subsequent Charges.** The Subordinate Lender shall not register a subsequent mortgage or charge on title to the Property without the prior written consent of the Prior Lender, which may be withheld in the Prior Lender's sole and absolute discretion. Should the Prior Lender consent to such subsequent mortgage or charge, the Borrower, Prior Lender and Subordinate Lender shall enter into a Subordination and Standstill Agreement in respect of such subsequent mortgage or charge on substantially the same terms as set out herein prior to the registration of such subsequent mortgage or charge on title to the Property.

4. **Payments.** From and after the date hereof and until repayment of the Prior Lender Indebtedness in full, should any payment, proceeds or monies be received by the Subordinate Lender on or with respect to the Subordinate Indebtedness in contravention of the provisions of this Agreement, the Subordinate Lender shall deliver such payment, proceeds, or monies to the Prior Lender in the form received and until delivered the same shall be held in trust by the Subordinate Lender for the Prior Lender. Notwithstanding the preceding sentence, the Subordinate Lender shall be entitled to receive and keep for its own account any payment, proceeds or monies received by it in accordance with and as set out in Schedule "C" of the purchase and sale agreement relating to the Property between the Borrower and the Subordinate Lender dated February 5, 2017.

5. **Standstill.**

- a) The Subordinate Lender agrees that from and after the date hereof, to and until the date of the repayment and/or satisfaction of all outstanding indebtedness and/or liabilities of the Borrower to the Prior Lender under the Prior Security and the complete discharge thereof, the Subordinate Lender shall not be entitled and hereby agrees not to exercise or take any steps to exercise any of its remedies and/or recourses under the Subordinate Security or otherwise until such time as it has first provided the Prior Lender with One Hundred Twenty (120) days prior written notice of its intention to do so (the "Standstill Period").
- b) The Subordinate Lender will not take any steps to impair the priority of the Prior Security or directly or indirectly act in any way, nor allege or make any claims prejudicial or adverse to the security interests of the Prior Lender arising pursuant to the Prior Security.

6. **Assignment by Subordinate Lender.** The Subordinate Lender agrees that it shall not sell, transfer, assign, alienate or otherwise dispose of any interest in the Subordinate Liability, the Subordinate Indebtedness or the Subordinate Security to any person(s), corporation(s) or entity(ies) (hereinafter, an "Assignee") except in accordance with terms and conditions which are expressly subject to all of the terms of this Agreement.

7. **Entire Agreement.** This Agreement and all schedules thereto contains the whole of the agreement between the parties hereto and there are no collateral or precedent conditions, warranties, agreements, representations, promises, understandings or inducements, whether oral or written, that are not specifically set forth herein, and no modification, amendment or variation hereof shall be effective or binding on the parties hereto unless agreed to in writing by all of them.

8. **No Waiver.** The waiver by any party of the breach of any term, covenant or condition herein contained shall not constitute a waiver of such term, covenant or condition, except in respect of the particular breach giving rise to such waiver. No term, covenant or condition of this Agreement is deemed to have been waived by any party hereto unless such waiver is in given in writing by that party.

9. **Severability.** All of the sections, paragraphs, sentences, clauses and parts of this Agreement are distinct and severable, and if any of the same shall be held illegal or void, the validity or legality of the remainder of this Agreement shall not be affected.

10. **Survival of Covenants and Warranties.** The covenants, warranties and representations of the Subordinate Lender contained in this Agreement shall survive the

execution and delivery of this Agreement and shall continue in full force and effect for the benefit of the Prior Lender until the Loan has been repaid in full.

11. **Notices.** Any demand, notice or communication to be made or given hereunder shall be in writing, except as expressly provided otherwise, and may be made or given by personal delivery or by transmittal by telecopy addressed to the respective parties as follows:

(a) to the Prior Lender:

25 Imperial Street
Suite 500
Toronto, Ontario M5P 1B9

Attention: Mitchell Oelbaum
Fax No.: 416.483.9763

(b) to the Subordinate Lender:

37 Cranleigh Drive
Markham, Ontario
L3R 8M2

Attention: Gary J. McCallum
Facsimile No.: 416.297.0800

(c) to the Borrower:

505 Highway 7 East
Penthouse
Thornhill, ON L3T 7T1

Attention: Wing-Fu Hui
Facsimile No.: _____

or to such other addresses or telecopy number as any party may from time to time notify the others in accordance with this Article 11. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, or, if made or given by telecopy, on the first business day (being a day other than Saturday, Sunday or a statutory holiday in Ontario), on which the Schedule I Banks in Canada are open for commercial business in Toronto, Ontario, following the transmittal thereof.

12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties hereto irrevocably attorn to the jurisdiction of the courts of this Province sitting at Toronto, Ontario.

13. **Successors.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns including any successors by amalgamation and any appointed receivers or trustees in bankruptcy.

14. **Counterparts.** This Agreement may be executed in counterparts and all counterparts so executed will constitute one Agreement binding on the parties effective upon execution by all of the parties.


15. **Time is of the Essence.** Time is of the essence of this Agreement and every part hereof.

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the date first above written.

[Signature Page Follows]



168 OLD KENNEDY INC.



Name: Wing-Fu Hui
Title: President
I have the authority to bind the Corporation.

VECTOR FINANCIAL SERVICES LIMITED

Per: _____
Name:
Title: A.S.O.
I have the authority to bind the Corporation.

10114812 CANADA CORPORATION

Per: _____
Name:
Title:
I have the authority to bind the Corporation.

TAB J

This is **Exhibit "J"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.**

UNDERTAKING

TO: Vector Financial Services Limited (the "Chargee")

RE: Chargee First mortgage loan to 168 Old Kennedy Inc. (the "Chargor") on the security of property municipally known as 168-178 Old Kennedy Road, Markham, ON (the "Property") and as guaranteed by Shao Jun Xiao and Wing-Fu Hui (collectively, the "Guarantor") pursuant to a commitment letter dated May 3, 2017 (the "Commitment Letter")

Loan No. 16-18

IN CONSIDERATION of the Chargee forbearing in its default proceedings against the Chargor, the undersigned hereby undertakes to:

1. pay to the Chargee the sum of \$50,000.00 on or before December 21, 2017, 2018; and
2. pay to the Chargee the sum of \$100,000.00 on or before January 19, 2018

A DEFAULT under this undertaking shall, at the option of the Chargee, constitute default under the Charge/Mortgage of Land.

DATED this 20th day of December, 2017.

168 OLD KENNEDY INC.

Per: _____

Name: Wing-Fu Hui

Title: President

Per: _____

Name:

Title:

I/We have authority to bind the corporation.

TAB K

This is **Exhibit "K"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.

A handwritten signature in black ink, appearing to read 'A. Cressman', written over a horizontal dotted line.

A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.**



COMMITMENT LETTER

April 29, 2019

168 Old Kennedy Inc.
505 HWY 7 East - PH
Thornhill, ON, L3T 7T1

Attention: Mr. Sammy Wing Fu Hui

Dear Sir,

Re: VECTOR FINANCIAL SERVICES LIMITED mortgage loan to 168 Old Kennedy Inc. upon the security of all property and assets comprising 168-178 Old Kennedy Road in Markham, Ontario.
Vector Reference No. #19-17

We are pleased to submit herewith our agreement to provide mortgage financing (herein called the "Loan") for the Property (as defined herein), subject to receipt and satisfactory review by the Lender (as defined herein) of all deliveries and information required herein, and upon and subject to the terms and conditions set out in this letter (herein called this "Commitment").

Each Borrower Entity (as defined herein) acknowledges and agrees that the provisions of this Commitment shall constitute a binding and enforceable agreement amongst the Lender and each Borrower Entity made for valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each Borrower Entity), and shall be enforceable by the Lender against each Borrower Entity who shall be jointly and severally liable for the obligations and liabilities set out in this Commitment.

1. **LENDER** (the "Lender" or "Vector"):

Vector Financial Services Limited

2. **BORROWER(S)** (individually and collectively, the "Borrower"):

168 Old Kennedy Inc.

3. **BENEFICIAL OWNER(S)** (individually and collectively, the "Beneficial Owner"):

The Borrower is the nominee and bare trustee of the Property for and on behalf of the beneficial owner(s) listed below, and the Property is not recorded as an asset of the Borrower on its financial statements.

BENEFICIAL OWNER(S): TBD

4. **GUARANTOR(S)** (individually and collectively, the "Guarantor"):

Mr. Sammy Wing Fu Hui & Shao (Mark) Jun Xiao

245 Eglinton Avenue East, Suite 400, Toronto, Ontario M4P 3B7
Phone: 416-483-8018 Fax: 416-483-9763
www.vectorfinancialservices.com

A handwritten signature in black ink, appearing to be a stylized 'S' or 'W', located at the bottom right of the page.

5. **WAIVER OF CONDITIONS:**

In addition to any other conditions set out in this Commitment, the Loan and the Lender's obligation to make the initial advance of the Loan are subject to the review and approval by the Lender in its sole discretion of the Conditions Precedent outlined in Section 21 below. Any such approval by the Lender shall be issued and communicated by the Lender to the Borrower in writing and is herein called the "Waiver of Conditions". The Waiver of Conditions may be issued upon terms and conditions which are not materially different from those set out in this Commitment (and it is agreed that a change of the Scheduled Closing Date (as defined herein) and/or the Expiry Date shall not be material), or upon terms and conditions which are materially different from those set out in this Commitment. For greater clarity, it is acknowledged and agreed that the Lender has no obligation to issue a Waiver of Conditions

6. **LOAN AMOUNT** (the "Loan Amount" or "Principal Amount"):

SIX MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$6,700,000)

7. **PURPOSE OF LOAN & EXIT:**

- (a) The Loan will be used to refinance the acquisition of the following real properties (individually and collectively, the "Property", which includes all related buildings, improvements, leases, rents, equipment, surveys, plans, development plans, agreements, permits, and other personal property of every nature and kind):

Address	Legal Description	PIN
168 - 178 Old Kennedy Rd, Markham, Ontario	BLOCK 2, PLAN 65M4289 T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 4, 6, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN THE LIMITS OF PT 1, PL 65R30487, AS IN MA91760; T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 2, 4, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN LIMITS OF PT 5, PL 65R30487, AS IN MAT 10959; TM/ EASE OVER PT E1/2 LT 2, ONC 5, PTS 2, 6, 7 & 8 IN FAVOUR OF PT BLK 1, PL 65M4289 LYING WITHIN LIMITS OF PT 3, PL 65R30487, AS IN R694330; S/T EASE AS IN YR1610522; SR EASE IN GROSS AS IN YR1684881;; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1749103; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1778673; SUBJECT TO AN EASEMENT AS IN YR1905638; SUBJECT TO AN EASEMENT OVER PTS 2, 4 & 6, 65R33280 IN FAVOUR OF BLK 3, PL 65M4289 AS IN YR1936318; CITY OF MARKHAM	02953-0145

- (b) The proposed development of the Property will include the construction of 64 stacked townhouses with a Gross Floor Area of approximately 68,500 square feet (the "Project"). The Borrower represents that the current zoning allows for the development of the proposed Project.



(c) Uses and Sources of Funds:

	Total
<u>Uses of Funds:</u>	
Refinance Existing 1 st Mortgage	\$5,940,000
Interest Reserve (First 6 months)	\$320,000
Soft Costs	\$310,000
Lender Fee	\$117,250
Legal & Closing Costs Est.	\$12,750
TOTAL	\$6,700,000
<u>Sources of Funds:</u>	
Vector Loan	\$6,700,000
TOTAL	\$6,700,000

(d) The Loan shall be repaid out of the sale or refinancing of the Property.

8. **LOAN PRIORITY:**

Except as otherwise expressly provided herein, the Loan and all Loan security shall rank in **first priority** to or in respect of the interests of each Borrower, Beneficial Owner, and Guarantor (individually and collectively, the "**Borrower Entity**"), all other mortgagees and all other persons having any interest in the Property.

