

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

and

**GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.**

Respondents

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

**APPLICATION RECORD**

June 8, 2017

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Respondent

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Respondent

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

and

**GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.**

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**TAB 1**

1.  
17 - 72881  
Court File No:

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

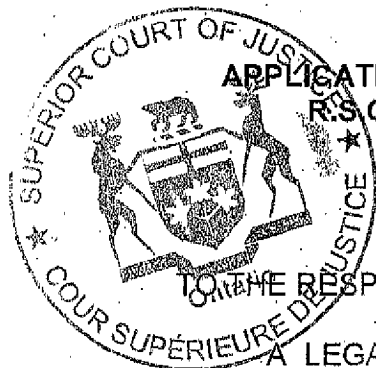
**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

- and -

**GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.**

Respondents



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

**NOTICE OF APPLICATION**

**TO THE RESPONDENTS:**

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


THIS APPLICATION will come on for a hearing at 2:00 p.m. on June 21, 2017, 2017, at the court house, 161 Elgin St., Ottawa , Ontario.

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

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

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

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

Date: JUN 07 2017 Issued by:   
Local registrar

Address of court office:  
161 Elgin St., 2nd Fl.  
K2P 2K1

TO: Golden Dragon Ho 5 Inc.  
532 Montreal Road  
Suite 110  
Ottawa, ON K1K 4R4

AND  
TO: Golden Dragon Ho 7 Inc.  
532 Montreal Road  
Suite 110  
Ottawa, ON K1K 4R4

AND  
TO: Bank of Montreal  
c/o Tony van Klink  
Miller Thomson LLP  
One London Place  
255 Queens Avenue  
Suite 2010  
London, ON N6A 5R8

AND  
TO: The Equitable Trust Company  
30 St. Clair Avenue West  
Suite 700  
Toronto, ON M4V 3A1

AND  
TO: Magenta Mortgage Investment Corporation  
5 - 47 Gore Street East



Perth, ON K7H 1H6

AND

TO: Kingsett Mortgage Corporation  
Toronto-Dominion Centre  
TD Bank Tower  
66 Wellington Street West  
Suite 4400  
Toronto, ON M5K 1H6

**APPLICATION**

The Applicant will make an application for an order:

- a) If necessary, abridging the time for and validating the manner of service of the Notice of Application and Application Record in respect of this application and dispensing with further service thereof;
- b) appointing Collins Barrow Toronto Limited ("Collins Barrow") as receiver (the "Receiver") of the Ottawa Property and the Brockville Property (each as defined below); and
- c) such further and other relief which this Honourable Court deems appropriate and just.

**THE GROUNDS FOR THE APPLICATION ARE:**

**A. *The parties***

- 1. The applicant, First Source Financial Management Inc. ("First Source") is an Ontario corporation in the business of providing mortgage financing.
- 2. The respondent, Golden Dragon Ho 5 Inc. ("Golden Dragon 5"), is an Ontario corporation that owns the property located at 64, 68 and 70 Reynold Drive and 10, 14, 18 and 22 Sallsbury Avenue, Brockville, Ontario, having the legal description of Block F, Plan 250, Brockville, City of Brockville being all of PIN 44175-0386 (LT) (the "Brockville Property").

3. The respondent, Golden Dragon Ho 7 Inc. ("Golden Dragon 7" and, with Golden Dragon 5, "Golden Dragon") is a corporation that owns the property located at 39-85 Costello Avenue, Ottawa, Ontario and having the legal description of Block L, Plan 529418, Nepean, City of Ottawa being all of PIN 04694-0184 (LT) (the "Ottawa Property" and, with the Brockville Property, the "Properties").

**B. The Loan**

4. On April 20, 2016, First Source entered into a commitment to loan Golden Dragon the principal amount of \$7,287,500 (the "Loan").

5. The Loan transaction closed on May 12, 2016 at which time First Source advanced \$7,287,500 to Golden Dragon, inclusive of certain deductions from the advance made at that date.

6. The Loan was secured by, among other security, the following charges registered on May 12, 2016:

- (a) a first mortgage (the "Mortgage") against the Ottawa Property in the amount of \$7,287,500 registered in the Land Registry Office No. 4 as Instrument No. OC1786618 (the "Ottawa Charge"); and
- (b) a collateral second charge against the Brockville Property in the amount of \$7,287,500 registered in the Land Registry Office No. 28 as Instrument No. LE81462 (the "Brockville Charge").

7. In addition to the two Charges, Golden Ho also gave First Source an assignment of rents in respect of each Property (the "General Assignment of Rents") and a general security agreement, among other sources of security.
8. First Source registered its security over the personal property of each of Golden Dragon 5 and Golden Dragon 7 under the *Personal Property Security Act* on May 12, 2016.
9. The interest on the Loan is 10.50% per annum until June 1, 2017 and, thereafter until the amount is fully repaid, the prime rate at the Royal Bank of Canada plus 2% per month.
10. The Loan was due, in full, on June 2, 2017.
11. The Loan was guaranteed by Chi Van Ho ("Ho"). Ho is an individual resident in Ottawa, Ontario. Ho is a business person.

**C. *The Loan is in default***

12. Golden Dragon has failed to make monthly interest payments of \$63,765.63 that were due on each of March 1, 2017, April 1, 2017, May 1, 2017 and June 1, 2017.
13. Golden Dragon has also failed to pay property taxes owing on the Ottawa Property for 2016 and is in arrears in the amount of \$45,442.69.

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

**D. The demand for payment**

15. Golden Dragon is indebted to First Source in the total amount of \$7,290,144.92 (the "Debt") as of June 1, 2017 inclusive of interest, administrative fees and legal fees, all as contemplated in the Mortgage.

16. On August 18, 2016, First Source issued a Notice of Intention to Enforce Security under section 244 of the *Bankruptcy and Insolvency Act*.

17. Subsequent to that demand, First Source discovered that Golden Dragon is in arrears on its property tax payments, as described above. First Source put Golden Dragon on notice of this default.

18. Despite the demands, the Loan remains in default.

19. Since sending the s. 244 notice, First Source has repeatedly made demands for the outstanding mortgage payments.

**E. Ho interferes with First Source's efforts to enforce the mortgages**

20. On May 27, 2017, First Source exercised its rights under the General Assignments of Rents by delivering rent attornment notices to the tenants of the Ottawa Property and Brockville Property.

21. Copies of the notices were also sent to Ho, on behalf of Golden Dragon.

- 22. Golden Dragon subsequently sent its own notice, addressed to all tenants, claiming that First Source's rent attornment notice was invalid and that tenants should continue to pay rent to Golden Dragon.
- 23. First Source's counsel immediately wrote to Ho, asking him to rectify Golden Dragon's/his instructions to the tenants.
- 24. However, rather than cooperating with First Source, Golden Dragon, through Ho, has increased his obstructionist efforts.
- 25. First Source has received several cheques from tenants. However, Golden Dragon's intentional interference caused confusion among the tenants and has prevented First Source from enforcing its rights under its security. To the extent that Golden Dragon has continued to receive some rent cheques, it has not turned any of those funds over to First Source.

**F. *The current state of the business***

- 26. Since defaulting on the Loan, Golden Dragon has stopped responding promptly or effectively to First Source's inquiries.
- 27. First Source has also learned that the Properties are not being managed properly and are in need of repairs and that numerous tenants are dissatisfied with Golden Dragon/Ho's management.

**G. Need for a receiver**

28. In March 2017, Golden Dragon listed the Ottawa Property for sale for \$5.7 million and the Brockville Property for sale for \$7.75 million.
29. On June 5, 2017, however, Golden Dragon suddenly relisted the Properties for \$4.4 for the Ottawa Property and \$5.95 million for the Brockville Property.
30. Both listings state "seller motivated" and both contemplate offers being made by June 23, 2017.
31. At these listing prices, First Source will not recover its Loan, in full. Therefore, Golden Dragon has no financial interest in the Properties, yet it is trying to quickly effect a sale before First Source can exercise its rights under its Mortgage.
32. Golden Dragon is unable or unwilling to fund repairs and maintenance that may be needed in order to increase the potential sale price of the Properties.
33. With a receiver in place, First Source would be willing to fund repairs to the extent that those repairs will maximize the returns on a sale of the Properties.
34. First Source is entitled under the terms of the Loan to appoint a Receiver in the event the Loan is in default.
35. The appointment of a Receiver is necessary, just and convenient.
36. Collins Barrow has consented to its appointment as Receiver, if so appointed.

37. Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.
38. Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.
39. Rules 16.08 and 3.02 of the *Rules of Civil Procedure*; and
40. Such further and other grounds as counsel may advise.

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

- (a) The affidavit of David Mandel, to be sworn, and the exhibits thereto;
- (b) The consent of Collins Barrow; and
- (c) Such further and other evidence as counsel may advise and this Honourable Court may permit.



June 7, 2017

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Lawyers for the Applicant

12.

First Source Financial Management Inc.  
Applicant

-and-

Golden Dragon Ho 5 Inc. et al.  
Respondent

Court File No

17-72881

ONTARIO

SUPERIOR COURT OF JUSTICE  
PROCEEDING COMMENCED AT  
OTTAWA

**NOTICE OF APPLICATION**

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Lawyers for the Applicant

**TAB 2**

ONTARIO  
SUPERIOR COURT OF JUSTICE

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

and

**GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.**

Respondents

**AFFIDAVIT OF DAVID MANDEL**

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

1. I am an officer and director of First Source Financial Management Inc. ("First Source"), a secured creditor of each of the Respondents, and as such have knowledge of the matters to which I hereinafter depose.
  - A. ***The parties***
    2. First Source is an Ontario corporation in the business of providing mortgage financing.
    3. The Respondent, Golden Dragon Ho 5 Inc. ("Golden Dragon 5"), is an Ontario corporation that owns the property located at 64, 68 and 70

Reynold Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario, having the legal description of Block F, Plan 250, Brockville, City of Brockville being all of PIN 44175-0386 (LT) (the "Brockville Property"). A corporate profile report for Golden Dragon 5 is attached as **Exhibit "A"** and a copy of a title search for the Brockville Property is attached as **Exhibit "B"**.