9. **CLOSING:**

The actual date upon which the full advance or initial advance, as the case may be, of the Loan occurs is herein called the "**Initial Advance Date**", the "**Closing Date**", "**Closing**" or other similar reference. As required by the context, "**Closing**" also means the successful completion of the Loan and the full or initial advance thereunder as the case may be.

The Closing shall occur on **June 10, 2019** unless, prior thereto, the Borrower and the Lender agree in writing (which may be evidenced by one or more emails from or between the Borrower and/or the Lender and/or their respective solicitors) that the Closing shall occur on some other date; and the date set out in this paragraph or such other date, as the case may be, is herein called the "**Scheduled Closing Date**".

Each Borrower Entity acknowledges that the Loan will be syndicated by the Lender to one or more investors, who will provide to the Lender prior to the Scheduled Closing Date their respective shares of advances to be made under the Loan with the expectation that the Closing shall occur on the Scheduled Closing Date and that interest shall accrue from and after the Scheduled Closing Date. Each Borrower Entity acknowledges and agrees that interest shall accrue from and after the Scheduled Closing Date on the funds intended to be advanced on that date notwithstanding that, in order to comply with all of the terms and conditions of the Commitment, the actual Closing may not occur until after the Scheduled Closing Date.

The Closing shall take place not later than **June 24, 2019** or such other date as agreed in writing by the Borrower and the Lender (the “**Expiry Date**”). Unless extended by an agreement in writing, this Commitment shall terminate at 5:00 p.m. EST on the Expiry Date, and the Lender shall have no obligation to make the full or initial advance of the Loan after such time.

10. **TERM & MATURITY:**

All Loan indebtedness shall become due and repayable in full on the 10th day of the month which is **13 months** calendar months after the Interest Adjustment Date (the “**Maturity Date**”).

11. **INTEREST ADJUSTMENT DATE** (the “**Interest Adjustment Date**” or “**IAD**”)

The 10th day of the month next following the Closing Date.

12. **STEP-UP DATE** (the “**Step-Up Date**”):

The 10th day of the first calendar month immediately prior to the Maturity Date, or such earlier date as may be established pursuant to the Borrower’s election for prepayment pursuant to Section 16 hereof.

13. **INTEREST RATE** (the “**Interest Rate**”):

For the period from and including the Scheduled Closing Date to and including the day immediately preceding the Step-Up Date, the greater of: (i) 9.55% per annum, and (ii) the Prime Rate plus 5.60 %; and

From and after the Step-Up Date and until the Loan indebtedness is repaid in full, the greater of: (i) 12.0%, and (ii) the Prime Rate plus [8.05%].

“**Prime Rate**” means the prime rate of interest announced from time to time by Canadian Imperial Bank of Commerce at its head office in Toronto, Ontario as a reference rate for determining interest rates on Canadian dollar commercial loans in Canada.

Each Borrower Entity acknowledges and agrees that the increase in the Interest Rate on the Step-Up Date occurs solely by passage of time, and not as a result of the occurrence of any default or event of default.

Interest shall be adjusted daily as to fluctuations in the Prime Rate.

14. **AMORTIZATION:**

Not applicable (interest only loan).

15. **PAYMENT DATE:**

Due monthly, on the 10th day of each month, or on the following business day if the 10th day of any month is not a business day (herein called the “**Payment Date**”), not in advance, with interest being calculated daily (on the basis of 360 days/year), and compounded monthly on each Payment Date on the total of the principal balance plus any accrued interest outstanding on the Payment Date.

16. **PREPAYMENT:**

The Loan is closed and not open for prepayment in whole or in part prior to the 10th day of the 6th month after the Interest Adjustment Date.

When not in default and upon giving to the Lender not less than 30 days prior written notice of the Borrower's election and intended date to do so, the Borrower may at any time on or after the 10th day of the sixth (6th) month after the Interest Adjustment Date prepay the whole (but not part) of the then outstanding Principal Amount plus (i) all accrued and unpaid interest and compound interest calculated to and including the date of prepayment, and (ii) all costs and expenses then due and payable to the Lender under the Loan Documents (as defined herein). From and after the giving of any such notice, the date of such prepayment so selected by the Borrower shall become the Step-Up Date. In the event that any such notice is given by the Borrower, and if payment is not made in accordance with such notice, the entire Loan indebtedness shall become due and payable forthwith at the option of and upon demand by the Lender, together with an additional 3 months interest in accordance with the Mortgages Act (Ontario) if applicable.

17. **PARTIAL DISCHARGES:**

There shall be no partial discharges permitted.

18. **LOAN FEES AND DISBURSEMENTS:**

As consideration for the time, effort, and expense incurred by the Lender and its officers and employees in reviewing the financial and other information, plans, development proposals, materials and other documents, and undertaking the investigations, inspections and other due diligence necessary to prepare and approve this Commitment, each Borrower Entity jointly and severally agrees to pay to the Lender the amount of \$117,250 (the "Commitment Fee") as follows:

- (a) **\$50,000** (the "Earnest Fee") due and payable upon acceptance of this Commitment. In lieu of cash payment, the Borrower acknowledges that in the event the transaction contemplated herein does not close for any reason, any costs and expenses incurred by the Lender, including third party costs and expenses, shall be added to the balance of the existing mortgage secured by the Property, subject to the following:
 - (i) if the documents and information submitted by the Borrower are determined by the Lender to be materially different than as originally represented, or if the Borrower fails to provide all documents and information as reasonably requested by the Lender to substantiate the Borrower's original representations to the Lender, the Earnest Fee shall be retained by the Lender even if it declines to issue the Waiver of Conditions;
 - (ii) if the Lender issues the Waiver of Conditions upon terms and conditions which are not materially different from those set out in this Commitment (and it is agreed that a change of the Scheduled Closing Date and/or the Expiry Date shall not be material), or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted, the Earnest Fee shall be retained by the Lender; and

- (b) the balance of the Commitment Fee in the amount of \$67,250 shall be deemed earned after issuance by the Lender of the Waiver of Conditions upon terms and conditions which are not materially different from those set out in this Commitment (and it is agreed that a change of the Scheduled Closing Date and/or the Expiry Date shall not be material) or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted. This amount shall be payable at the time of and deducted from the initial Loan advance or on the Expiry Date, whichever shall first occur.

For greater clarity, if the Lender issues the Waiver of Conditions upon substantially the same terms and conditions as this Commitment or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted, and any Borrower Entity defaults under this Commitment prior to the full or initial advance of the Loan, the Borrower elects not to draw down on the Loan or any part thereof, or if the full or initial advance of the Loan does not occur for any other reason through no fault of the Lender, the Earnest Fee shall be retained by the Lender and the balance of the Commitment Fee in clause (b) above as well as an amount equal to 6-months of Interest on the Loan, shall be deemed earned and due and payable forthwith to the Lender by each Borrower Entity, who shall each be jointly and severally liable for the same.

The Borrower and not the Lender shall be responsible for payment of any brokerage or finder's fees, commissions or other compensation, and applicable taxes (collectively, the "**Brokerage Fees**") payable to any other person not affiliated with or contracted by the Lender in connection with the Loan and shall indemnify and hold the Lender and all related entities harmless in respect of same. The Commitment Fee does not include the Brokerage Fees. Such Brokerage Fees will have an impact on the total cost of borrowing reflected on the Statement of Mortgage. The Brokerage Fees shall be directly negotiated between the Borrower and the Mortgage Broker, and paid by the Borrower to the Mortgage Broker, and the Lender shall not have any responsibility for collection or payment thereof.

The Borrower acknowledges and agrees to pay, in addition to all other fees and costs described in Section 18, the typical incidental fees that the Lender may charge from time to time during the term of the Loan, as listed on "**Schedule A**" attached hereto.

Whether or not the transaction contemplated herein is successfully completed, the Borrower agrees to pay, in addition to all other fees and costs described in this Section 18, the reasonable legal fees and disbursements of the Lender's legal counsel, **Jonathan Freeman of Cassels Brock & Blackwell LLP**, or such other legal counsel appointed by the Lender at any time (the "**Lender's Solicitors**"), for all customary or extraordinary legal services required by the Lender in connection with the Loan. The Borrower acknowledges that the Lender may engage its legal counsel upon signing of this Commitment Letter.

Each Borrower Entity acknowledges and agrees that: (i) after Closing and at all times following the occurrence of any default or Event of Default (as defined in the Loan Documents including the failure to repay the Principal Amount by the Maturity Date), the Borrower will pay to the Lender all amounts equal to any special servicing fee payable by the Lender to its Loan servicer (calculated and payable monthly at a rate of 0.25% per month multiplied by the then-outstanding Principal Amount) following any default or Event of Default (whether or not subsequently cured, and regardless of how such Loan indebtedness is paid to or recovered by the Lender, including all payments subsequently made by the Borrower and applicable taxes thereon); and (ii) all such servicing fees are fair and commercially reasonable costs and expenses incurred by the Lender in connection with the Loan and do not constitute a fine, penalty, or default interest charged on arrears of principal or interest. Until paid by the Borrower to the Lender, all amounts payable on account of such servicing fees (and applicable taxes) will be costs within the meaning of the Loan Documents, and together with interest thereon at the applicable Loan interest rate, will be added to the Loan indebtedness and will be secured by the Loan Documents.

19. **ADVANCES:**

On the Closing Date, the full Loan Amount of \$6,700,000 (the "**Initial Advance**") will be advanced to or for the benefit of the Borrower as follows:

- (a) the amount of \$117,250 will be paid to the Lender on account of the outstanding balance of the Commitment Fee;
- (b) the amount of \$630,000 will be retained by the Lender or the Lender's Solicitors on account of the following loan reserve(s) (individually and collectively called the "**Loan Reserve**"):
 - (i) the amount of \$320,000 as and on account of an interest reserve (the "**Interest Reserve**") to be used to fund the first six (6) months of interest coming due under the Loan; and
 - (ii) the amount of \$310,000 as and on account of a reserve to be used to pay future arm's length soft costs related to the Project (the "**Soft Costs Reserve**") and released to the Borrower in accordance with the budget of such costs as provided by the Borrower before the Closing Date and approved by Vector or its consultant(s) retained for such purpose. Upon receipt of satisfactory evidence that such costs (excluding HST) have been incurred for the benefit of the Project, Vector shall have up to 5 business days to process a payment to the Borrower.

The Borrower shall acknowledge that the Loan Reserve shall be deemed to have been fully advanced by the Lender to the Borrower and shall bear interest from and after the date of the Initial Advance at the rate and upon the terms set out in the Loan Documents. The Loan Reserve, together with any interest earned thereon, shall be pledged by the Borrower to the Lender as security for the Loan. In the event the Loan is in default, the Lender shall be entitled to utilize and apply, as determined by the Lender in its sole discretion, all or any part of the Loan Reserve toward payment of principal, interest, costs, and other monies owing under the Loan.

- (c) the balance in the amount of \$5,952,750 (after deducting an amount for interest from the Closing Date until the IAD) will be deposited with the Lender's Solicitors and will be applied to or for the benefit of the Borrower to pay for closing costs (including brokerage fees, outstanding realty taxes, and legal costs), refinancing of the Property and other costs pursuant to the provisions set out herein.

20. SECURITY:

The Loan and all Loan indebtedness will be secured and supported by the following documents (the “**Loan Documents**”), each to be in form and substance satisfactory to the Lender and the Lender’s Solicitors:

- (a) a Charge/Mortgage of the Property in the principal amount of \$6,700,000 and securing all Loan indebtedness;
- (b) a General Assignment of Leases and Rents in respect of the Property;
- (c) a General Security Agreement over all personal property of every nature and kind located at, used in connection with or relating to the Property and the Project which is owned by or leased to the Borrower or any Beneficial Owner;
- (d) an indemnity made by each Borrower Entity in favour of the Lender, in the Lender’s standard form, for and in respect of: (i) unauthorized removal of any secured collateral from the Property; (ii) waste or damage to the Property arising from intentional misconduct, willful neglect, or gross negligence of any Borrower Entity; (iii) any and all environmental matters; (iv) any claim that any amount paid from any Loan advance as a Loan Reserve or other reserve or on account of any Subsequent Advance or costs has not been advanced or does not bear interest or is not secured by the Loan documents; (v) failure to comply with any requirements of the Loan Documents regarding new leases, renewal or extension of existing leases, or insurance of the Property; (vi) any fraud or material misrepresentation in connection with the Loan; (vii) misappropriation of rents, insurance proceeds, or expropriation proceeds; (viii) breach of restrictions relating to transfers or encumbrances of the Property; or (ix) breach of restrictions relating to redemption of or payment of dividends under any of the shares or units of any Borrower Entity or withdrawal of any proceeds, profits, capital, or other equity from the Project;
- (e) an unlimited joint and several guarantee made by each Guarantor for all Loan indebtedness;
- (f) if applicable, an agreement by each Beneficial Owner consenting to the Loan, authorizing and directing the Borrower to enter into the Loan Documents, and confirming that the interests of each Beneficial Owner are subject and subordinate to the interests of the Lender under the Loan Documents;
- (g) an Assignment of Material Documents relating to the Project including, without limitation, all designs, plans, site plans, studies, reports, deposits and levies paid, consultants and construction contracts, management agreements, and all other agreements relating to the development and ongoing management of the Property;
- (h) irrevocable directions to each governmental or quasi-governmental authority that has been provided any security deposit relating to the Project, and to the issuer of each letter of credit provided to satisfy any such security deposit, to pay to the Lender all monies representing such security deposit, or posted to secure such letter of credit forthwith upon partial or full release of the requirement for such security deposit and return of the applicable letter of credit as the case may be; and each such irrevocable direction shall be acknowledged by the holder of the security deposit or issuer of the letter of credit as the case may be;
- (i) an assignment of all Agreements of Purchase and Sale pursuant to which the Project or any part thereof will, upon completion, be acquired by the Borrower;

- (j) an assignment and agreement in respect of the Loan Reserves in accordance with the provisions set out herein;
- (k) an assignment of proceeds of all property and liability insurance policies;
- (l) a subordination and standstill agreement between the Lender and any approved subsequent mortgagees, in form and content satisfactory to the Lender and the Lender's Solicitors;
- (m) customary resolutions and officers' certificates in respect of each Borrower Entity that is not an individual;
- (n) one or more opinions provided by counsel for each Borrower Entity, each in form and substance satisfactory to the Lender and the Lender's Solicitors, confirming the existence, power, authorization and execution of the loan documents by each Borrower Entity that is not an individual and the enforceability of the loan documents against each Borrower Entity;
- (o) one or more title insurance policies insuring the Lender's interest in the Property ; and
- (p) such other security, documents, acknowledgements, directions, undertakings, and other assurances as may be reasonably required by the Lender or the Lender's Solicitors.

21. **PRE-FUNDING DELIVERABLES:**

Issuance of the Commitment by the Lender shall be subject to its receipt and satisfactory review of each of the following items, which must be received no later than 7 days following acceptance of this Commitment in order to allow the Lender sufficient time to complete its review and intended syndication of the Loan:

- (a) current and previous 2 years externally prepared audited financial statements for each Borrower Entity that is not an individual, and an opening balance sheet and trial balance for the most recent month-end of the project;
- (b) current signed Net-Worth Statement for each Borrower Entity that is an individual;
- (c) a credit check, which will be required and is consented to by each Borrower Entity. In addition, a corporate and personal due diligence check, using the services of Sterling BackCheck, which will be conducted by the Lender and is consented to by each Borrower Entity. The cost of the review shall be borne by the Borrower (See Schedule "A").
- (d) evidence that, following the Initial Advance, there shall be not less than \$4,000,000 of cash equity in the Property and/or the Project contributed by one or more Borrower Entities from their own resources and not from borrowed sources;
- (e) an organization chart showing the relationships to the Property amongst the Borrower, each Beneficial Owner (if any), and their respective shareholders and unit-holders as the case may be;

- (f) for each Borrower Entity that is a corporation, (i) copies of its articles of incorporation and all amendments thereto, and (ii) the full names of all officers, directors, and shareholders thereof, including number and class of shares;
- (g) for each Borrower Entity that is a partnership or trust, copies of the signed partnership or trust agreement as the case may be and any amendments thereof;
- (h) copy of the birth certificate, passport or citizenship card for each Borrower Entity that is an individual;
- (i) the following reports for each Property, each prepared by a consultant acceptable to the Lender and with a reliance letter addressed to the Lender stating that it may rely on such report:
 - (i) appraisal report prepared within the past 6 months on an "As-Is" basis prepared by an AACI;
 - (ii) current Phase 1 Environmental Report;
 - (iii) if necessary, current Phase 2 Environmental Report;
 - (iv) current Geological Report; and
- (j) the final Agreements of Purchase and Sale including all amendments thereto, entered into by the Borrower to acquire each Property;
- (k) detailed development budget(s) and schedule(s), indicating individual costs per line item.
- (l) a pro-forma profit statement;
- (m) if applicable, evidence that the Borrower, or a related entity that will be constructing the Project, is registered as a builder under the Tarion Warranty Program (Ontario);
- (n) if applicable, the letter of credit requirements and associated release requirements of each applicable municipal or other governmental authority;
- (o) copies of all offers to lease, leases, rental agreements, licences, and other occupancy agreements, and all amendments thereof, affecting the whole or any part of each Property, together with tenant estoppel certificates if required by the Lender;
- (p) an overview and assessment report by the Lender's planning consultant that the Project is permitted under current zoning by-laws and can be developed with reasonable effort and within a reasonable time frame. The cost of the review shall be borne by the Borrower (See Schedule "A");
- (q) a current and up-to-date survey of each Property signed and certified by a duly qualified Ontario Land Surveyor and prepared in accordance with all applicable surveying standards and practices for real properties in Ontario; and

- (r) satisfactory evidence that property and liability insurance has been obtained for the Property in accordance with the particulars thereof set out on **Schedule "B"** attached hereto, and that all premiums in respect thereof have been paid in full. The Borrower will pay or reimburse the Lender for the fees, disbursements, and applicable taxes incurred by the Lender's insurance consultant for its review of the insurance policies (see **Schedule "A"**).

22. **SYNDICATION AND COMMITMENT CONFIRMATION:**

The Lender reserves the right to syndicate an interest in the Loan to one or more co-lenders who may or may not be related to the Lender. Each Borrower Entity consents to the disclosure by the Lender to any such prospective assignee/participant of all information and documents regarding the Loan, each Property, and each Borrower Entity that is in the possession or control of the Lender.

The Lender shall be allowed until its issuance of a Waiver of Conditions upon terms and conditions which are not materially different from those set out in this Commitment, or until such later time as may be provided by a Waiver of Conditions upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted, to syndicate a portion or portions of the Loan, in an amount or amounts and upon terms to be determined by and satisfactory to the Lender in its sole discretion, failing which and upon written notice thereof given by the Lender to the Borrower, this Commitment will be terminated and at an end, the balance of the Commitment Fee will not be payable and the Earnest Fee shall be returned to the Borrower net of any and all disbursements incurred by or on behalf of the Lender for legal fees, third-party peer review, and any other reasonable disbursements incurred by the Lender in reviewing the Loan.

23. **OPTION TO PROVIDE CONSTRUCTION FINANCING:**

If not provided for by this Commitment, the Lender shall have the first right to provide construction financing for the Project on terms mutually agreed to between the Lender and the Borrower. Neither the Lender nor the Borrower are required to provide, nor accept, the terms should such construction financing be offered by the Lender.

24. **INFORMATION UPDATES AND FINANCIAL REPORTING:**

Until repayment of the Loan, the Borrower(s) shall provide to the Lender, within 14 days after each request for the same, such updated information relating to any of the Project or condition precedent requirements as the Lender may request from time to time. Failure to provide items 24 (a) through 24 (c) may constitute a default in the Lender's sole discretion.

Until repayment of the Loan or upon request, each Borrower Entity shall provide to the Lender, within 120 days after the end of its fiscal year, the following:

- (a) Audited financial statements of each Borrower Entity that is not an individual, including a balance sheet and supporting schedules, a detailed statement of income and expenses and supporting schedules, and a statement of change in cash flow;
- (b) Updated net worth statements of each Borrower Entity that is an individual;
- (c) Notice to Reader financial statements in respect of the Property, including a balance sheet and supporting schedules and, if applicable, a detailed statement of income and expenses and supporting schedules;

- (d) If applicable, a current rent roll for the Property containing such detail as may be required by the Lender; and
- (e) If applicable, a budget for the Property for the next fiscal year, forecasting operating income, expenses, and capital expenditures.

25. **GENERAL CONDITIONS:**

- (a) The Borrower agrees to at all times fully comply with all applicable federal, provincial, and municipal laws, statutes, regulations, rules, by-laws, orders, permits, licenses, authorizations, approvals, and all applicable common laws or equitable principles whether now or hereafter in force and effect and pertaining to the Property and each Borrower Entity;
- (b) If the Borrower intends to Lease any part of any Property, then the Lender must approve the tenant and its intended use. The Lender may require, in its sole discretion, a statutory declaration, signed by the Tenant, of its intended use. Estoppels certificates using the Lender's form will be required prior to Closing.
- (c) No subordinate financing to the Loan or subsequent encumbrance of the Property shall be permitted without the prior written consent of the Lender. The Borrower shall disclose to the Lender all existing or proposed financing related to the Project and shall not pledge or otherwise encumber its interest in any Properties or the Loan Documents to any party other than the Lender without the prior written consent of the Lender. This clause shall remain in effect for the term of the Loan. The Lender acknowledges that a second mortgage from 10114812 Canada Corporation in the amount of \$3,500,000 will be registered on title and will be subject to a Subordination and Standstill Agreement on the Lender's form.
- (d) No distributions of any kind (including but not limited to dividends, payment of interest or principal on any shareholders' loans, or management fees payable to any Borrower Entity) shall be permitted to be made to any Borrower Entity or any affiliate thereof or any of the respective directors, officers, and shareholders of them during the term of the Loan without the consent of the Lender, which consent may be arbitrarily withheld.
- (e) The Borrower shall operate a segregated bank account for the Property and the Project during the term of the Loan, and all receipts and payments for the Property and the Project must be deposited into and disbursed from such account; such funds and account shall not be co-mingled with any funds from other projects, properties and/or entities of or related to any Borrower Entity.
- (f) Notwithstanding the satisfaction of all Loan conditions and/or any other event or circumstance of any kind, the Lender will not be required to advance the Loan and may terminate this Commitment at any time if it determines, in its sole discretion, that any event or circumstance has occurred which, in the opinion of the Lender in its sole discretion, either has or could reasonably be expected to have a material adverse effect on (i) the value or marketability of the Property (including without limitation, the physical, environmental, or financial condition of the Property or any tenant or lease of the Property), or (ii) the financial or other condition of any Borrower Entity or its ability to observe and perform any of its respective covenants and obligations to the Lender under or in respect of the Loan and the Loan documents when due.