4. The Respondent, Golden Dragon Ho 7 Inc. ("Golden Dragon 7" and, with, Golden Dragon 5, "Golden Dragon") is a corporation that owns the property located at 39-85 Costello Avenue, Ottawa, Ontario and having the legal description of Block L, Plan 529418, Nepean, City of Ottawa being all of PIN 04694-0184 (LT) (the "Ottawa Property" and, together with the Brockville Property, the "Properties"). A corporate profile report for Golden Dragon 7 is attached as **Exhibit "C"** and a copy of a title search for the Ottawa Property is attached as **Exhibit "D"**.
5. Each Property is the site of a large, multi-unit residential building.

**B. The loan**

6. On May 12, 2016, First Source completed a mortgage loan transaction (the "Loan") with Golden Dragon in accordance with the Letter of Commitment dated April 12, 2016, as amended (the "Commitment"), a copy of which is attached as **Exhibit "E"**.
7. The Loan contemplated a facility in the amount of \$7,287,500, all of which has been advanced by First Source. The interest rate on the Loan was

10.50% per annum until June 1, 2017 and, thereafter until the amount is fully repaid, the prime rate at the Royal Bank of Canada plus 2% per month.

8. Golden Dragon's obligations under the Loan are guaranteed by Chi Van Ho ("Ho"), a director of Golden Dragon 5.

**C. Security for the Loan**

9. The Loan was secured by the following charges registered on May 12, 2016 against the real property:
  - (a) a first mortgage against the Ottawa Property in the amount of \$7,287,500 registered in the Land Registry Office No. 4 as Instrument No. OC1786618 (the "Ottawa Charge"), a copy of which is attached as **Exhibit "F"**;
  - (b) a General Assignment of Rents registered against the Ottawa Property as Instrument No. OC1786619, a copy of which is attached as **Exhibit "G"**;
  - (c) a collateral second charge against the Brockville Property in the amount of \$7,287,500 registered in the Land Registry Office No. 28 as Instrument No. LE81462 (the "Brockville Charge"), a copy of which is attached as **Exhibit "H"**; and

- (d) a General Assignment of Rents registered against the Brockville Property as Instrument No. LE81463, a copy of which is attached as **Exhibit "I"**.
10. Both the Ottawa Charge and the Brockville Charge expressly provide that First Source can appoint a receiver if the Loan is in default (at section 16 of Schedule A in each charge document).
11. In addition to security over the real property, First Source also has security over Golden Dragon's personal property including by way of a General Security Agreement with Golden Dragon 5 and Golden Dragon 7, a copy of which is attached as **Exhibit "J"**.
12. First Source registered its security over the personal property of each of Golden Dragon 5 and Golden Dragon 7 under the *Personal Property Security Act* ("PPSA") on May 12, 2016. Copies of the search results under Personal Property Security Registration System for Golden Dragon 5 and Golden Dragon 7 are attached as **Exhibit "K" and Exhibit "L"** respectively.
- 1. Brockville Property/Golden Dragon 5**
13. The property search for the Brockville Property (attached as Exhibit "B") shows that there is a first mortgage in the amount of \$3,863,420 registered against that Property in favour of the Bank of Montreal ("BMO").

14. In terms of PPSA registrations, in addition to First Source's registrations, the following registrations exist against Golden Dragon 5:

| Secured Creditor | Registration Date | Collateral  |
|------------------|-------------------|---|
| Bank of Montreal | 2011/01/26        | Present and after-acquired property;  |
| Bank of Montreal | 2011/01/26        | General assignment of rents;  |
| Bank of Montreal | 2011/01/26        | Guarantee re obligations due by Paquin Property Management to the secured party in relation to the Brockville Property; |

15. I am advised by our lawyer, Jeffrey Larry, that he has been in contact with the lawyer for BMO and it is anticipated that BMO will be supportive of, or will not oppose, this application for a receiver.
16. Our lawyers conducted execution searches in Ottawa against each of Golden Dragon 5 and Golden Dragon 7. The searches indicated that there are no executions registered against either company. Copies of the searches are attached as **Exhibit "M" and "N"**.

**2. Ottawa Property/Golden Dragon 7**

17. As noted above, First Source has the only charge filed against the Ottawa Property.



18. In terms of PPSA registrations, in addition to First Source's registrations, the following registrations exist against Golden Dragon 7:

| Secured Creditor                        | Registration Date | Collateral                           |
|---|-------------------|--------------------------------------|
| The Equitable Trust Company             | 2012/06/20        | General assignment of rents          |
| The Equitable Trust Company             | 2012/06/20        | Present and after-acquired property; |
| Magenta Mortgage Investment Corporation | 2014/02/28        | Present and after-acquired property; |
| Magenta Mortgage Investment Corporation | 2014/02/28        | General assignment of rents;         |
| Kingsett Mortgage Corporation           | 2015/05/13        | Not specified;                       |

***D. The Loan is in default***

19. There have been multiple events of default in respect of the Loan.
20. On or around August 10, 2016, Golden Dragon failed to make its monthly mortgage payment of \$63,765.63. It subsequently made the payment on August 22, 2016.
21. Since that time, Golden Dragon has failed to make its monthly mortgage payments that were due on each of March 1, 2017, April 1, 2017, May 1, 2017, and June 1, 2017.

22. In addition to failing to make monthly mortgage payments, Golden Dragon has failed to comply with its obligations under the Loan to maintain its taxes in good standing. As of April 6, 2017, Golden Dragon 7 was in arrears of taxes to the City of Ottawa in the amount of \$45,442.69 for 2016. In addition, a further \$30,843.01 was due March 16, 2017 and Golden Dragon has failed to provide confirmation that this amount was paid. A copy of a tax certificate dated April 6, 2017 from the City of Ottawa is attached as **Exhibit "O"**.

***E. The demands for payment***

23. Golden Dragon is indebted to First Source in the total amount of \$7,375,378.50 (the "Debt") as of June 6, 2017, inclusive of interest, legal fees and administrative fees contemplated in the Commitment.

24. On August 18, 2016, First Source first demanded repayment of the Debt. At the same time, First Source issued a Notice of Intention to Enforce Security under section 244 of the *Bankruptcy and Insolvency Act* ("s.244 notice"). A copy of First Source's demand letter and s. 244 notice is attached as **Exhibit "P"**.

25. More recently, Golden Dragon has begun a troubling pattern of refusing to communicate or cooperate in respect of further defaults on the Loan.

26. After Golden Dragon's failure to make its monthly mortgage payment on March 1, 2017, First Source demanded its monthly payment by way of a letter dated March 14, 2017, attached as **Exhibit "Q"**.

27. Ho acknowledged receipt of this letter, and advised First Source's counsel that he was out of town and would respond upon his return. Ho never followed up, so First Source's counsel again contacted him by email on April 17, 2017, notifying Ho that First Source would begin taking enforcement action on the Loan unless Golden Dragon executed a forbearance agreement. Ho was also advised that First Source had learned of Golden Dragon's failure to pay property taxes. This email and its attachments are attached as **Exhibit "R"**.
28. Ho never responded. First Source's counsel again emailed Ho on April 21, 2017, seeking a response regarding the forbearance agreement. This email is attached as **Exhibit "S"**.
29. On May 3, 2017, Ho advised me that he was in Vietnam attending to a family medical issue and would be back on May 18. He further advised me that he had forwarded the forbearance agreement to his lawyer. Finally, Ho assured both me and our counsel, Mr. Larry, that he would "deal with" the outstanding default upon his return. However, I never heard back from him or any lawyer representing him despite repeated inquiries. The email correspondence referred to in this paragraph is attached as **Exhibits "T"** and **"U"**.
30. Despite these repeated demands and inquiries, the Debt has not been repaid and the events of default have not been cured.

**F. Golden Dragon/Ho interferes with First Source's efforts to enforce the mortgages**

31. On or around May 27, 2017, First Source exercised its rights under the General Assignments of Rents described above by delivering rent attornment notices to the tenants of the Ottawa Property and Brockville Property. A copy of the notices that were delivered are attached as **Exhibit "V"**.
32. Copies of the notices were also sent to Ho, on behalf of Golden.
33. On May 29, 2017, my office received an email from a tenant of the Ottawa Property, informing us that Golden Dragon sent his own notice, addressed to all tenants, claiming that First Source's rent attornment notice is invalid and that tenants should continue to pay rent to Golden Dragon. The tenant's email and attached photograph of Golden Dragon's letter are attached as **Exhibit "W"**. While I have not yet received any similar information regarding the tenants of the Brockville Property, I expect that Golden Dragon sent them a similar notice.
34. This development was quite concerning to me, since in my view there was no basis whatsoever to suggest that First Source's rent attornment notice was invalid. Section 4 of the Assignment of Rent agreements in respect of each Property provides that where Golden Dragon is in default of the Charge and First Source gives a rent attornment notice to tenants, the "notice shall be binding upon [Golden Dragon] and may not be contested by it."

35. Upon learning of Golden Dragon's improper interference with First Source's rights under the Assignment of Rents agreements, First Source's counsel immediately wrote to Ho, on behalf of Golden Dragon, asking him to rectify the instructions to Golden Dragon's tenants. This letter is attached as **Exhibit "X"**. The follow-up correspondence between Golden Dragon and First Source's counsel is attached as **Exhibit "Y"**.
36. Rather than cooperating with First Source's request, it appears that Golden Dragon has actually increased its obstructionist efforts. Kim Collu, First Source's office administrator, advises me that she has received numerous emails from concerned tenants of the Ottawa Property regarding Ho's behaviour.
37. At **Exhibit "Z"**, one tenant explains that Ho has refused to respond to work orders because of First Source's delivery of rent notices. At **Exhibit "AA"**, another tenant explains that his rent is paid directly from Ontario disability (presumably a reference to the Ontario Disability Support Program), and calls Ho "a bully to my daughter and me."
38. To date, First Source has received several cheques from tenants. However, Golden Dragon's intentional interference caused confusion among the tenants and has prevented First Source from enforcing its rights under its security. To the extent that Golden Dragon has continued to receive some rent cheques, it has not turned any of those funds over to

First Source. It is my expectation that a Receiver can assist to collect the monthly rent cheques.

**G. The current state of the business**

**1. The Properties are in disrepair due to Golden Dragon's neglect**

39. Since First Source delivered rent notices to tenants of the Properties, I have received information from tenants about the poor condition of their units, and Golden Dragon's neglect of its duties as landlord.
40. Attached as **Exhibit "BB"** is an order of the Landlord Tenant Board (the "LTB") in respect of an application brought by a tenant of the Ottawa Property, Tina Renaud. That order awarded the tenant a rent abatement in the amount of \$3,138.54, payable by February 14, 2017, on the basis of "a number of serious maintenance problems" which Golden Dragon had failed to repair. The order also indicates that Golden Dragon did not even attend at the hearing (or send a representative).
41. In an email to Ms. Collu, Ms. Renaud indicated that Golden Dragon has not yet paid her the rent abatement ordered by the LTB. That email is attached as **Exhibit "CC"**.
42. Another tenant, Monique Langlois, emailed Ms. Collu to advise that Golden Dragon has refused to respond to her work orders. Ms. Langlois attached pictures of her leaking ceiling, at **Exhibit "DD"**, and further pictures of her broken fence at **Exhibit "EE"**.

43. Golden Dragon's neglect of its duties as landlord prejudices Golden Dragon's creditors, not just its tenants.
44. Naturally, I am very concerned by Golden Dragon's apparent disregard for the tenants, the state of the premises and its obligations to First Source.

## 2. The listing agreements

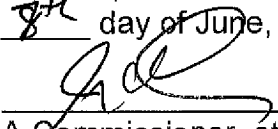
45. I was advised by Ho in the middle of March 2017 that he listed the Ottawa Property and the Brockville Property for sale. At the time, he was seeking \$5.7 million for the Ottawa Property and \$7.75 million for the Brockville Property. Copies of listing agreements for the Ottawa Property and the Brockville Property are attached as **Exhibits "FF"** and **"GG"**, respectively.
46. I have since learned that on June 5, 2017, and without notifying me, Golden Dragon relisted the Properties with Pascale Hamel, an Ottawa realtor, for \$4.4 for the Ottawa Property and \$5.95 million for the Brockville Property. Attached as **Exhibits "HH"** and **"II"** are online listings for the Ottawa and Brockville Properties, respectively.
47. Both listings state "seller motivated" and both contemplate offers being made by June 23, 2017.
48. This is a very concerning development. At the current listing prices, there will be insufficient proceeds to repay the Debt owing to First Source, having regard to BMO's \$3,863,420 first mortgage on the Brockville

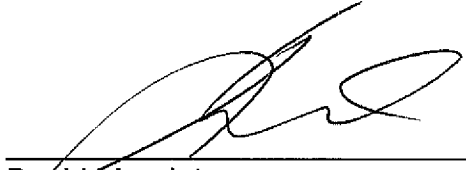
Property (the exact amount outstanding is not known to me), as well as commissions, the unpaid property taxes, and other related transaction fees.

49. At these listing prices, neither Golden Dragon nor Ho has any financial interest in the Properties, yet they are trying to quickly effect a sale before First Source can exercise its rights under its mortgages.
50. It is my belief that the sale price of the Properties can be increased by conducting necessary repair and maintenance work on the Properties. However, I have no reason to believe that Golden Dragon or Ho have the financial resources to conduct the necessary repairs, even if they were otherwise willing to do so.
51. Conversely, with a Receiver in place to supervise the sales process, First Source would be willing to fund repairs to the extent that those repairs will maximize the returns on a sale of the Properties.



52. Given all of the above, First Source believes that any sales process should be carried out by a Receiver who can act in the interests of all stakeholders. In the meantime, it is desirable that the Receiver take control of the Properties to manage them while it determines how to best deal with the Properties.

**SWORN BEFORE ME**, at the City of )  
Toronto, in the Province of Ontario, this )  
8<sup>th</sup> day of June, 2017 )  
 )  
\_\_\_\_\_)  
A Commissioner, etc. )

  
\_\_\_\_\_  
David Mandel

2173360v5

 FIRST SOURCE FINANCIAL MANAGEMENT INC.  
Applicant

-and- GOLDEN DRAGON HO 5 INC. et al.  
Respondents

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
  
PROCEEDING COMMENCED AT  
OTTAWA

**AFFIDAVIT OF DAVID MANDEL**  
**SWORN JUNE 7, 2017**

**Paliare Roland Rosenberg Rothstein LLP**  
155 Wellington Street West  
35th Floor  
Toronto ON M5V 3H1  
Tel: 416.646.4300  
Fax: 416.646.4301

**Jeffrey Larry** (LSUC# 44608D)  
Tel: 416.646.4330

**Daniel Rosenbluth** (LSUC# 74044U)  
Tel: 416.646.7496

Lawyers for the Applicant

This is Exhibit "A" referred to in the Affidavit of David Mandel  
sworn June 7 , 2017

A handwritten signature in black ink, consisting of stylized, cursive letters that appear to be 'AL'.

---

*Commissioner for Taking Affidavits (or as may be)*

# CORPORATION PROFILE REPORT

| Ontario Corp Number                                | Corporation Name        | Amalgamation Date         |
|--|-------------------------|---------------------------|
| 1823304  | GOLDEN DRAGON HO 5 INC. | 2010/12/14                |
|  |                         | Jurisdiction              |
|  |                         | ONTARIO                   |
|  |                         | Former Jurisdiction       |
|  |                         | NOT APPLICABLE            |
| Corporation Type                                   | Corporation Status      |                           |
| ONTARIO BUSINESS CORP.                             | ACTIVE                  |                           |
| Registered Office Address                          |                         | Date Amalgamated          |
| 532 MONTREAL ROAD                                  |                         | NOT APPLICABLE            |
| Suite # 110<br>OTTAWA<br>ONTARIO<br>CANADA K1K 4R4 |                         | Amalgamation Ind.         |
|  |                         | A                         |
|  |                         | New Amal. Number          |
|  |                         | NOT APPLICABLE            |
|  |                         | Notice Date               |
|  |                         | NOT APPLICABLE            |
|  |                         | Letter Date               |
|  |                         | NOT APPLICABLE            |
| Mailing Address                                    |                         | Revival Date              |
| 532 MONTREAL ROAD                                  |                         | NOT APPLICABLE            |
| Suite # 110<br>OTTAWA<br>ONTARIO<br>CANADA K1K 4R4 |                         | Continuation Date         |
|  |                         | NOT APPLICABLE            |
|  |                         | Transferred Out Date      |
|  |                         | NOT APPLICABLE            |
|  |                         | Cancel/Inactive Date      |
|  |                         | NOT APPLICABLE            |
|  |                         | EP Licence Eff.Date       |
|  |                         | NOT APPLICABLE            |
|  |                         | EP Licence Term.Date      |
|  |                         | NOT APPLICABLE            |
|  |                         | Date Commenced in Ontario |
|  |                         | NOT APPLICABLE            |
|  |                         | Date Ceased in Ontario    |
|  |                         | NOT APPLICABLE            |
|  |                         | Number of Directors       |
|  |                         | Minimum                   |
|  |                         | Maximum                   |
|  |                         | 00001                     |
|  |                         | 00005                     |
|  |                         | Activity Classification   |
|  |                         | NOT AVAILABLE             |

Request ID: 020308894  
Transaction ID: 64590024  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

29  
Date Report Produced: 2017/05/29  
Time Report Produced: 12:16:16  
Page: 2

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

1823304

**Corporation Name**

GOLDEN DRAGON HO 5 INC.

**Corporate Name History**

GOLDEN DRAGON HO 5 INC.

**Effective Date**

2010/12/14

**Current Business Name(s) Exist:**

NO

**Expired Business Name(s) Exist:**

YES - SEARCH REQUIRED FOR DETAILS

**Amalgamating Corporations**

**Corporation Name**

GOLDEN DRAGON HO 5 INC.

PAQUIN PROPERTY MANAGEMENT LTD.

**Corporate Number**

2262733

1495990

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name        |
|---------------------|-------------------------|
| 1823304             | GOLDEN DRAGON HO 5 INC. |

| Administrator:<br>Name (Individual / Corporation) | Address   |
|---|---|
| CHI<br>VAN<br>HO                                  | 532 MONTREAL ROAD<br><br>Suite # 110<br>OTTAWA<br>ONTARIO<br>CANADA K1K 4R4 |

| Date Began  | First Director | Resident Canadian |
|-------------|----------------|-------------------|
| 2010/12/14  | NOT APPLICABLE |                   |
| Designation | Officer Type   | Resident Canadian |
| OFFICER     | SECRETARY      | Y                 |

| Administrator:<br>Name (Individual / Corporation) | Address   |
|---|---|
| CHI<br>VAN<br>HO                                  | 532 MONTREAL ROAD<br><br>Suite # 110<br>OTTAWA<br>ONTARIO<br>CANADA K1K 4R4 |

| Date Began  | First Director | Resident Canadian |
|-------------|----------------|-------------------|
| 2016/05/02  | NOT APPLICABLE |                   |
| Designation | Officer Type   | Resident Canadian |
| OFFICER     | TREASURER      | Y                 |

Request ID: 020308894  
 Transaction ID: 64590024  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2017/05/29  
 Time Report Produced: 12:16:16  
 Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1823304

GOLDEN DRAGON HO 5 INC.