- (g) In the event of the Borrower failing to pay any amount when due; being in breach of any covenant, term, condition of this Commitment or any Loan Document; if any representation made by or information provided by any Borrower Entity or its agent or representative is found to be untrue or incorrect; or if any default or Event of Default (as defined in the Loan Documents) occurs, the Borrower shall be in default of its obligations and the Lender may, at its option, declare the Loan indebtedness and any other amount due under this Commitment and the Loan Documents to be forthwith due and payable, or cease or delay further funding, and/or exercise any and/or all remedies available to it at law or in equity.
- (h) If the Lender deems that use of any Property is illegal, it shall be permitted to inform any governmental authority of the same.
- (i) Until all Loan indebtedness is fully repaid, the Lender shall have the right, on reasonable notice, to conduct inspections of each Property to ensure that it is properly maintained and that its intended use conforms to all laws.
- (j) Each Borrower Entity shall jointly and severally indemnify and save harmless the Lender and its directors, officers, shareholders', agents, trustees, employees, contractors, licensees, and other representatives from and against any and all losses, damages, injuries, expenses, suits, actions, claims, and demands of every nature and kind whatsoever arising out of the provisions of this Commitment and the Loan Documents, any letters of credit or letters of guarantee issued, and any sale or lease of any Property and/or the Project and/or the use or occupation thereof, including, without limitation, those arising from the right to enter any Property at any time and to carry out the various tests, inspections, and other activities permitted by this Commitment and the Loan Documents. In addition to the obligations and liabilities of each Borrower Entity under this Commitment and the Loan Documents, each Borrower Entity shall be jointly and severally liable for any and all of the Lender's costs, expenses, damages, or liabilities, including, without limitation, all reasonable legal fees, directly, or indirectly arising out of, or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence on, under, or about any Property of any hazardous or noxious substances. The provisions of this subparagraph are (i) separate and distinct obligations from the other obligations of each Borrower Entity under this Commitment and the Loan Documents; (ii) survive the repayment of the Loan indebtedness and satisfaction of such other obligations and discharge of the Loan Documents; (iii) are not discharged or released by foreclosure by the Lender under the Loan Documents; and (iv) shall continue in effect after any transfer of any Property including, without limitation, transfer pursuant to any judicial or non-judicial foreclosure proceeding or by any transfer in lieu of foreclosure.
- (k) The Borrower and Guarantor(s) will provide the usual warranties and representations respecting: the accuracy of financial statements and that there has been no material adverse change in the financial condition or operations of any Borrower Entity as reflected in the financial statements used by the Lender to evaluate the Loan; title to each Property; the power and authority of each Borrower Entity to execute and deliver documents; the accuracy of documents delivered and representations made to the Lender; that there are no pending adverse claims, outstanding judgments or defaults under agreements relating to any Property and/or the Project; the payment of all taxes; that no consents, approvals or authorizations are necessary or, if required, that same have been obtained; the compliance with the Construction Lien Act (Ontario); the status of permitted encumbrances; that all necessary services are available to the Project; that no hazardous substances are used, stored, discharged, or present on any Property; and such other reasonable matters as the Lender or the Lender's Solicitors may require.

- (l) The voting and managerial control of the Borrower shall not be changed without the prior written consent of the Lender in its sole discretion.
- (m) The location(s) of the Borrower's offices and records shall not be changed without the prior written consent of the Lender acting reasonably.
- (n) Loan disbursement(s) shall take place only upon title to the Property being acceptable to the Lender's Solicitors and all matters in connection with the priority, validity, and enforceability of the Loan Documents and other documentation deemed necessary or advisable by Lender's Solicitors being complied with by each Borrower Entity as applicable.
- (o) The Borrower shall pay forthwith on demand all other reasonable fees and disbursements incurred or to be incurred in connection with the Loan Documents and all other documents, including, without limitation, registration costs, discharge costs, appraisal fees, surveyor's costs, and monitoring costs and costs itemized on Schedule "A" hereto.
- (p) The express or implicit waiver by the Lender of any breach or default by any Borrower Entity under this Commitment or any Loan Document shall not be construed as a waiver of any other or subsequent breach or default by such Borrower Entity. Any failure by the Lender to exercise any of its rights or remedies shall not constitute or be construed as a waiver thereof.
- (q) This Commitment, the Loan, and the Loan Documents may be assigned, transferred, or otherwise disposed of by the Lender in whole or in part to any third party without the consent of any Borrower Entity.
- (r) This Commitment is not assignable by any Borrower Entity.
- (s) The Lender shall have the right to provide at its cost a sign, no greater than 4 feet x 6 feet, advertising the fact that financing was provided by the Lender. The sign shall be erected by the Borrower at its cost in a prominent location on or about the hoarding or construction fence at a location mutually agreed by the Borrower and the Lender.
- (t) This Commitment shall be read in conjunction with the Loan Documents. In the event of any inconsistency between the terms of this Commitment and the terms of any of the Loan Documents, the Lender shall decide, in its sole discretion and at its option, which shall prevail.

26. IDENTIFICATION OF BORROWER ENTITIES:

Prior to Closing, each Borrower Entity will be required to produce certificates and identification acceptable to the Lender and the Lender's Solicitors for the purpose of compliance with the provisions of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and regulations thereunder. Such identification shall be clear and legible copies of both the front and back of each identification document, shall include at least two identification documents (with at least one including photo ID), and shall be supported by a solicitor's certification thereof with confirmation that the identity of all persons signing as or on behalf of each Borrower Entity have been properly identified and that their signatures are genuine. An Ontario Health Card is not an acceptable identification document.

27. **REPRESENTATIONS AND ACKNOWLEDGEMENTS**

Each Borrower Entity acknowledges, represents and warrants that:

- (a) the Lender is a “Licensed Brokerage” (License No. 10160) and an “Administrator” (License No. 11205) under the Mortgage Brokerages, Lenders and Administrators Act (Ontario), and the Lender is not aware of any conflicts of interest in acting as lender herein and as a brokerage and administrator within the meaning of such Act, or as between the Lender and any Mortgage Broker (as defined above);
- (b) as of the date of the acceptance of this Commitment and as of the Closing Date, it has and will have the power, capacity, and authority to enter into this Commitment and to perform and complete the transaction contemplated herein, all of which has been duly authorized by all necessary corporate, partnership, and/or trust action(s) as applicable and that no third-party consents are necessary;
- (c) it has not withheld and will not withhold any information of a material nature relating to the Property, the Project or any Borrower Entity;
- (d) it has had an opportunity to consult its legal counsel, accountants, and other financial advisors;
- (e) it has been informed of and has considered the risks involved in the Loan, including, without limitation, that (i) the Lender is not an institutional lender; (ii) the Interest Rate and other terms of the Loan may be higher and more onerous than that of institutional lenders; (iii) the Loan will bear interest only and, except as otherwise provided, the entire outstanding Principal Amount, accrued and unpaid interest and costs will be due and payable in full on the Maturity Date; (iv) default under the Loan may result in the Borrower’s equity being at risk; (v) each Guarantor may be called upon to repay the Loan in full and make good on shortfalls required to fully repay the Loan; (vi) the Borrower’s ability to service and refinance the Loan may be dependent upon factors beyond the Borrower’s control, including, but not limited to, the impairment of the sources of cash flow, the Lender’s refusal to renew or extend the Loan on maturity thereof, the lack of other refinancing alternatives and/or adverse market conditions; and (vii) in the event any default under the Loan which is not cured within any time allowed therefor, the Lender will be entitled to enforce all remedies available by law including, without limitation, sale of or foreclosure upon any Property, seizure of rents and income, obtaining a court judgment and entitlement to payment of 3 months of additional interest; and
- (f) the Borrower’s ability to repay the Loan will not be supported by insurance upon the life of any Borrower Entity. The Borrower is encouraged to consult with its’ insurance professionals in such regard.

28. **PRIVACY LEGISLATION AND POLICIES**

The Lender and all of its related or associated companies (collectively, the “**Vector Group**”) follow and comply with the Personal Information Protection and Electronic Documents Act (Canada). Vector Group’s Privacy Policy is available at www.vectorfinancialservices.com. Each Borrower Entity confirms and represents that it has read, understands, and agrees to the Vector Group’s Privacy Policy.

Each Borrower Entity has provided certain personal and financial information to the Lender. Each Borrower Entity consents to the Lender using the information so provided to ascertain the credit-worthiness of the Borrower Entity, including, without limitation, obtaining credit reports; contacting the Borrower Entity's bank; verifying employment; and completing background, bankruptcy and criminal checks. Each Borrower Entity hereby grants permission to the Lender to obtain such credit reports.

The funds advanced under the Loan will likely come from a number of private participants who will each contribute to a portion of the Loan. The Mortgage Brokerages, Lenders and Administrators Act (Ontario) requires that all lenders have access to financial information about a borrower's ability to meet mortgage payments. This information is provided in the required *Investor/Lender Disclosure Statement for Brokered Transactions*, which all participants in the Loan will receive.

29. GENERAL CONTRACT PROVISIONS

This Commitment constitutes the entire agreement between the parties and there are no other representations, warranties, terms, or conditions pertaining to this Commitment or the subject matter hereof other than as herein set forth. All Schedules to this Commitment form a part hereof. No amendment or release of this Commitment shall be binding or enforceable unless made in writing signed by all of the parties hereto. Time is and shall remain of the essence under this Commitment, provided that the time for performing or completing any matter under or pursuant to this Commitment may be extended or abridged by an agreement in writing by the parties or their respective solicitors. Failure by any party to strictly enforce any provisions hereof shall not operate as a waiver or limitation of such party's rights hereunder in respect of any subsequent default. If any provision of this Commitment or the application thereof to any person or circumstance is to any extent held or rendered invalid, unenforceable, or illegal, it shall be considered separate and severable here from and all other provisions of this Commitment shall remain in full force and effect and be binding upon the parties hereto. The headings set forth in this Commitment are inserted for convenience and reference only and shall not define or limit the intent or interpretation of any of the provisions hereof. This Commitment shall be read and construed with all changes of gender and number of the party or parties referred to in each case as required by the context, and the covenants and agreements of each party shall be deemed to be joint and several where such party is more than one person, firm, or corporation. Nothing in this Commitment shall constitute or be construed or deemed as creating the relationship of principal and agent, partnership, joint tenancy, or joint venture between or amongst the Lender and any Borrower Entity. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles applied on a consistent basis. All amounts referred to in dollars shall mean dollars in lawful money of Canada unless otherwise expressly provided herein.

30. APPLICABLE LAW

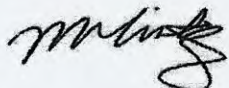
This Commitment shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. Each party hereto irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

168 Old Kennedy Inc.,
Commitment Letter- 168-178 Old Kennedy Rd, Markham
April 29, 2019

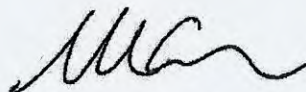
If the terms and conditions of this Commitment are acceptable, please so indicate by signing the attached copy of this Commitment and return it to the writer's attention by May 7, 2019.

Yours very truly,

VECTOR FINANCIAL SERVICES LIMITED



Noah Mintz
Managing Director
Lic. #: M08006173



Mitchell Oelbaum
Chief Operating Officer
Lic. #: M13001562


ACCEPTANCE

ACCEPTED on the terms and conditions herein provided this ___ day of _____, 2019.

168 Old Kennedy Inc. - As Borrower



Per:
I have the sole authority to bind the corporation.