**Administrator:**  
**Name (Individual / Corporation)**

**Address**

CHI  
 VAN  
 HO

532 MONTREAL ROAD

Suite # 110  
 OTTAWA  
 ONTARIO  
 CANADA K1K 4R4

**Date Began**

**First Director**

2010/12/14

NOT APPLICABLE

**Designation**

**Officer Type**

**Resident Canadian**

DIRECTOR

Y

**Administrator:**  
**Name (Individual / Corporation)**

**Address**

CHI  
 VAN  
 HO

532 MONTREAL ROAD

Suite # 110  
 OTTAWA  
 ONTARIO  
 CANADA K1K 4R4

**Date Began**

**First Director**

2010/12/14

NOT APPLICABLE

**Designation**

**Officer Type**

**Resident Canadian**

OFFICER

PRESIDENT

Y

Request ID: 020308894  
Transaction ID: 64590024  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/05/29  
Time Report Produced: 12:16:16  
Page: 5

# CORPORATION PROFILE REPORT

|                            |                         |
|----------------------------|-------------------------|
| <b>Ontario Corp Number</b> | <b>Corporation Name</b> |
| 1823304                    | GOLDEN DRAGON HO 5 INC. |

|                               |                    |             |                                |
|-------------------------------|--------------------|-------------|--------------------------------|
| <b>Last Document Recorded</b> |                    |             |                                |
| <b>Act/Code</b>               | <b>Description</b> | <b>Form</b> | <b>Date</b>                    |
| CIA                           | ANNUAL RETURN 2014 | 1C          | 2016/10/30 (ELECTRONIC FILING) |

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

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



Request ID: 020308895  
 Transaction ID: 64590025  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2017/05/29  
 Time Report Produced: 12:16:16  
 Page: 1

## CORPORATION DOCUMENT LIST

**Ontario Corporation Number**  
 1823304

**Corporation Name**  
 GOLDEN DRAGON HO 5 INC.

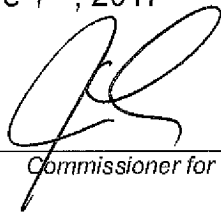
| ACT/CODE | DESCRIPTION                              | FORM | DATE<br>(YY/MM/DD)             |
|----------|--|------|--------------------------------|
| CIA      | ANNUAL RETURN 2014<br>PAF: HO, CHI VAN   | 1C   | 2016/10/30 (ELECTRONIC FILING) |
| CIA      | CHANGE NOTICE<br>PAF: HO, CHI VAN        | 1    | 2016/05/05 (ELECTRONIC FILING) |
| CIA      | ANNUAL RETURN 2010<br>PAF: HO, CHI VAN   | 1C   | 2014/09/29 (ELECTRONIC FILING) |
| CIA      | ANNUAL RETURN 2013<br>PAF: HO, CHI VAN   | 1C   | 2014/08/30 (ELECTRONIC FILING) |
| CIA      | ANNUAL RETURN 2012<br>PAF: HO, CHI VAN   | 1C   | 2014/08/30 (ELECTRONIC FILING) |
| CIA      | ANNUAL RETURN 2011<br>PAF: HO, CHI VAN   | 1C   | 2014/08/30 (ELECTRONIC FILING) |
| CIA      | INITIAL RETURN<br>PAF: FERNANDES, DANIEL | 1    | 2011/01/07 (ELECTRONIC FILING) |
| BCA      | ARTICLES OF AMALGAMATION                 | 4    | 2010/12/14                     |

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

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

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

This is Exhibit "B" referred to in the Affidavit of David Mandel  
sworn June 7 , 2017

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke at the bottom.

---

*Commissioner for Taking Affidavits (or as may be)*

LAND  
 REGISTRY  
 OFFICE #28

44175-0386 (LT)

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

PROPERTY DESCRIPTION: BLK F PL 250; S/T 47B8778, LR244687; BROCKVILLE

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
 FEE SIMPLE  
 LT CONVERSION QUALIFIED

RECENTLY:  
 FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
 2006/07/24

OWNERS' NAMES  
 GOLDEN DRAGON HO 5 INC.

CAPACITY SHARE  
 BENO

| REG. NUM.   | DATE       | INSTRUMENT TYPE   | AMOUNT      | PARTIES FROM               | PARTIES TO                                | CERT/CHKD |
|---|------------|-------------------|-------------|----------------------------|---|-----------|
| ** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2006/07/21 **                           |            |                   |             |                            |   |           |
| **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:   |            |                   |             |                            |   |           |
| ** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * |            |                   |             |                            |   |           |
| ** AND ESCHEATS OR FORFEITURE TO THE CROWN.   |            |                   |             |                            |   |           |
| ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF    |            |                   |             |                            |   |           |
| ** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY             |            |                   |             |                            |   |           |
| ** CONVENTION.  |            |                   |             |                            |   |           |
| ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.                                       |            |                   |             |                            |   |           |
| **DATE OF CONVERSION TO LAND TITLES: 2006/07/24 **  |            |                   |             |                            |   |           |
| 47B8778   | 1955/02/17 | TRANSFER EASEMENT |             |                            | THE BELL TELEPHONE COMPANY OF CANADA      | C         |
| 26R7978   | 1993/03/02 | PLAN REFERENCE    |             |                            |   | C         |
| LR243547  | 1993/08/17 | CHARGE            |             | *** COMPLETELY DELETED *** | BANK OF MONTREAL                          |           |
| LR244687  | 1993/09/23 | TRANSFER EASEMENT |             |                            | THE CORPORATION OF THE CITY OF BROCKVILLE | C         |
| LR257274  | 1995/01/13 | NOTICE OF CLAIM   |             |                            |   | C         |
| REMARKS: 47B8778  |            |                   |             |                            |   |           |
| LR323448  | 2002/08/01 | TRANSFER          | \$2,500,000 |                            | PAQUIN PROPERTY MANAGEMENT LTD.           | C         |
| LR323449  | 2002/08/01 | CHARGE            |             | *** COMPLETELY DELETED *** | BANK OF MONTREAL                          |           |
| LR323450  | 2002/08/01 | CHARGE            |             | *** COMPLETELY DELETED *** | WILSON, PATRICIA ANN                      |           |

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.

24

LAND  
 REGISTRY  
 OFFICE #28

44175-0386 (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/<br>CHKD |  |
|-----------|------------|--------------------|-------------|--|---|---------------|--|
| LR330600  | 2003/04/28 | TRANSFER EASEMENT  |             |  | KELLY, SUSAN ELIZABETH<br>HYDRO ONE NETWORKS INC. | C             |  |
| LE2748    | 2007/06/08 | CHARGE             |             | *** COMPLETELY DELETED ***<br>PAQUIN PROPERTY MANAGEMENT LTD.                | BANK OF MONTREAL                                  |               |  |
| LE20682   | 2009/11/05 | DISCH OF CHARGE    |             | *** COMPLETELY DELETED ***<br>WILSON, PATRICIA ANN<br>KELLY, SUSAN ELIZABETH |   |               |  |
|           |            | REMARKS: LR323450. |             |  |   |               |  |
| LE32497   | 2010/12/14 | CHARGE             | \$3,863,420 | PAQUIN PROPERTY MANAGEMENT LTD.  | BANK OF MONTREAL                                  | C             |  |
| LE32498   | 2010/12/14 | NO ASSGN RENT GEN  |             | PAQUIN PROPERTY MANAGEMENT LTD.  | BANK OF MONTREAL                                  | C             |  |
| LE32505   | 2010/12/14 | CHARGE             |             | *** COMPLETELY DELETED ***<br>PAQUIN PROPERTY MANAGEMENT LTD.                | PAQUIN, RICK                                      |               |  |
| LE34143   | 2011/02/24 | APL CH NAME OWNER  |             | PAQUIN PROPERTY MANAGEMENT LTD.  | GOLDEN DRAGON HO 5 INC.                           | C             |  |
| LE34144   | 2011/02/24 | DISCH OF CHARGE    |             | *** COMPLETELY DELETED ***<br>BANK OF MONTREAL                               |   |               |  |
|           |            | REMARKS: LR243547. |             |  |   |               |  |
| LE34145   | 2011/02/24 | DISCH OF CHARGE    |             | *** COMPLETELY DELETED ***<br>BANK OF MONTREAL                               |   |               |  |
|           |            | REMARKS: LR323449. |             |  |   |               |  |
| LE34146   | 2011/02/24 | DISCH OF CHARGE    |             | *** COMPLETELY DELETED ***<br>BANK OF MONTREAL                               |   |               |  |
|           |            | REMARKS: LE2748.   |             |  |   |               |  |
| LE34227   | 2011/02/28 | CHARGE             |             | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO 5 INC.                        | WESTBORG MORTGAGE INVESTMENT CORP.                |               |  |
| LE34246   | 2011/02/28 | NO ASSGN RENT GEN  |             | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO. 5 INC.                       | WESTBORG MORTGAGE INVESTMENT CORP.                |               |  |
| LE34247   | 2011/02/28 | DISCH OF CHARGE    |             | *** COMPLETELY DELETED ***<br>PAQUIN, RICK                                   |   |               |  |
|           |            | REMARKS: LE32505.  |             |  |   |               |  |

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.

35



PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND  
REGISTRY  
OFFICE #28

44175-0386 (LT)

PAGE 3 OF 3  
PREPARED FOR Carol\_01  
ON 2017/05/30 AT 14:39:17

\* 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/<br>CHKD |
|-----------|------------|-------------------|-------------|--|--|---------------|
| LE81461   | 2016/05/12 | DISCH OF CHARGE   |             | *** COMPLETELY DELETED ***<br>WESTBORO MORTGAGE INVESTMENT CORP. |  |               |
|           |            | REMARKS: LE34227. |             |  |  |               |
| LE81462   | 2016/05/12 | CHARGE            | \$7,287,500 | GOLDEN DRAGON HO 5 INC.  | FIRST SOURCE FINANCIAL MANAGEMENT INC. | C             |
| LE81463   | 2016/05/12 | NO ASSGN RENT GEN |             | GOLDEN DRAGON HO 5 INC.  | FIRST SOURCE FINANCIAL MANAGEMENT INC. | C             |
|           |            | REMARKS: LE81462. |             |  |  |               |

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.

36



# Transfer/Deed of Land

Do Process Software Ltd. • (416) 322-6111

File wilkinson

A

FOR OFFICE USE ONLY

0323448  
 New Property Identifiers

CERTIFICATE OF REGISTRATION  
 LEEDS (25) BROCKVILLE

02 AUG 1 PM 2:58

Additional:  
 See Schedule

Executions

Additional:  
 See Schedule

(1) Registry  Land Titles  (2) Page 1 of 3 pages

(3) Property Identifier(s) Block Property Additional: See Schedule

(4) Consideration  
 TWO MILLION FIVE HUNDRED THOUSAND  
 Dollars \$ 2,500,000.00

(5) Description This is a: Property Division  Property Consolidation

Block "F", Plan 250, City of Brockville, County of Leeds  
 SUBJECT TO an easement in favour of the Bell Telephone Company of Canada registered as Instrument No. 8778, Book 47;  
 AND ALSO SUBJECT TO an easement in favour of the Corporation of the City of Brockville designated as Part 1, on Plan 28R-7978,  
 as previously described in Deed No. 21913

(6) This Document Contains (a) Redescription New Easement Plan/Sketch  (b) Schedule for: Description  Additional Parties  Other  (7) Interest/Estate Transferred Fee Simple

(8) Transferor(s) The transferor hereby transfers the land to the transferee

| Name(s)                          | Signature(s)  | Date of Signature |
|----------------------------------|---|-------------------|
| ESTATE OF ROBERT DAVID WILKINSON | <i>[Signature]</i><br>Per: Patricia Ann Wilson<br>Title: Estate Trustee   | 2002 07 30        |
|                                  | <i>[Signature]</i><br>Per: Susan Elizabeth Kelly<br>Title: Estate Trustee | 2002 07 30        |

(9) Spouse(s) of Transferor(s) I hereby consent to this transaction

| Name(s) | Signature(s) | Date of Signature |
|---------|--------------|-------------------|
|         |              |                   |

(10) Transferor(s) Address for Service: c/o 87 Oakdale Avenue, Stratford, Ontario N5A 7W2

(11) Transferee(s)

| Name(s)                         | Date of Birth |
|---------------------------------|---------------|
| PAQUIN PROPERTY MANAGEMENT LTD. |               |

(12) Transferee(s) Address for Service

(13) Transferor(s) The transferor verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene section 50 of the Planning Act.

ESTATE OF ROBERT DAVID WILKINSON Date of Signature: 2002 07 30

Signature: *[Signature]* Date of Signature: 2002 07 30

Solicitor for Transferor(s) have explained the effect of section 50 of the Planning Act to the transferor and I have made inquiries of the transferor to determine that this transfer does not contravene that section and based on the information supplied by the transferor, to the best of my knowledge and belief, this transfer does not contravene that section. I am an Ontario solicitor in good standing.

Name and Address of Solicitor: Duncan C. Fraser, 9 Pine Street, Box 206, Brockville, Ontario, K6V 5V2

Signature: *[Signature]* Date of Signature: 2002 07 31

(14) Solicitor for Transferee(s) I have investigated the transferor(s) title to this land and to adjoining land where relevant and I am satisfied that the title records reveal no contravention as set out in subclause 50 (22) (c) (ii) of the Planning Act and that to the best of my knowledge and belief this transfer does not contravene section 50 of the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

PIN: \_\_\_\_\_

Name of Transferee(s): Paquin Property Management Ltd.

Name and Address of Solicitor: \_\_\_\_\_

Signature: *[Signature]* Date of Signature: 2002 08 01

(15) Assessment Roll Number of Property: City 08, Mun. 02, Map 010, Sub. 025, Par. 04600

(16) Municipal Address of Property: 64 Reynolds Drive, Brockville, Ontario, K6V 1W7

(17) Document Prepared by: Duncan C. Fraser, Fraser, Best & Bickerton, 9 Pine Street, Box 206, Brockville, Ontario, K6V 5V2

WIE 576 799

| Fees and Tax      |        |
|-------------------|--------|
| Registration Fee  | 60-    |
| Land Transfer Tax | 35975- |
| Total             |        |



Additional Property Identifier(s) and/or Other Information

WHEREAS Robert David Wilkinson (the "deceased") died on or about the 20th day of February, 2002, having duly made a last will and testament, a Certificate of Appointment of Estate Trustee with a Will whereof was granted to the Transferors as Estate Trustees thereof by the Ontario Superior Court of Justice at Brockville on the 13th day of June, 2002, and which Certificate was duly registered in the Land Registry Office for the Registry Division of Leeds (No. 28) on the 31st day of July, 2002, as Instrument No. 323292.

AND WHEREAS the said deceased was, at the time of death aforesaid, seised and possessed of the lands described herein;

AND WHEREAS for the purpose of administration of the said estate it is necessary to transfer the said lands.

AND THEREFORE, in pursuance of the powers vested in the Transferors as personal representatives of the deceased, the within transfer is made by the Transferor to the Transferee.

FOR OFFICE  
USE ONLY

39

IN THE MATTER OF THE CONVEYANCE OF (insert brief description of land) Block F, Plan 250

City of Brockville, County of Leeds

BY (print names of all transferors in full) Robert D. Wilkinson - estate

TO (see instruction 1 and print names of all transferees in full) Paquin Property Management Ltd.

I, (see instruction 2 and print name(s) in full) Rick Paquin

MAKE OATH AND SAY THAT:

1. I am (place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s)): (see instruction 2)

- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
(b) A trustee named in the above-described conveyance to whom the land is being conveyed;
(c) A transferee named in the above-described conveyance;
(d) The authorized agent or solicitor acting in this transaction for (insert name(s) of principal(s))
(e) The President, Vice-President, Manager, Secretary, Director or Treasurer authorized to act for (insert name(s) of corporation(s)) Paquin Property Management Ltd.

2. (To be completed where the value of the consideration for the conveyance exceeds \$400,000.)

I have read and considered the definition of "single family residence" set out in clause 1(1)(a) of the Act. The land conveyed in the above-described conveyance contains at least one and not more than two single family residences.

3. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1(1)(i) and (g) of the Act and each of the following persons to whom or in trust for whom the land is being conveyed in the above-described conveyance is a "non-resident corporation" or a "non-resident person" as set out in the Act. (see instructions 4 and 5) none

4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

Table with columns for description and amount. Rows include: (a) Money paid or to be paid in cash (\$2,500,000.00), (b) Mortgages, (c) Property transferred in exchange, (d) Securities transferred, (e) Liens, legacies, annuities and maintenance charges, (f) Other valuable consideration subject to land transfer tax, (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (Total of (a) to (f)) (\$2,500,000.00), (h) VALUE OF ALL CHATTELS, (i) Other consideration for transaction not included in (g) or (h) above, (j) TOTAL CONSIDERATION (\$2,500,000.00).

All Blanks Must Be Filled in. Insert "Nil" Where Applicable

- 5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 6) n/a
6. If the consideration is nominal, is the land subject to any encumbrance? n/a
7. Other remarks and explanations, if necessary. n/a

Sworn before me at the City of Brockville in the County of Leeds this 30 day of July 2002

Signature of Rick Paquin

Property Information Record

- A. Describe nature of instrument: Transfer/Deed of Land
B. (i) Address of property being conveyed (if available): 64 Reynolds Drive, Brockville, Ontario K6V1W7
(ii) Assessment Roll No. (if available): 08 02 010 025 04600
C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed (see instruction 7)
D. (i) Registration number for last conveyance of property being conveyed (if available)
(ii) Legal description of property conveyed: Same as in D. (i) above. Yes No Not known
E. Name(s) and address(es) of each transferee's solicitor: W. Robert Wilson, WILSON/EVELY, 3 Court Terrace, P.O. Box One, Brockville, Ontario, K6V 5T7, File 02/13888

For Land Registry Office Use Only. Registration No., Registration Date, Land Registry Office No.

School Tax Support (Voluntary Election) See reverse for explanation

- (a) Are all individual transferees Roman Catholic? Yes No
(b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? Yes No
(c) Do all individual transferees have French Language Education Rights? Yes No
(d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? Yes No

NOTE: As to (c) and (d) the land being transferred will be assigned to the French Public School Board or Sector unless otherwise directed in (a) and (b). 0449D (05-09)



LAND  
 REGISTRY  
 OFFICE #28

44175-0386 (LT)

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

PROPERTY DESCRIPTION: BLK F PL 250; S/T 47B8778, LR244687; BROCKVILLE

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
 FEE SIMPLE  
 LT CONVERSION QUALIFIED

RECENTLY:  
 FIRST CONVERSION FROM BOOK

PTN CREATION DATE:  
 2006/07/24

OWNERS' NAMES  
 GOLDEN DRAGON HO 5 INC.