Sammy Wing Fu Hui - As Guarantor

Witness:

Shao (Mark) Jun Xio - As Guarantor

Witness:

245 Eglinton Avenue East, Suite 400, Toronto, Ontario M4P 3B7
Phone: 416-483-8018 Fax: 416-483-9763
www.vectorfinancialservices.com

SCHEDULE "A" – FEE SCHEDULE

Item	Estimated Fee Amount	Comments
<u>Deducted From Initial Advance:</u>		
Expense Recovery re: Credit Sterling BackCheck	\$35 per credit report \$75 - \$150 (per guarantor)	<ul style="list-style-type: none"> To reimburse Lender for expenses incurred in ordering credit bureau and Sterling BackCheck investigations
Valuation Verification (Altus)	\$250 Per Loan	<ul style="list-style-type: none"> Valuation Verification
Site Inspection	To be determined	<ul style="list-style-type: none"> To reimburse lender for all reasonable costs incurred as part of due diligence
Title Search (Teranet)	\$40 per PIN	<ul style="list-style-type: none"> To confirm title (as required)
Property Insurance Review	\$500 - \$1,500	<ul style="list-style-type: none"> Peer review of insurance coverage by Intech Risk Management
Regulator Fee	\$750 per Loan	<ul style="list-style-type: none"> To reimburse Lender for expenses incurred in processing Loan with financial regulators
Environmental Site Assessment – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> Peer review of subject property for hazardous materials and contaminants
Geotechnical Reports – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> Peer review of subject property for site suitability
Cost Consultant Review	\$1,500 - \$2,500 per Report	<ul style="list-style-type: none"> Peer review of construction budget, work in place, and cost to complete
Planning Review	\$1,500 - \$3,000 per Report	<ul style="list-style-type: none"> Peer review of planned development
<u>Costs During Term of the Loan</u>		
Mortgage Statement	\$350 per Statement	<ul style="list-style-type: none"> For information purposes and audit verification
N.S.F. Cheque and/or Failed Debit under an EFT Plan	\$350 per occurrence	<ul style="list-style-type: none"> Borrower shall pay liquidated damages to cover the Lender's administrative costs
Insurance Coverage Change or Annual Review	\$350 per occurrence	<ul style="list-style-type: none"> Lapsed or cancelled insurance not reinstated or replaced by borrower. Lender shall have option to replace coverage without notice to borrower.
Subsequent Advance Review (Hard & Soft Costs)	\$500 - \$1,000	<ul style="list-style-type: none"> Deducted from the draw upon release of funds to the Borrower
Annual Review	\$500 per year	<ul style="list-style-type: none"> Confirmation of realty taxes, insurance coverage, and general project monitoring
Bank Processing Fee	\$500	<ul style="list-style-type: none"> On repayment of Loans over \$2 Million
Mortgage Discharge Statement	\$350 per statement	<ul style="list-style-type: none"> Pay off and discharge mortgage
<u>Default Costs:</u>		
Default Letters	\$750 per occurrence	<ul style="list-style-type: none"> For each collection letter written whether in connection with one default or more
Default Administration	\$2,500 First Month; \$5,000 Each Month Thereafter	<ul style="list-style-type: none"> \$2,500 for 1st default that remains uncured for 14 days, \$5,000 for all subsequent defaults that remain uncured for 14 days.

SCHEDULE “B” - INSURANCE REQUIREMENTS (as applicable)

1. Comprehensive General Liability insurance against loss from liability imposed by law as owner or landlord of the Property resulting from personal injury or death, and damage to or loss of property, of any person, in an amount not less than \$5,000,000 on a single occurrence basis. When Umbrella/Excess Liability insurance is evidenced, the Umbrella must follow form of the underlying Comprehensive General Liability.
2. “All Risks” Property Insurance in an amount not less than 100% of the full replacement cost of the subject property including improvements and personal property. OR

“All Risks” Builders Risk / Course of Construction Insurance on a replacement cost basis including the existing structures and/or new build projects. The insurance must insure against damage to or destruction including but not limited to footings, foundations and all parts above and below grade in the amount that equals the full rebuilding cost.

“All Risk” policies are subject to but not limited to the following coverages:

- a. Replacement cost endorsement;
 - b. Deletion from the policy any provision requiring reconstruction on same or adjacent sites;
 - c. An endorsement to the effect that the policy will cover any additional costs of reconstruction as a result of enforcement of current building by-laws and regulations, including the cost of demolition of any undamaged portion of any building or improvement and resultant business income
 - d. Such policy of insurance shall not contain a percentage co-insurance endorsement other than a stated amount co-insurance endorsement for an amount not less than full replacement cost;
 - e. Such policy of insurance shall be written with loss payable and mortgagee to the Lender in accordance with a form of mortgage clause approved by the Insurance Bureau of Canada or other organization acceptable to the Lender including, without limitation, that the policy will remain in full force notwithstanding anything contained in or omitted from the application therefor, that such insurance will not be invalidated or affected by any act or omission of any person other than the Lender, and that such policy will not be cancelled, terminated or permitted to expire unless the Lender shall first receive 30 days prior written notice of same.
3. Standard Comprehensive form boiler and machinery insurance, including pressure vessels, heating, and air conditioning equipment and other like equipment forming part of the improvements on the Property, against loss or damage by explosion, rupture of steam pipes, and other usual risks covered by such insurance, in an amount which is equal to the full replace cost thereof, and upon and subject to the same terms and conditions required under paragraph 1;
 4. Insurance against loss of rent, rental value, and other payments required to be paid or made by tenants, or loss of income and profits from the business carried out on the Property from at least those risks covered by the insurance herein required and under which the period of indemnity will be not less than twelve months and to the extent of not less than 100% of such loss of gross rent or rental value, or income value from time to time with no co-insurance provisions; and
 5. Any and all other insurance coverages which the Lender may reasonably require from time to time.

The Lender will not accept “will endeavor” language in the cancellation notice. Other specific insurance policy wording requirements will be provided by Vector’s insurance consultant, Intech Risk Management Inc., and any revisions will be made in coordination with the Borrower and/or its insurance broker.

The foregoing shall not be construed as a recommendation or opinion by the Lender as to the full scope of insurance which may be required by a prudent owner of the Property, and each Borrower Entity is hereby advised to govern itself accordingly in that regard.

TAB L

This is **Exhibit "L"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.**



Vector Financial
SERVICES LIMITED

Brokerage Licence #10160, Administrator Licence #11205

COMMITMENT LETTER - AMENDMENT

September 3, 2019

168 Old Kennedy Inc.
505 HWY 7 East - PH
Thornhill, ON, L3T 7T1

Attention: Mr. Sammy Wing Fu Hui

RE: Vector Financial Services Limited (the "Lender") First (1st) Mortgage Financing (the "Loan") on 168-178 Old Kennedy Road in Markham, Ontario (the "Property") to 168 Old Kennedy Inc. (the "Borrower"). Vector Ref: 19-17

AND RE: The Commitment Letter issued by the Lender and addressed to the Borrower dated April 29, 2019 (the "Commitment Letter")

This letter will confirm our agreement to the following amendments to the Commitment Letter:

Section 6: The Loan Amount shall be revised to SIX MILLION FIVE HUNDRED THOUSAND DOLLARS (\$6,500,000)

Section 7c: Uses and Sources of Funds:

245 Eglinton Avenue East, Suite 400, Toronto, Ontario M4P 3B7
Phone: 416-483-8018 Fax: 416-483-9763
www.vectorfinancialservices.com

	Total
Uses of Funds:	
Repay Existing 1 st Mortgage	\$5,940,000
Other Costs to Payout Current 1 st Mortgage	\$45,000
Lender Fee	\$130,000
Payout 2 nd Mortgage	\$470,000
Legals & Closing Costs (Estimate)	\$15,000
TOTAL	\$6,600,000
Sources of Funds:	
Vector Loan	\$6,500,000
Borrower Equity	\$100,000
TOTAL	\$6,600,000

Section 9: The Scheduled Closing Date shall be amended to September 25, 2019 and the Expiry Date shall be amended to October 10, 2019.

Section 13: For the period from and including the Scheduled Closing Date to and including the day immediately preceding the Step-Up Date, the greater of: (i) **9.75%** per annum, and (ii) the **Prime Rate plus 5.80%**; and

From and after the Step-Up Date and until the Loan indebtedness is repaid in full, the greater of: (i) **12.00%**, and (ii) the **Prime Rate plus 8.05%**.

Section 18: The "Commitment Fee" shall be revised to **\$130,000** and the **Earnest Fee shall be revised to \$65,000.**

The balance of the Commitment Fee in the amount of **\$65,000** shall deemed earned after issuance by the Lender of the Waiver of Conditions (and the Borrower acknowledges that the balance of the Fee shall be added to the balance of the existing mortgage secured by the Property) upon terms and conditions which are not materially different from those set out in this Commitment (and it is agreed that a change of the Scheduled Closing Date and/or the Expiry Date shall not be material) or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted, and which amount shall be payable at the time of and deducted from the initial Loan advance or on the Expiry Date, whichever shall first occur.

Section 19: **Advances**

On the Closing Date, the full Loan amount of **\$6,500,000** shall be advanced to or for the benefit of the Borrower as follows:

- (a) the amount of **\$130,000** will be paid to the Lender on account of the outstanding balance of the Commitment Fee;
- (b) N/A
- (c) the balance in the amount of **\$6,370,000** (after deducting an amount for interest from the Closing Date to the IAD) will be deposited with the Lender's Solicitors and will be applied to or for the benefit of the Borrower to pay for closing costs (including outstanding realty taxes (if any), and legal costs), refinancing of the Property, and other costs pursuant to the provisions set out herein.

Section 20(a): A first charge/Mortgage of the Property in the principal amount of **\$6,500,000** and securing all Loan Indebtedness;

All other terms and conditions of the Commitment Letter shall remain the same and all parties hereto continue to be bound by the Commitment Letter as amended herein.

If the above is acceptable, please so indicate by executing and returning one original copy of this letter on or before September 4, 2019.

Yours very truly,

VECTOR FINANCIAL SERVICES LIMITED



Noah Mintz
Managing Director
Lic. #: M08006173



Mitchell Oelbaum
Chief Operating Officer
Lic. #: M13001562

ACCEPTANCE

ACCEPTED on the terms and conditions herein provided this day of _____, 2019.

168 Old Kennedy Inc. - As Borrower

Per:
I have the sole authority to bind the corporation.

Mr. Sammy Wing Fu Hui – As Guarantor

Witness:

Mr. Shao (Mark) Jun Xio – As Guarantor

Witness:

TAB M

This is **Exhibit "M"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.**

On Sep 25, 2019, at 4:53 PM, A.Sivakumaran <sivakumarana@yahoo.com> wrote:

Dear Mr.Mintz,

Sammy Hui has asked me to inform you that we need few more days to discuss your offer with the investors and Mark Xiao. Please accept our sincere apologies in not getting back to you today.

Thanks

Regards,

On Wednesday, September 25, 2019, 4:37:37 p.m. EDT, Noah Mintz <noah@vectorfinancialservices.com> wrote:

Gentlemen-

As I did not receive a response, I take it to mean this offer is NOT acceptable and you would like us to simply move forward with enforcement or towards a repayment. Please advise if this is not the case before 5 pm today.

From: Noah Mintz
Sent: September 24, 2019 11:51 AM
To: sammywhui@hotmail.com; A.Sivakumaran <sivakumarana@yahoo.com>
Subject: 168 Old Kennedy - Proposal

Sammy, Siva-

Further to our conversation, I have a proposal that in principle, our firm is okay with. We

have spoken with Alawn Lai and I believe he will be amenable to the solution as well. The Proposal is as follows:

- Vector will provide a Loan of \$6,300,000. The Loan will be used to repay our current mortgage and all accrued costs, fund associated fees and pay 50% of the funds owed to Alawn Lai.
- The Vector Loan will be for 12 Months, at a rate of 9.75% (or Prime + 5.80%, whichever is greater), with a 2% Lender Fee. The Loan will be open after 6 months upon 30 days' notice.
- Alawn Lai will extend the balance of his second mortgage (\$235,000) for 12 months. He will earn interest at 12% and the legal fees will be for the account of the Borrower.

I believe this is a reasonable solution for all parties. The alternative is that your group continue to pay the Overholding rate and Fees, or repay the Loan in full. If it can't be done, we would have to continue on with the enforcement as there would be no exit in site.

I Need a response in writing by 4 pm tomorrow.

Assuming we are a go, I will get sign off from Alawn Lai and I will issue you a formal Commitment, at which point there will be 48 hours to get it signed.

Gentlemen, this HAS to be wrapped up this week. If it is not, we won't have any choice but to move forward with the enforcement.

Regards

Noah

Noah Mintz

Managing Director

(416) 483-4367 (Office Direct)

(416) 483-8018 ext. 232 (Office)

(416) 300-6897 (mobile)

noah@vectorfinancialservices.com

Licence #M08006173

PLEASE NOTE OUR NEW ADDRESS:

245 Eglinton Avenue East, Suite 400

Toronto, Ontario, M4P 3B7

<image001.jpg>

www.vectorfinancialservices.com

400 – 245 Eglinton Avenue East, Toronto, ON, M4P 3B7

This communication contains confidential and privileged information and is intended only for the party to whom it is addressed. If you are not the intended addressee, you should not disseminate, distribute or copy this email. If you have received this telecommunication in error, please notify the sender immediately by return electronic mail and destroy the message.