CAPACITY SHARE  
 BENO

| REG. NUM.   | DATE       | INSTRUMENT TYPE   | AMOUNT      | PARTIES FROM               | PARTIES TO                                | CERT/<br>CHKD |
|---|------------|-------------------|-------------|----------------------------|---|---------------|
| ** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2006/07/21 **                           |            |                   |             |                            |   |               |
| **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:   |            |                   |             |                            |   |               |
| ** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * |            |                   |             |                            |   |               |
| ** AND ESCHEATS OR FORFEITURE TO THE CROWN.   |            |                   |             |                            |   |               |
| ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF    |            |                   |             |                            |   |               |
| ** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY             |            |                   |             |                            |   |               |
| ** CONVENTION.  |            |                   |             |                            |   |               |
| ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.                                       |            |                   |             |                            |   |               |
| **DATE OF CONVERSION TO LAND TITLES: 2006/07/24 **  |            |                   |             |                            |   |               |
| 47B8778   | 1955/02/17 | TRANSFER EASEMENT |             |                            | THE BELL TELEPHONE COMPANY OF CANADA      | C             |
| 28R7978   | 1993/03/02 | PLAN REFERENCE    |             |                            |   | C             |
| LR243547  | 1993/08/17 | CHARGE            |             | *** COMPLETELY DELETED *** | BANK OF MONTREAL                          |               |
| LR244687  | 1993/09/23 | TRANSFER EASEMENT |             |                            | THE CORPORATION OF THE CITY OF BROCKVILLE | C             |
| LR257274  | 1995/01/13 | NOTICE OF CLAIM   |             |                            |   | C             |
| REMARKS: 47B8778  |            |                   |             |                            |   |               |
| LR323448  | 2002/08/01 | TRANSFER          | \$2,500,000 |                            | PAQUIN PROPERTY MANAGEMENT LTD.           | C             |
| LR323449  | 2002/08/01 | CHARGE            |             | *** COMPLETELY DELETED *** | BANK OF MONTREAL                          |               |
| LR323450  | 2002/08/01 | CHARGE            |             | *** COMPLETELY DELETED *** | WILSON, PATRICIA ANN                      |               |

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

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

| REG. NUM. | DATE       | INSTRUMENT TYPE    | AMOUNT      | PARTIES FROM   | PARTIES TO  | CERT/<br>CHKD |
|-----------|------------|--------------------|-------------|--|---|---------------|
| LR330600  | 2003/04/28 | TRANSFER EASEMENT  |             |  | KELLY, SUSAN ELIZABETH<br>HYDRO ONE NETWORKS INC. | C             |
| LE2748    | 2007/06/08 | CHARGE             |             | *** COMPLETELY DELETED ***<br>PAQUIN PROPERTY MANAGEMENT LTD.                | BANK OF MONTREAL                                  |               |
| LE20682   | 2009/11/05 | DISCH OF CHARGE    |             | *** COMPLETELY DELETED ***<br>WILSON, PATRICIA ANN<br>KELLY, SUSAN ELIZABETH |   |               |
|           |            | REMARKS: LR323450. |             |  |   |               |
| LE32497   | 2010/12/14 | CHARGE             | \$3,863,420 | PAQUIN PROPERTY MANAGEMENT LTD.  | BANK OF MONTREAL                                  | C             |
| LE32498   | 2010/12/14 | NO ASSGN RENT GEN  |             | PAQUIN PROPERTY MANAGEMENT LTD.  | BANK OF MONTREAL                                  | C             |
| LE32505   | 2010/12/14 | CHARGE             |             | *** COMPLETELY DELETED ***<br>PAQUIN PROPERTY MANAGEMENT LTD.                | PAQUIN, RICK                                      |               |
| LE34143   | 2011/02/24 | APL CH NAME OWNER  |             | PAQUIN PROPERTY MANAGEMENT LTD.  | GOLDEN DRAGON HO 5 INC.                           | C             |
| LE34144   | 2011/02/24 | DISCH OF CHARGE    |             | *** COMPLETELY DELETED ***<br>BANK OF MONTREAL                               |   |               |
|           |            | REMARKS: LR243547. |             |  |   |               |
| LE34145   | 2011/02/24 | DISCH OF CHARGE    |             | *** COMPLETELY DELETED ***<br>BANK OF MONTREAL                               |   |               |
|           |            | REMARKS: LR323449. |             |  |   |               |
| LE34146   | 2011/02/24 | DISCH OF CHARGE    |             | *** COMPLETELY DELETED ***<br>BANK OF MONTREAL                               |   |               |
|           |            | REMARKS: LE2748.   |             |  |   |               |
| LE34227   | 2011/02/28 | CHARGE             |             | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO 5 INC.                        | WESTBORO MORTGAGE INVESTMENT CORP.                |               |
| LE34246   | 2011/02/28 | NO ASSGN RENT GEN  |             | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO. 5 INC.                       | WESTBORO MORTGAGE INVESTMENT CORP.                |               |
| LE34247   | 2011/02/28 | DISCH OF CHARGE    |             | *** COMPLETELY DELETED ***<br>PAQUIN, RICK                                   |   |               |
|           |            | REMARKS: LE32505.  |             |  |   |               |

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

| REG. NUM. | DATE       | INSTRUMENT TYPE   | AMOUNT      | PARTIES FROM   | PARTIES TO                             | CERT/<br>CHKD |
|-----------|------------|-------------------|-------------|--|--|---------------|
| LE81461   | 2016/05/12 | DISCH OF CHARGE   |             | *** COMPLETELY DELETED ***<br>WESTBORO MORTGAGE INVESTMENT CORP. |  |               |
|           |            | REMARKS: LE34227. |             |  |  |               |
| LE81462   | 2016/05/12 | CHARGE            | \$7,287,500 | GOLDEN DRAGON HO 5 INC.  | FIRST SOURCE FINANCIAL MANAGEMENT INC. | C             |
| LE81463   | 2016/05/12 | NO ASSGN RENT GEN |             | GOLDEN DRAGON HO 5 INC.  | FIRST SOURCE FINANCIAL MANAGEMENT INC. | C             |
|           |            | REMARKS: L881462. |             |  |  |               |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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42

This is Exhibit "C" referred to in the Affidavit of David Mandel  
sworn June 7 , 2017

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a smaller 'M' and a trailing flourish.

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*Commissioner for Taking Affidavits (or as may be)*

Request ID: 020308928  
Transaction ID: 64590128  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/05/29  
Time Report Produced: 12:19:57  
Page: 1

# CORPORATION PROFILE REPORT

|                                  |                            |                                  |
|----------------------------------|----------------------------|----------------------------------|
| <b>Ontario Corp Number</b>       | <b>Corporation Name</b>    | <b>Amalgamation Date</b>         |
| 1933182                          | GOLDEN DRAGON HO 7 INC.    | 2015/03/27                       |
|                                  |                            | <b>Jurisdiction</b>              |
|                                  |                            | ONTARIO                          |
| <b>Corporation Type</b>          | <b>Corporation Status</b>  | <b>Former Jurisdiction</b>       |
| ONTARIO BUSINESS CORP.           | ACTIVE                     | NOT APPLICABLE                   |
| <b>Registered Office Address</b> |                            | <b>Date Amalgamated</b>          |
| 532 MONTREAL ROAD                |                            | NOT APPLICABLE                   |
| <b>Suite # 110</b>               |                            | <b>New Amal. Number</b>          |
| OTTAWA                           |                            | NOT APPLICABLE                   |
| ONTARIO                          |                            | <b>Notice Date</b>               |
| CANADA K1K 4R4                   |                            | NOT APPLICABLE                   |
| <b>Mailing Address</b>           |                            | <b>Letter Date</b>               |
| 532 MONTREAL ROAD                |                            | NOT APPLICABLE                   |
| <b>Suite # 110</b>               |                            | <b>Revival Date</b>              |
| OTTAWA                           |                            | NOT APPLICABLE                   |
| ONTARIO                          |                            | <b>Continuation Date</b>         |
| CANADA K1K 4R4                   |                            | NOT APPLICABLE                   |
|                                  |                            | <b>Transferred Out Date</b>      |
|                                  |                            | NOT APPLICABLE                   |
|                                  |                            | <b>Cancel/Inactive Date</b>      |
|                                  |                            | NOT APPLICABLE                   |
|                                  |                            | <b>EP Licence Eff.Date</b>       |
|                                  |                            | NOT APPLICABLE                   |
|                                  |                            | <b>EP Licence Term.Date</b>      |
|                                  |                            | NOT APPLICABLE                   |
|                                  | <b>Number of Directors</b> | <b>Date Commenced in Ontario</b> |
|                                  | <b>Minimum Maximum</b>     | NOT APPLICABLE                   |
|                                  | 00001 00005                | <b>Date Ceased in Ontario</b>    |
| <b>Activity Classification</b>   |                            | NOT APPLICABLE                   |
| NOT AVAILABLE                    |                            |                                  |

Request ID: 020308928  
Transaction ID: 64590128  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/05/29  
Time Report Produced: 12:19:57  
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# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name        |
|---------------------|-------------------------|
| 1933182             | GOLDEN DRAGON HO 7 INC. |

| Corporate Name History  | Effective Date |
|-------------------------|----------------|
| GOLDEN DRAGON HO 7 INC. | 2015/03/27     |

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

## Amalgamating Corporations

| Corporation Name            | Corporate Number |
|-----------------------------|------------------|
| GOLDEN DRAGON HO 7 INC.     | 2308112          |
| HO REALTY INVESTMENT 2 INC. | 1605482          |

Request ID: 020308928  
Transaction ID: 64590128  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

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Date Report Produced: 2017/05/29  
Time Report Produced: 12:19:57  
Page: 3

## CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name        |
|---------------------|-------------------------|
| 1933182             | GOLDEN DRAGON HO 7 INC. |

| Administrator:<br>Name (Individual / Corporation) | Address  |
|---|--|
| ANTHONY<br>DEVONISH                               | 2727 GRAND VISTA CIRCLE<br><br>OTTAWA<br>ONTARIO<br>CANADA K2J 0W5 |

| Date Began  | First Director | Resident Canadian |
|-------------|----------------|-------------------|
| 2016/11/27  | NOT APPLICABLE |                   |
| Designation | Officer Type   | Resident Canadian |
| DIRECTOR    |                | Y                 |

| Administrator:<br>Name (Individual / Corporation) | Address  |
|---|--|
| ANTHONY<br>DEVONISH                               | 2727 GRAND VISTA CIRCLE<br><br>OTTAWA<br>ONTARIO<br>CANADA K2J 0W5 |

| Date Began  | First Director | Resident Canadian |
|-------------|----------------|-------------------|
| 2016/11/27  | NOT APPLICABLE |                   |
| Designation | Officer Type   | Resident Canadian |
| OFFICER     | PRESIDENT      | Y                 |

# CORPORATION PROFILE REPORT

|                            |                         |
|----------------------------|-------------------------|
| <b>Ontario Corp Number</b> | <b>Corporation Name</b> |
| 1933182                    | GOLDEN DRAGON HO 7 INC. |

|   |  |
|---|--|
| <b>Administrator:<br/>Name (Individual / Corporation)</b> | <b>Address</b>   |
| ANTHONY<br>DEVONISH                                       | 2727 GRAND VISTA CIRCLE<br><br>OTTAWA<br>ONTARIO<br>CANADA K2J 0W5 |

|                    |                       |                          |
|--------------------|-----------------------|--------------------------|
| <b>Date Began</b>  | <b>First Director</b> | <b>Resident Canadian</b> |
| 2016/11/27         | NOT APPLICABLE        |                          |
| <b>Designation</b> | <b>Officer Type</b>   |                          |
| OFFICER            | SECRETARY             | Y                        |

|   |  |
|---|--|
| <b>Administrator:<br/>Name (Individual / Corporation)</b> | <b>Address</b>   |
| ANTHONY<br>DEVONISH                                       | 2727 GRAND VISTA CIRCLE<br><br>OTTAWA<br>ONTARIO<br>CANADA K2J 0W5 |

|                    |                       |                          |
|--------------------|-----------------------|--------------------------|
| <b>Date Began</b>  | <b>First Director</b> | <b>Resident Canadian</b> |
| 2016/11/27         | NOT APPLICABLE        |                          |
| <b>Designation</b> | <b>Officer Type</b>   |                          |
| OFFICER            | TREASURER             | Y                        |



Request ID: 020308928  
Transaction ID: 64590128  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/05/29  
Time Report Produced: 12:19:57  
Page: 5

# CORPORATION PROFILE REPORT

**Ontario Corp Number**

**Corporation Name**

1933182

GOLDEN DRAGON HO 7 INC.

**Last Document Recorded**

**Act/Code Description**

**Form**

**Date**

CIA CHANGE NOTICE

1

2017/03/21 (ELECTRONIC FILING)

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

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

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

# CORPORATION DOCUMENT LIST

**Ontario Corporation Number**  
1933182

**Corporation Name**  
GOLDEN DRAGON HO 7 INC.

| ACT/CODE | DESCRIPTION                         | FORM | DATE<br>(YY/MM/DD)             |
|----------|-------------------------------------|------|--------------------------------|
| CIA      | CHANGE NOTICE<br>PAF: SIGLER, SIMON | 1    | 2017/03/21 (ELECTRONIC FILING) |
| CIA      | INITIAL RETURN<br>PAF: HO, CHI VAN  | 1    | 2016/05/05 (ELECTRONIC FILING) |
| BCA      | ARTICLES OF AMALGAMATION            | 4    | 2015/03/27                     |

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

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

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

This is Exhibit "D" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized 'R' with a loop at the top and a long, sweeping tail that extends downwards and to the left.

---

*Commissioner for Taking Affidavits (or as may be)*

04694-0184 (LT)

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

PROPERTY DESCRIPTION: BLK L PLAN 529418 SUBJECT TO CR472387, CR516418, CR534059, CR539535 NEPEAN

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
 FEE SIMPLE  
 LT CONVERSION QUALIFIED

RECENTLY:  
 FIRST CONVERSION FROM BOOK BK798

PIN CREATION DATE:  
 1993/04/19

OWNERS' NAMES  
 GOLDEN DRAGON HO 7 INC.

CAPACITY SHARE

| REG. NUM.  | DATE       | INSTRUMENT TYPE                          | AMOUNT | PARTIES FROM               | PARTIES TO                                | CERT/CHKD |
|--|------------|--|--------|----------------------------|---|-----------|
| <p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1993/04/19 ON THIS PIN**<br/>           **WAS REPLACED WITH THE "PIN CREATION DATE" OF 1993/04/19**<br/>           ** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1993/03/15 **<br/>           **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:<br/>           ** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *<br/>           ** AND ESCHEATS OR FORFEITURE TO THE CROWN.<br/>           ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF<br/>           ** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY<br/>           ** CONVENTION.<br/>           ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.<br/>           **DATE OF CONVERSION TO LAND TITLES: 1993/04/19 **</p> |            |  |        |                            |   |           |
| CR469213   | 1963/11/22 | AGR SUBDIVISION                          |        |                            | THE CORPORATION OF THE TOWNSHIP OF NEPEAN | C         |
|  |            | REMARKS: LT425135                        |        |                            |   |           |
| CR472387   | 1964/02/07 | TRANSFER EASEMENT                        |        |                            | THE BELL TELEPHONE COMPANY OF CANADA      | C         |
|  |            | REMARKS: PARTIALLY RELEASED BY CR533681. |        |                            |   |           |
| CR516418   | 1966/09/29 | TRANSFER EASEMENT                        |        |                            | THE CORPORATION OF THE TOWNSHIP OF NEPEAN | C         |
| CR529427   | 1967/08/14 | CHARGE                                   |        | *** COMPLETELY DELETED *** | THE ROYAL TRUST COMPANY                   |           |
| CR534059   | 1967/11/08 | TRANSFER EASEMENT                        |        |                            | PUBLIC FUEL TRANSMISSION SYSTEMS LIMITED  | C         |
|  |            | REMARKS: SKETCH ATTACHED                 |        |                            |   |           |
| CR539535   | 1968/03/14 | TRANSFER EASEMENT                        |        |                            | THE BELL TELEPHONE COMPANY OF CANADA      | C         |
|  |            | REMARKS: SKETCH ATTACHED                 |        |                            |   |           |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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| REG. NUM.  | DATE       | INSTRUMENT TYPE    | AMOUNT | PARTIES FROM   | PARTIES TO              | CERT/<br>CHRD |
|--|------------|--------------------|--------|--|-------------------------|---------------|
| NS206838   | 1983/08/31 | NOTICE             |        | *** COMPLETELY DELETED ***<br>REDWOOD RESIDENCES LIMITED | CAMPEAU CORPORATION     |               |
| NS206845   | 1983/08/31 | CHARGE             |        | *** COMPLETELY DELETED ***                               | CAMPEAU CORP.           |               |
| REMARKS: N484739, N484755  |            |                    |        |  |                         |               |
| NS2ERR6838   | 1983/08/31 | CHARGE             |        | *** COMPLETELY DELETED ***                               | CAMPEAU CORP.           |               |
| REMARKS: NS206838 -ERROR ENTRY, CANCELLED BY JOHN STADEN ON 1993/06/01 |            |                    |        |  |                         |               |
| NS236997   | 1984/04/27 | TRANSFER OF CHARGE |        | *** COMPLETELY DELETED ***                               | NATIONAL BANK OF CANADA |               |
| REMARKS: NS206845  |            |                    |        |  |                         |               |
| NS237025   | 1984/04/27 | ASSIGNMENT GENERAL |        | *** COMPLETELY DELETED ***                               |                         |               |
| N313101  | 1985/11/07 | TRANSFER           |        | *** COMPLETELY DELETED ***                               | FEIG, MOSHE             |               |
| N484734  | 1989/04/28 | TRANSFER OF CHARGE |        | *** COMPLETELY DELETED ***                               | CAMPEAU CORP.           |               |
| REMARKS: NS206839  |            |                    |        |  |                         |               |
| N484739  | 1989/04/28 | TRANSFER OF CHARGE |        | *** COMPLETELY DELETED ***                               | CAMPEAU CORP.           |               |
| REMARKS: NS206845  |            |                    |        |  |                         |               |
| N484750  | 1989/04/28 | TRANSFER OF CHARGE |        | *** COMPLETELY DELETED ***                               | NATIONAL BANK OF CANADA |               |
| REMARKS: NS206839  |            |                    |        |  |                         |               |
| N484755  | 1989/04/28 | TRANSFER OF CHARGE |        | *** COMPLETELY DELETED ***                               | NATIONAL BANK OF CANADA |               |
| REMARKS: NS206845  |            |                    |        |  |                         |               |
| N501268  | 1989/08/29 | ASSIGNMENT GENERAL |        | *** COMPLETELY DELETED ***                               |                         |               |
| REMARKS: NS206838  |            |                    |        |  |                         |               |
| N501269  | 1989/08/29 | ASSIGNMENT GENERAL |        | *** COMPLETELY DELETED ***                               |                         |               |

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| REG. NUM.  | DATE       | INSTRUMENT TYPE    | AMOUNT | PARTIES FROM   | PARTIES TO                      | CERT/<br>CHKD |
|--|------------|--------------------|--------|--|---------------------------------|---------------|
| <i>REMARKS: NS206838</i>   |            |                    |        |  |                                 |               |
| N641761  | 1992/11/20 | NOTICE             |        | *** DELETED AGAINST THIS PROPERTY ***                            |                                 |               |
| N641762  | 1992/11/20 | NOTICE             |        | *** DELETED AGAINST THIS PROPERTY ***                            |                                 |               |
| LT853226   | 1993/09/30 | DISCH OF CHARGE    |        | *** COMPLETELY DELETED ***<br>NATIONAL BANK OF CANADA            |                                 |               |
| <i>REMARKS: RE: NS206845</i>   |            |                    |        |  |                                 |               |
| LT862389   | 1993/11/26 | NOTICE             |        | *** DELETED AGAINST THIS PROPERTY ***<br>REDWOOD RESIDENCES LTD. | THE CONSUMERS GAS COMPANY LTD.  |               |
| LT880656   | 1994/04/21 | CHARGE             |        | *** COMPLETELY DELETED ***<br>FEIG, MOSHE                        | SCOTIA MORTGAGE CORPORATION     |               |
| LT880657   | 1994/04/21 | NOTICE             |        | *** COMPLETELY DELETED ***<br>FEIG, MOSHE, IN TRUST              | SCOTIA MORTGAGE CORPORATION     |               |
| <i>REMARKS: DELETED BY OC252809, 12 NOV 13. MW</i>                                     |            |                    |        |  |                                 |               |
| LT895079   | 1994/07/12 | DISCH OF CHARGE    |        | *** COMPLETELY DELETED ***<br>ROYAL TRUST CORPORATION OF CANADA  |                                 |               |
| <i>REMARKS: RE: CR529427</i>   |            |                    |        |  |                                 |               |
| LT1068991  | 1997/08/26 | APL (GENERAL)      |        | *** COMPLETELY DELETED ***<br>REDWOOD RESIDENCES LIMITED         |                                 |               |
| <i>REMARKS: DELETING NS206838, NS237025, N501268, N501269, N661058 &amp; LT832167.</i> |            |                    |        |  |                                 |               |
| LT1137731  | 1998/07/28 | DIS NOTICE SEC INT |        | *** COMPLETELY DELETED ***                                       | THE CONSUMERS GAS COMPANY LTD.  |               |
| <i>REMARKS: RE: LT862389</i>   |            |                    |        |  |                                 |               |
| LT1137732  | 1998/07/28 | DIS NOTICE SEC INT |        | *** COMPLETELY DELETED ***                                       | THE CONSUMERS' GAS COMPANY LTD. |               |
| <i>REMARKS: RE: N641761</i>  |            |                    |        |  |                                 |               |
| LT1137733  | 1998/07/28 | DIS NOTICE SEC INT |        | *** COMPLETELY DELETED ***                                       | THE CONSUMERS' GAS COMPANY LTD. |               |
| <i>REMARKS: RE: N641762</i>  |            |                    |        |  |                                 |               |