<image001.jpg>

TAB N

This is **Exhibit "N"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.**



ServiceOntario

LAND
REGISTRY
OFFICE #65

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 4
PREPARED FOR lolliveira
ON 2019/11/11 AT 12:53:19

02953-0145 (LT)

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

PROPERTY DESCRIPTION:

BLOCK 2, PLAN 65M4289 T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 4, 6, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN THE LIMITS OF PT 1, PL 65R30487, AS IN M91760; T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 4, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN LIMITS OF PT 5, PL 65R30487, AS IN M110959; T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 2, 6, 7 & 8 IN FAVOUR OF PT BLK 1, PL 65M4289 LYING WITHIN LIMITS OF PT 3, PL 65R30487, AS IN R694330; S/T EASE AS IN YR1610522; S/T EASE IN GROSS AS IN YR1694881; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1749103; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1778673; SUBJECT TO AN EASEMENT AS IN YR1905638; SUBJECT TO AN EASEMENT OVER PTS 2, 4 & 6, 65R33280 IN FAVOUR OF BLK 3, PL 65M4289 AS IN YR1936318; CITY OF MARKHAM

PROPERTY REMARKS:

FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2007/12/11.

ESTATE/QUALIFIER:

RECENTLY:
SUBDIVISION FROM 02953-0143
PIN CREATION DATE:
2011/10/21

FEE SIMPLE

02953-0145 (LT)

LT ABSOLUTE PLUS

OWNERS' NAMES

CAPACITY SHARE
ROWN

168 OLD KENNEDY INC.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHRD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES AND	DELETED INSTRUMENTS SINCE 2011/10/21 **				
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **					
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **					
YR1610522	2011/02/15	TRANSFER EASEMENT	\$2	COTTONLANE ESTATES INC.	ROGERS COMMUNICATIONS INC.	C
YR1633701	2011/04/13	TRANSFER EASEMENT		*** DELETED AGAINST THIS PROPERTY *** COTTONLANE ESTATES INC.	ENBRIDGE GAS DISTRIBUTION INC.	
YR1649012	2011/05/18	CHARGE		*** DELETED AGAINST THIS PROPERTY *** COTTONLANE ESTATES INC.	CAMERON STEPHENS FINANCIAL CORPORATION	
YR1649400	2011/05/18	CHARGE		*** DELETED AGAINST THIS PROPERTY *** COTTONLANE ESTATES INC.	AVIVA INSURANCE COMPANY OF CANADA	
YR1684881	2011/07/27	TRANSFER EASEMENT		COTTONLANE ESTATES INC.	BELL CANADA	C
65M4289	2011/10/12	PLAN SUBDIVISION	\$90			C
65R33280	2011/10/13	PLAN REFERENCE				C
YR1728666	2011/10/18	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF MARKHAM	COTTONLANE ESTATES INC.	C
YR1728687	2011/10/18	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** CAMERON STEPHENS FINANCIAL CORPORATION	THE CORPORATION OF THE TOWN OF MARKHAM	C
REMARKS: YR1649012 TO YR1728666						

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.

02953-0145 (LT)

* 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
YR1728688	2011/10/18	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** AVIVA INSURANCE COMPANY OF CANADA TO YR1728686--AMENDED 2013/10/28-B. GOODE	THE CORPORATION OF THE TOWN OF MARKHAM	
		REMARKS: YR1694900 TO YR1728686---SHOULD BE YR1649400				
YR1728689	2011/10/18	TRANSFER EASEMENT		*** DELETED AGAINST THIS PROPERTY *** COTTONLANE ESTATES INC.	THE CORPORATION OF THE TOWN OF MARKHAM	
YR1728690	2011/10/18	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** CAMERON STEPHENS FINANCIAL CORPORATION	THE CORPORATION OF THE TOWN OF MARKHAM	
		REMARKS: YR1649012 TO YR1728689				
YR1728691	2011/10/18	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** AVIVA INSURANCE COMPANY OF CANADA	THE CORPORATION OF THE TOWN OF MARKHAM	
		REMARKS: YR1649400 TO YR1728689				
YR1728727	2011/10/18	APL ANNEX REST COV		COTTONLANE ESTATES INC.		C
		REMARKS: NO EXPIRY				
YR1749103	2011/11/28	TRANSFER EASEMENT	\$2	COTTONLANE ESTATES INC.	POWERSTREAM INC.	C
YR1749104	2011/11/28	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** CAMERON STEPHENS FINANCIAL CORPORATION	POWERSTREAM INC.	
		REMARKS: YR1649012 TO YR1749103				
YR1749105	2011/11/28	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** AVIVA INSURANCE COMPANY OF CANADA	POWERSTREAM INC.	
		REMARKS: YR1649400 TO YR1749103				
YR1769961	2012/01/12	NOTICE		THE CORPORATION OF THE TOWN OF MARKHAM	COTTONLANE ESTATES INC.	C
		REMARKS: SITE PLAN CONTROL AGREEMENT				
YR1769962	2012/01/12	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** AVIVA INSURANCE COMPANY OF CANADA	THE CORPORATION OF THE TOWN OF MARKHAM	
		REMARKS: YR1649400 TO YR1769961				
YR1769963	2012/01/12	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** CAMERON STEPHENS FINANCIAL CORPORATION	THE CORPORATION OF THE TOWN OF MARKHAM	
		REMARKS: YR1649012 TO YR1769961				
YR1778672	2012/02/01	NOTICE	\$2	COTTONLANE ESTATES INC.	METROLINK	C
		REMARKS: ADJACENT DEVELOPMENT AGREEMENT				
YR1778673	2012/02/01	TRANSFER EASEMENT	\$2	COTTONLANE ESTATES INC.	METROLINK	C

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.



Ontario ServiceOntario

LAND
REGISTRY
OFFICE #65

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 3 OF 4
PREPARED FOR Lolliveira
ON 2019/11/11 AT 12:53:19

02953-0145 (IT)

* 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
YR1778700	2012/02/01	POSTPONEMENT REMARKS: YR1649400 TO YR1778673		*** DELETED AGAINST THIS PROPERTY *** AVIVA INSURANCE COMPANY OF CANADA	METROLINK	
YR1778701	2012/02/01	POSTPONEMENT REMARKS: YR1649012 TO YR1778673		*** DELETED AGAINST THIS PROPERTY *** CAMERON STEPHENS FINANCIAL CORPORATION	METROLINK	
YR1815013	2012/04/30	NOTICE REMARKS: YR1728686		THE CORPORATION OF THE TOWN OF MARKHAM	COTTONLANE ESTATES INC.	C
YR1905638	2012/10/31	TRANSFER EASEMENT	\$2	COTTONLANE ESTATES INC.	ENBRIDGE GAS DISTRIBUTION INC.	C
YR1906619	2012/11/01	TRANSFER REL&ABAND REMARKS: YR1633701.		*** COMPLETELY DELETED *** ENBRIDGE GAS DISTRIBUTING INC.	COTTONLANE ESTATES INC.	
YR1936318	2013/01/21	TRANSFER EASEMENT	\$2	COTTONLANE ESTATES INC.	THE CORPORATION OF THE CITY OF MARKHAM	C
YR1936319	2013/01/21	POSTPONEMENT REMARKS: YR1649400 TO YR1936318		*** COMPLETELY DELETED *** AVIVA INSURANCE COMPANY OF CANADA	THE CORPORATION OF THE CITY OF MARKHAM	
YR1936320	2013/01/21	POSTPONEMENT REMARKS: YR1649400 TO YR1936318		*** COMPLETELY DELETED *** CAMERON STEPHENS FINANCIAL CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	
YR1936337	2013/01/21	TRANSFER REL&ABAND REMARKS: YR1728689.		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF MARKHAM	COTTONLANE ESTATES INC.	C
65R34092	2013/01/28	PLAN REFERENCE		*** COMPLETELY DELETED *** CAMERON STEPHENS FINANCIAL CORPORATION		
YR2055056	2013/10/31	DISCH OF CHARGE REMARKS: YR1649012.		*** COMPLETELY DELETED *** AVIVA INSURANCE COMPANY OF CANADA		
YR2084085	2014/01/15	DISCH OF CHARGE REMARKS: YR1649400.		*** COMPLETELY DELETED ***		
YR2392037	2015/11/19	TRANSFER		*** COMPLETELY DELETED ***		

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02953-0145 (LT)

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

* 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
YR2392038	2015/11/19	CHARGE		COTTONLANE ESTATES INC.	2080552 ONTARIO INC.	
YR2392047	2015/11/19	CHARGE		*** COMPLETELY DELETED *** 2080552 ONTARIO INC.	FOREMOST MORTGAGE HOLDING CORPORATION	
YR2392048	2015/11/19	CHARGE		*** COMPLETELY DELETED *** 2080552 ONTARIO INC.	COTTONLANE ESTATES INC.	
YR2462986	2016/04/27	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2080552 ONTARIO INC.	COTTONLANE ESTATES INC.	
		REMARKS: YR2392048.		*** COMPLETELY DELETED *** COTTONLANE ESTATES INC.		
YR2668044	2017/05/15	TRANSFER	\$8,800,000	2080552 ONTARIO INC.	168 OLD KENNEDY INC.	C
		REMARKS: PLANNING ACT STATEMENTS.				
YR2668083	2017/05/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** COTTONLANE ESTATES INC.		
		REMARKS: YR2392047.				
YR2668099	2017/05/15	CHARGE	\$5,940,000	168 OLD KENNEDY INC.	VECTOR FINANCIAL SERVICES LIMITED	C
YR2668100	2017/05/15	NO ASSGN RENT GEN		168 OLD KENNEDY INC.	VECTOR FINANCIAL SERVICES LIMITED	C
		REMARKS: YR2668099				
YR2668120	2017/05/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** FOREMOST MORTGAGE HOLDING CORPORATION		
		REMARKS: YR2392038.				
YR2668140	2017/05/15	CHARGE	\$1,020,038	168 OLD KENNEDY INC.	2080552 ONTARIO INC.	C
YR2709457	2017/07/28	CHARGE	\$3,500,000	168 OLD KENNEDY INC.	10114812 CANADA CORPORATION	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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TAB O

This is **Exhibit "O"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.**

Ontario Personal Property Registry System Summary

Secured Party	Debtor	PPSA File No.	Collateral Classification		Registration Date	Expiry Date
				Description		
Vector Financial Services Limited	168 Old Kennedy Inc.	727386552	I, E, A, O	Security documentation relating to property located at and municipally known as 168-178 Old Kennedy Road, Markham Ontario (Loan 17-18).	May 8, 2017	May 8, 2021
Vector Financial Services Limited Olympia Trust Company	168 Old Kennedy Inc.	751798827	I, E, A, O	All of the debtor's present and after-acquired personal property located at, on, or about the lands and premises municipally known as 168 to 178 Old Kennedy Road, Markham, Ontario or used or acquired in Connection with or primarily related to the business of the debtor conducted on or with respect to such lands and premises. Loan No. 19-17).	May 31, 2019	May 31, 2022

File currency as of November 6, 2019



PERSONAL PROPERTY SECURITY REGISTRATION
SYSTEM (ONTARIO) ENQUIRY RESULTS

Prepared for : ONCORP - CASSELS BROCK - Andrea Breden
Reference : 6025
Docket : 49004-51
Search ID : 748356
Date Processed : 11/7/2019 5:02:01 PM
Report Type : PPSA Electronic Response
Search Conducted on : 168 OLD KENNEDY INC.
Search Type : Business Debtor

DISCLAIMER :

This report has been generated using data provided by the Personal Property Registration Branch, Ministry of Government Services, Government of Ontario. No liability is undertaken regarding its correctness, completeness, or the interpretation and use that are made of it.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 168 OLD KENNEDY INC.

FILE CURRENCY: November 6, 2019

RESPONSE CONTAINS: APPROXIMATELY 2 FAMILIES and 3 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 168 OLD KENNEDY INC.

FILE CURRENCY: November 6, 2019

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 3

SEARCH : BD : 168 OLD KENNEDY INC.

00 FILE NUMBER : 727386552 EXPIRY DATE : 08MAY 2021 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20170508 1205 1590 3388 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: 168 OLD KENNEDY INC.
OCN :
04 ADDRESS : 505 HIGHWAY 7 EAST, PENTHOUSE
CITY : THORNHILL PROV: ON POSTAL CODE: L3T 7T1
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
VECTOR FINANCIAL SERVICES LIMITED
09 ADDRESS : 25 IMPERIAL STREET, SUITE 500
CITY : TORONTO PROV: ON POSTAL CODE: M5P 1B9
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13 SECURITY DOCUMENTATION RELATING TO PROPERTY LOCATED AT AND
14 MUNICIPALLY KNOWN AS 168-178 OLD KENNEDY ROAD, MARKHAM, ONTARIO (LOAN
15 NO. 17-18)

16 AGENT: CASSELS BROCK & BLACKWELL LLP (JFREEMAN #49004-22)
17 ADDRESS : SUITE 2100, 40 KING STREET WEST
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3C2

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 168 OLD KENNEDY INC.

FILE CURRENCY: November 6, 2019

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 2 ENQUIRY PAGE : 2 OF 3

SEARCH : BD : 168 OLD KENNEDY INC.

00 FILE NUMBER : 751798827 EXPIRY DATE : 31MAY 2022 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20190531 1015 9234 6694 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB : IND NAME:
03 BUS NAME: 168 OLD KENNEDY INC.
OCN :
04 ADDRESS : 505 HIGHWAY 7 EAST, PENTHOUSE
CITY : THORNHILL PROV: ON POSTAL CODE: L3T 7T1
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
VECTOR FINANCIAL SERVICES LIMITED
09 ADDRESS : 245 EGLINTON AVENUE EAST, SUITE 400
CITY : TORONTO PROV: ON POSTAL CODE: M4P 3B7
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY
14 LOCATED AT, ON, OR ABOUT THE LANDS AND PREMISES MUNICIPALLY KNOWN AS
15 168 TO 178 OLD KENNEDY ROAD, MARKHAM, ONTARIO, OR USED OR ACQUIRED IN
16 AGENT: CASSELS BROCK & BLACKWELL LLP (49004-51/TW)
17 ADDRESS : SUITE 2100, 40 KING STREET W.
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3C2

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 168 OLD KENNEDY INC.

FILE CURRENCY: November 6, 2019

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 2 ENQUIRY PAGE : 3 OF 3

SEARCH : BD : 168 OLD KENNEDY INC.

00 FILE NUMBER : 751798827 EXPIRY DATE : 31MAY 2022 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20190531 1015 9234 6694 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
OLYMPIA TRUST COMPANY
09 ADDRESS : PO BOX 2581, STN CENTRAL
CITY : CALGARY PROV: AB POSTAL CODE: T2P 1C8
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13 CONNECTION WITH OR PRIMARILY RELATED TO THE BUSINESS OF THE DEBTOR
14 CONDUCTED ON OR WITH RESPECT TO SUCH LANDS AND PREMISES. (LOAN NO.
15 19-17)

16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

LAST SCREEN

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

TAB P

This is **Exhibit "P"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.**



WRITER'S DIRECT LINE: (416) 869-5436

OUR FILE NO: 49004-51

September 6, 2019

DELIVERED BY REGISTERED AND ORDINARY MAIL AND EMAIL

168 Old Kennedy Inc.
c/o Wing-Fu Hui and
Shao Jun Xiao
505 Highway 7 East
Penthouse
Thornhill ON L3T 7T1

Wing-Fu Hui
505 Highway 7 East
Penthouse
Thornhill ON L3T 7T1

Shao Jun Xiao
505 Highway 7 East
Penthouse
Thornhill ON L3T 7T1

Yi Zhou Law Office
209 – 100 Cowdray Court
Toronto ON M1S 5C8

Attention: Y. Zhou

Dear Sirs/Mesdames:

**Re: Vector Financial Services Limited
Mortgage Loan to 168 Old Kennedy Inc.
(the "Borrower")
168 Old Kennedy Road, Markham, Ontario
Mortgage No. O Kennedy 17-18**

We are the solicitors for Vector Financial Services Limited and have been advised that the above-noted mortgage has matured and is therefore in default.

Accordingly, our client requires full payment of its mortgage, and the required amount to discharge the mortgage as at September 16, 2019, is as follows:

Principal Balance \$5,940,000.00

Interest at 12.95% - Aug. 10 – Sept. 16, 2019, inclusive	80,755.99
Over Holding Fee at 0.25% per month – Jun 2019, Jul 2019 and Aug. 2019 – 3 months @ \$14.850	44,550.00
Additional Over Holding Fee of \$14,850.00 accruing every 11 th of the month commencing on September 11, 2019	14,850.00
Outstanding Earnest Fee as per Commitment Letter Dated April 29, 2019	50,000.00
Reimbursement for expenses paid	4,829.83
Discharge fee	500.00
Bank processing fee	500.00
Bank wire fee	15.00
Annual review fee (incl. HST) – 2 @\$565.00)	1,130.00
Regulatory fee (incl. HST)	847.50
Reimbursement for insurance monitoring (incl. HST)	226.00
Statement fee (incl. HST)	395.50
Legal Costs	<u>18,320.00</u>
TOTAL:	<u>\$6,156,919.82</u>

We, therefore, require that you provide this office with a certified cheque or money order made payable to Cassels Brock & Blackwell LLP, In Trust in the amount of \$6,156,919.82, on or before the 16th day of September, 2019.

The per diem rate is \$2,163.46 and is payable up to and including the day funds are received in our office. **Please note that funds must be in our office prior to 11:00 a.m. (Toronto) otherwise another days' interest will be payable.**

Failure to provide the sums as aforesaid will result in our client instructing us to commence the collection of rents from any tenant(s) on the premises or whatever other action it deems necessary to protect its interests. In this regard, we enclose herewith



CASSELS BROCK
LAWYERS

- 3 -

and serve you with a Notice of Intention to Enforce Security, pursuant to the *Bankruptcy and Insolvency Act*.

Should you have any questions, please do not hesitate to contact me.

Yours very truly,

CASSELS BROCK & BLACKWELL LLP

Kwaku Tabi
KT/al

Enclosure

NOTICE OF INTENTION TO ENFORCE SECURITY

TO: 168 Old Kennedy Inc.
c/o Wing-Fu Hui and
Shao Jun Xiao
505 Highway 7 East
Penthouse
Thornhill ON L3T 7T1

Wing-Fu Hui
505 Highway 7 East
Penthouse
Thornhill ON L3T 7T1

Shao Jun Xiao
505 Highway 7 East
Penthouse
Thornhill ON L3T 7T1

Yi Zhou Law Office
209 – 100 Cowdray Court
Toronto ON M1S 5C8

Attention: Y. Zhou

TAKE NOTICE THAT:

1. The Vector Financial Services Limited, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

Lands and premises municipally known as 168 Old Kennedy Road, Markham, Ontario L3T 7T1.

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

- (a) a Mortgage registered in the Land Registry Office at Aurora, Ontario, for the Land Registry Division of York Region (No. 65) on the 15th day of May, 2017 as Instrument No. YR2668099;
- (b) an Assignment of Rents registered in the Land Registry Office at Aurora, Ontario, for the Land Registry Division of York Region (No. 65) on the 15th day of May, 2017 as Instrument No. YR2668100; and
- (c) All ancillary and supplemental documents thereto.

3. The total amount of indebtedness secured by the security is:

Principal Balance	\$5,940,000.00
Interest at 12.95% - Aug. 10 – Sept. 16, 2019, inclusive	80,755.99
Over Holding Fee at 0.25% per month – Jun 2019, Jul 2019 and Aug. 2019 – 3 months @ \$14.850	44,550.00
Additional Over Holding Fee of \$14,850.00 accruing every 11 th of the month commencing on September 11, 2019	14,850.00
Outstanding Earnest Fee as per Commitment Letter Dated April 29, 2019	50,000.00
Reimbursement for expenses paid	4,829.83
Discharge fee	500.00
Bank processing fee	500.00

Bank wire fee	15.00
Annual review fee (incl. HST) – 2 @\$565.00	1,130.00
Regulatory fee (incl. HST)	847.50
Reimbursement for insurance monitoring (incl. HST)	226.00
Statement fee (incl. HST)	395.50
Legal Costs	<u>18,320.00</u>
TOTAL:	<u>\$6,156,919.82</u>

Additional amounts will accrue after September 16, 2019, including interest, proper costs, charges and expenses as set out in the mortgage.

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

DATED at Toronto, the 6th day of September, 2019.

VECTOR FINANCIAL SERVICES LIMITED

By its Solicitors:

CASSELS BROCK & BLACKWELL LLP

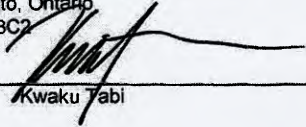
Suite 2100

40 King Street West

Toronto, Ontario

M5H 3C2

Per: _____


Kwaku Tabi

TAB Q

This is **Exhibit "Q"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a cursive 'C' and a long horizontal line extending to the right.

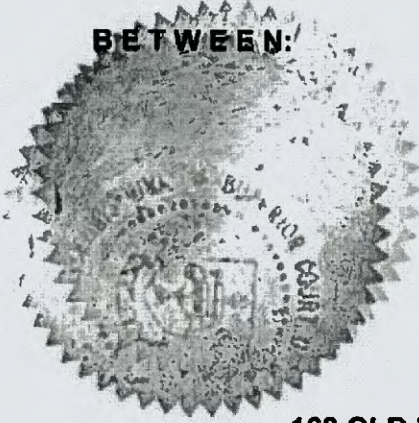
.....
A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.**

Court File No. 2745/19

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:



VECTOR FINANCIAL SERVICES LIMITED

Plaintiff(s)

- and -

168 OLD KENNEDY INC., WING-FU HUI and SHAO JUN XIAO

Defendant(s)

STATEMENT OF CLAIM

TO THE DEFENDANT:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, **WITHIN TWENTY DAYS** after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: October 2, 2019

Issued by _____

Local Registrar

Address of court office:
Local Registrar
Superior Court of Justice
150 Bond Street East
Oshawa, ON L1G 0A2

TO: 168 Old Kennedy Inc.
505 Highway 7 East
Penthouse
Thornhill, ON L3T 7T1

AND TO: Wing-Fu Hui
505 Highway 7 East
Penthouse
Thornhill, ON L3T 7T1

AND TO: Shao Jun Xiao
505 Highway 7 East
Penthouse
Thornhill, ON L3T 7T1

C L A I M

1. The Plaintiff claims as against the Defendants:
 - (a) payment of the amount of \$6,104,850.75 now due under the mortgage and any other amounts properly owing under the mortgage subsequent to the issuance of the Statement of Claim, and together with pre-judgment and post-judgment interest at the rate of 12.95 per cent per year;
 - (b) possession of the mortgaged property as described in paragraph 13;
 - (c) the costs of this action on the basis of a solicitor and his client as set out in the said mortgage; and
 - (d) such further and other relief as this Honourable Court may deem just.

2. The Plaintiff's claim is on a mortgage dated May 15, 2017, made between the Mortgagor, 168 Old Kennedy Inc.; the Guarantors, Wing-Fu Hui and Shao Jun Xiao; and the Plaintiff, Vector Financial Services Limited, and registered as Instrument No. YR2668099 on May 15, 2017, in the Land Registry Office for the Land Titles Division of York Region (No. 65) under which the Defendants mortgaged the Property hereinafter described for a period of 2 years commencing on May 10, 2017, securing the principal sum of \$5,940,000.00 and interest thereon at the greater rate of either 8.00% per annum, or the CIBC Prime Rate from time to time plus 5.00% per annum for the first twenty-four (24) months of the Loan Term, increasing to the greater of 12.00% per annum or the CIBC Prime Rate from time to time plus 9.00% per annum (the "Overholding Rate") thereafter. Interest on advanced funds are to be calculated daily, compounded monthly and payable monthly before maturity, and both before and after default. As the mortgage matured on June 10, 2019, the current rate of interest pursuant to the mortgage terms is 12.95 per cent.

3. The mortgage provides for payment of Interest only made on the 10th day of each and every month on the Principal outstanding from time to time in each and every year from and including June 10, 2017, and the balance, if any, of the said principal sum and interest shall become due and payable on June 10, 2019.
4. The mortgage provides that the aforesaid monthly installments when received are applied firstly to outstanding costs, secondly to outstanding interest, and thirdly to the balance outstanding.
5. The mortgage provides that the mortgagee may pay all taxes and rates which shall from time to time fall due and be unpaid in respect of the mortgaged premises, and that such payments together with all costs, charges and expenses which may be incurred in taking, recovering and keeping possession of the said lands, legal fees on solicitor and client basis, and generally in any other proceedings taken in connection with or to realize this security shall be with interest at the rate aforesaid, a charge upon the said lands and any such amounts paid by the mortgagee shall be added to the debt hereby secured and shall be payable forthwith.
6. The taking of a Judgment or Judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the mortgagee's right to interest at the rate and times herein provided.
7. The mortgage provides that upon default of payment of monies hereby secured or payable, the balance of the principal and interest shall immediately become due and payable at the option of the mortgagee.
8. By Notice of Assignment of Rents dated May 15, 2017, and registered on May 15, 2017, as Instrument No. YR2668100, the Defendants, agreed that upon default occurring: (i) the Plaintiff shall be entitled, upon written notice to the tenants of the mortgaged property, to collect and receive all rents under the leases; and (ii) the assignment of the rents under the leases shall constitute an irrevocable direction and authorization of the Defendants to such tenants to pay such amounts to the Plaintiff or as the Plaintiff shall direct otherwise in writing without proof and any event of default by the Defendants.

9. The mortgage provides that on default the mortgagee shall have quiet possession of the said lands free from all encumbrances.
10. Default in payment of monthly installments occurred on June 10, 2019, and still continues and the Plaintiff claims payment by the Defendants of the amount due under the Mortgage terms as follows:

Principal balance	\$5,940,000.00
Interest to October 1, 2019	46,637.80
Interest on late Payment	181.95
Over Hold Fee	59,400.00
Outstanding Earnest Fee	50,000.00
Reimbursement for Expenses Paid	4,847.50
Discharge Fee	500.00
Bank Processing Fee	500.00
Bank Wire Fee	15.00
Annual Review Fee (incl. HST)	1,130.00
Regulatory Fee (incl. HST)	847.50
Statement Fee (incl. HST)	791.00
Amount	\$6,104,850.75

11. The Plaintiff also claims any additional expenses, charges and costs to be incurred by the Plaintiff after October 1, 2019.
12. The Defendants are liable to pay these sums and subsequent interest at the rate of 12.95 per cent per year.
13. The following is a description of the mortgaged property:

BLOCK 2, PLAN 65M4289 T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 4, 6, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN THE LIMITS OF PT 1, PL 65R30487, AS IN MA91760; T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 2, 4, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN LIMITS OF PT 5, PL 65R30487, AS IN MA110959; T/W EASE OVER PT E1/2 LT 2, ONC 5, PTS 2, 6, 7 & 8 IN FAVOUR OF PT BLK 1, PL 65M4289 LYING WITHIN LIMITS OF PT 3, PL 65R30487, AS IN R694330; S/T EASE AS IN YR1610522; S/T EASE IN GROSS AS IN YR1684881;; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1749103; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1778673; SUBJECT TO AN EASEMENT AS IN YR1905638;

**SUBJECT TO AN EASEMENT OVER PTS 2, 4 & 6, 65R33280 IN FAVOUR OF
BLK 3, PL 65M4289 AS IN YR1936318; CITY OF MARKHAM bearing PIN 02953-
0145 (LT)**

Municipally known as 168 Old Kennedy Road, Markham, Ontario

14. In the event the Defendants reside outside Ontario, the Plaintiff pleads and relies upon the provisions of Rule 17.02 of the Rules of Civil Procedure in support of service of this Claim, since it is a Claim for payment and possession in respect of a mortgage on real property in Ontario.

The Plaintiff proposes that this action be tried at: Oshawa, Ontario.

Dated: October ~~4~~²⁰, 2019

**Cassels Brock & Blackwell LLP
Barristers & Solicitors
Suite 2100
40 King Street West
Toronto, ON
M5H 3C2**

**Kwaku Tabi
(416) 869-5436**

Lawyers for the Plaintiff

VECTOR FINANCIAL SERVICES LIMITED

Plaintiff(s)

- and -

168 OLD KENNEDY INC., ET AL.

Defendant(s)

Court File No. *2345/17*

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at OSHAWA

STATEMENT OF CLAIM

(FORM 14A UNDER THE RULES)

CASSELS BROCK & BLACKWELL LLP

Barristers & Solicitors

Suite 2100

40 King Street West

Toronto, Ontario

M5H 3C2

Kwaku Tabi

Telephone: (416) 869-5436

Facsimile: (416) 640-3180

LSUC # 70468K

Lawyers for the Plaintiff

TAB R

This is **Exhibit "R"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



.....
A Commissioner For Taking Affidavits

Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.

NOTICE OF SALE UNDER MORTGAGE

TAKE NOTICE that default has been made in payment of the moneys due under a certain Mortgage dated the 15th day of May, 2017, made

Between:

168 OLD KENNEDY INC.

MORTGAGOR(S)

- and -

VECTOR FINANCIAL SERVICES LIMITED

MORTGAGEE

on the security of all and singular that certain parcel or tract of land and premises situate, lying and being BLOCK 2, PLAN 65M4289 T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 4, 6, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN THE LIMITS OF PT 1, PL 65R30487, AS IN MA91760; T/W EASE OVER PT E1/2 LT 2, CON 5, PTS 2, 4, 7 & 8, PL 65R30487 IN FAVOUR OF PT BLK 2, PL 65M4289 LYING WITHIN LIMITS OF PT 5, PL 65R30487, AS IN MA110959; T/W EASE OVER PT E1/2 LT 2, ONC 5, PTS 2, 6, 7 & 8 IN FAVOUR OF PT BLK 1, PL 65M4289 LYING WITHIN LIMITS OF PT 3, PL 65R30487, AS IN R694330; S/T EASE AS IN YR1610522; S/T EASE IN GROSS AS IN YR1684881; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1749103; SUBJECT TO AN EASEMENT IN GROSS AS IN YR1778673; SUBJECT TO AN EASEMENT AS IN YR1905638; SUBJECT TO AN EASEMENT OVER PTS 2, 4 & 6, 65R33280 IN FAVOUR OF BLK 3, PL 65M4289 AS IN YR1936318; CITY OF MARKHAM bearing PIN 02953-0145 (LT); which Mortgage was registered on the 15th day of May, 2017, in the Land Registry Office for the Land Titles Division of York Region (No. 65) as Instrument No. YR2668099.

AND WE HEREBY give you notice that the amount now due on the Mortgage for principal money and interest thereon, over holding fee, outstanding earnest fee, reimbursement for expenses paid, discharge fee, bank processing fee, bank wire fee, annual review fee, regulatory fee, statement fee, and costs respectively is as follows:

Principal Money	\$5,940,000.00
Interest to October 7, 2019	59,792.53
Over Hold Fee	59,400.00
Outstanding Earnest Fee	50,000.00
Reimbursement for Expenses Paid	4,847.50
Discharge Fee	500.00
Bank Processing Fee	500.00
Bank Wire Fee	15.00
Annual Review Fee (incl. HST)	1,130.00

Regulatory Fee (incl. HST) 847.50
Statement Fee (incl. HST) 791.00

Costs (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) \$28,820.00
(HST No. R121379572)

TOTAL: \$6,146,643.53

together with interest at the rate of 12.95 per centum per annum on the principal and interest hereinbefore mentioned, from the 7th day of October 2019, to the date of payment.

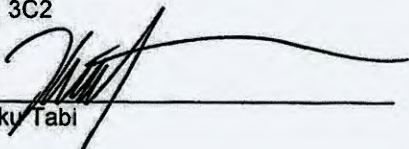
AND UNLESS the said sums are paid on or before the 15th day of November, 2019, the Mortgagee shall sell the property covered by the said Mortgage under the provisions contained in it.

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 at Toronto, this 7th day of October, 2019.

VECTOR FINANCIAL SERVICES LIMITED
By its Solicitors:

CASSELS BROCK & BLACKWELL LLP
Barristers and Solicitors
Scotia Plaza, Suite 2100
40 King Street West
Toronto, Ontario
M5H 3C2

Per: 
Kwaky Tabi

Inquiries: Dilys
Telephone No. (416) 860-2943
:djm

TO: See Schedule "A" attached

SCHEDULE "A"

TO:

Her Majesty, The Queen
in Right of the Province of Ontario
served upon her Agent
The Ministry of Finance
33 King Street West, 6th Floor
Oshawa, Ontario
L1H 8H5
Attention: Insolvency Unit

AND TO:

168 Old Kennedy Inc.
505 Highway 7 East
Penthouse
Thornhill, ON L3T 7T1

AND TO:

Wing-Fu Hui
505 Highway 7 East
Penthouse
Thornhill, ON L3T 7T1

AND TO:

Shao Jun Xiao
505 Highway 7 East
Penthouse
Thornhill, ON L3T 7T1

AND TO:

2080552 Ontario Inc.
18 Alai Circle
Markham, ON L3R 1E2

AND TO :

2080552 Ontario Inc.
c/o Henry K. Hui & Associates
301-350 Highway 7 East
Richmond Hill, ON L4B 3N2

Attention: Henry Kou-See Hui

AND TO:

10114812 Canada Corporation
37 Cranleigh Drive
Markham, ON L3R 8M2

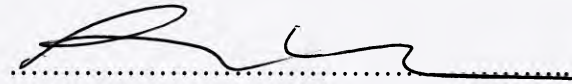
AND TO:

10114812 Canada Corporation
c/o Gary J. McCallum
Barrister and Solicitor
4211 Sheppard Avenue East
Suite 104
Toronto, ON M1S 5H5

Attention: Gary John McCallum

TAB S

This is **Exhibit "S"** referred to in the affidavit of **Noah Mintz** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 20th day of November, 2019.



A Commissioner For Taking Affidavits

**Aaron Fretz Cressman, a
Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires May 10, 2021.**

Court File No.

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

B E T W E E N:

(Court Seal)

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

168 OLD KENNEDY INC.

Respondent

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

CONSENT

RSM CANADA LIMITED hereby consents to act as receiver, without security, of the real property owned by 168 Old Kennedy Inc., municipally known as 168 Old Kennedy Road, Markham, Ontario.

DATED this 19th day of November, 2019.

RSM CANADA LIMITED

Per:  _____

Daniel Weisz, Senior Vice-President

VECTOR FINANCIAL SERVICES LIMITED

and

168 OLD KENNEDY INC.

Applicant

Respondent

Court File No.

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

**PROCEEDING COMMENCED AT
TORONTO**

AFFIDAVIT OF NOAH MINTZ

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

David S. Ward LSO #: 33541W
Tel: 416.869.5960
Fax: 416.640.3154
dward@casselsbrock.com

Jeremy Bornstein LSO #: 65425C
Tel: 416.869.5386
Fax: 416.640.3001
jbornstein@casselsbrock.com

Lawyers for the Applicant

VECTOR FINANCIAL SERVICES LIMITED
Applicant

168 OLD KENNEDY INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

APPLICATION RECORD

CASSELS BROCK & BLACKWELL LLP
Barristers & Solicitors
Suite 2100, Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

David S. Ward LSO 33541W
Tel: 416.869.5960
Fax: 416.640.3154
dward@casselsbrock.com

Jeremy Bornstein LSO 65425C
Tel: 416.869.5386
Fax: 416.640.3001
jbornstein@casselsbrock.com

Lawyers for the Applicant