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LAND  
 REGISTRY  
 OFFICE #4

04694-0184 (LT)

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| REG. NUM. | DATE       | INSTRUMENT TYPE                    | AMOUNT      | PARTIES FROM  | PARTIES TO                  | CERT/<br>CHKD |
|-----------|------------|------------------------------------|-------------|---|-----------------------------|---------------|
| OC179700  | 2003/03/19 | TRANSFER                           |             | *** COMPLETELY DELETED ***<br>FEIG, MOSHE<br>FEIG, MOISHE | BIFFEL CONSTRUCTION LIMITED |               |
| OC205177  | 2003/06/04 | NOTICE                             |             | *** COMPLETELY DELETED ***<br>CITY OF OTTAWA              |                             |               |
| OC243948  | 2003/09/09 | TRANSFER                           |             | *** COMPLETELY DELETED ***<br>BIFFEL CONSTRUCTION LIMITED | H.E. 1942 INVESTMENT INC.   |               |
| OC243949  | 2003/09/09 | CHARGE                             |             | *** COMPLETELY DELETED ***<br>H.E. 1942 INVESTMENT INC.   | BANK OF MONTREAL            |               |
| OC243952  | 2003/09/09 | NO ASSGN RENT GEN                  |             | *** COMPLETELY DELETED ***<br>H.E. 1942 INVESTMENT INC.   | BANK OF MONTREAL            |               |
|           |            | <i>REMARKS: OC243949</i>           |             |   |                             |               |
| OC252809  | 2003/09/30 | DISCH OF CHARGE                    |             | *** COMPLETELY DELETED ***<br>SCOTIA MORTGAGE CORPORATION |                             |               |
|           |            | <i>REMARKS: RE: LT880656</i>       |             |   |                             |               |
| OC378216  | 2004/09/02 | NOTICE                             |             | *** COMPLETELY DELETED ***<br>H.E. 1942 INVESTMENT INC.   | BANK OF MONTREAL            |               |
| OC431431  | 2005/02/08 | DISCHARGE INTEREST                 |             | *** COMPLETELY DELETED ***                                | CITY OF OTTAWA              |               |
|           |            | <i>REMARKS: RE: OC205177</i>       |             |   |                             |               |
| OC1446811 | 2013/01/21 | APL GOVT ORDER                     |             | *** COMPLETELY DELETED ***<br>CITY OF OTTAWA              |                             |               |
| OC1459513 | 2013/03/13 | APL (GENERAL)                      |             | *** COMPLETELY DELETED ***<br>CITY OF OTTAWA              |                             |               |
|           |            | <i>REMARKS: DELETING OC1446811</i> |             |   |                             |               |
| OC1548034 | 2013/12/19 | TRANSFER                           | \$2,500,000 | H.E. 1942 INVESTMENT INC.                                 | GOLDEN DRAGON HO 7 INC.     | C             |
| OC1548035 | 2013/12/19 | CHARGE                             |             | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO 7 INC.     | 6401821 CANADA INC.         |               |
| OC1548036 | 2013/12/19 | NO ASSGN RENT GEN                  |             | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO 7 INC.     | 6401821 CANADA INC.         |               |
|           |            | <i>REMARKS: OC1548035</i>          |             |   |                             |               |

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| REG. NUM. | DATE       | INSTRUMENT TYPE     | AMOUNT | PARTIES FROM  | PARTIES TO                            | CERT/<br>CHKD |
|-----------|------------|---------------------|--------|---|---------------------------------------|---------------|
| OC1565879 | 2014/03/17 | DISCH OF CHARGE     |        | *** COMPLETELY DELETED ***<br>BANK OF MONTREAL                |                                       |               |
|           |            | REMARKS: OC243949.  |        |   |                                       |               |
| OC1629870 | 2014/10/22 | CHARGE              |        | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO 7 INC.         | COMPUTERSHARE TRUST COMPANY OF CANADA |               |
| OC1629871 | 2014/10/22 | NO ASSGN RENT GEN   |        | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO 7 INC.         | COMPUTERSHARE TRUST COMPANY OF CANADA |               |
|           |            | REMARKS: OC1629870. |        |   |                                       |               |
| OC1630025 | 2014/10/22 | DISCH OF CHARGE     |        | *** COMPLETELY DELETED ***<br>6401821 CANADA INC.             |                                       |               |
|           |            | REMARKS: OC1548035. |        |   |                                       |               |
| OC1645786 | 2014/12/12 | CHARGE              |        | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO 7 INC.         | PEZZACK FINANCIAL SERVICES INC.       |               |
| OC1768358 | 2016/03/01 | DISCH OF CHARGE     |        | *** COMPLETELY DELETED ***<br>PEZZACK FINANCIAL SERVICES INC. |                                       |               |
|           |            | REMARKS: OC1645786. |        |   |                                       |               |
| OC1769359 | 2016/03/01 | CHARGE              |        | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO 7 INC.         | PEZZACK FINANCIAL SERVICES INC.       |               |
| OC1768360 | 2016/03/01 | NO ASSGN RENT GEN   |        | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO 7 INC.         | PEZZACK FINANCIAL SERVICES INC.       |               |
|           |            | REMARKS: OC1768359  |        |   |                                       |               |
| OC1773257 | 2016/03/22 | CHARGE              |        | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO 7 INC.         | PEZZACK FINANCIAL SERVICES INC.       |               |
| OC1773258 | 2016/03/22 | NO ASSGN RENT GEN   |        | *** COMPLETELY DELETED ***<br>GOLDEN DRAGON HO 7 INC.         | PEZZACK FINANCIAL SERVICES INC.       |               |
|           |            | REMARKS: OC1773257  |        |   |                                       |               |
| OC1786616 | 2016/05/12 | DISCH OF CHARGE     |        | *** COMPLETELY DELETED ***<br>PEZZACK FINANCIAL SERVICES INC. |                                       |               |
|           |            | REMARKS: OC1768359. |        |   |                                       |               |
| OC1786617 | 2016/05/12 | DISCH OF CHARGE     |        | *** COMPLETELY DELETED ***<br>PEZZACK FINANCIAL SERVICES INC. |                                       |               |

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|----------------------------|------------|-------------------|------------|---|--|---------------|
| <i>REMARKS: OC1773257.</i> |            |                   |            |   |  |               |
| OC1786618                  | 2016/05/12 | CHARGE            | 57,287,500 | GOLDEN DRAGON HO 7 INC.   | FIRST SOURCE FINANCIAL MANAGEMENT INC. | C             |
| OC1786619                  | 2016/05/12 | NO ASSGN RENT GEN |            | GOLDEN DRAGON HO 7 INC.   | FIRST SOURCE FINANCIAL MANAGEMENT INC. | C             |
| <i>REMARKS: OC1786618.</i> |            |                   |            |   |  |               |
| OC1787217                  | 2016/05/16 | DISCH OF CHARGE   |            | *** COMPLETELY DELETED ***<br>COMPUTERSHARE TRUST COMPANY OF CANADA |  |               |
| <i>REMARKS: OC1629870.</i> |            |                   |            |   |  |               |

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**Properties**

PIN 04694 - 0164 LT Interest/Estate Fee Simple  
 Description BLK L PLAN 529418 SUBJECT TO CR472387, CR516418, CR534059, CR539535  
 NEPEAN  
 Address 39 85 COSTELLO AVENUE  
 OTTAWA

**Consideration**

Consideration \$2,500,000.00

**Transferor(s)**

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

Name H.E. 1942 INVESTMENT INC.  
 Address for Service c/o Leimark Developments Ltd.  
 202-2039 Robertson Road  
 Ottawa, Ontario  
 K2H 8R2

I, Jonathan Kardash (Authorized Signing Officer), have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Transferee(s)**

Capacity

Share

Name GOLDEN DRAGON HO 7 INC.  
 Address for Service 110-532 Montreal Road  
 Ottawa, Ontario  
 K1K 4R4

**Signed By**

Steven Bradley Sheppard 1500-50 O'Connor acting for Signed 2013 12 16  
 Ottawa Transferor(s)  
 K1P 6L2

Tel 613-238-8080  
 Fax 613-238-2098

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

Kenneth Wayne Johnson 2285 St. Laurent Blvd., Unit D16 acting for Signed 2013 12 19  
 Ottawa Transferee(s)  
 K1G 4Z7

Tel 6135263903  
 Fax 6135264874

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

**Submitted By**

KENNETH JOHNSON LAW OFFICE 2285 St. Laurent Blvd., Unit D16 2013 12 19  
 Ottawa  
 K1G 4Z7

Tel 6135263903  
 Fax 6135264874

**Fees/Taxes/Payment**

Statutory Registration Fee \$80.00  
 Provincial Land Transfer Tax \$35,975.00  
 Total Paid \$36,035.00

5b

LRO # 4 Transfer

Registered as OC1548034 on 2013 12 19 at 10:52

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

yyyy mm dd Page 2 of 3

**File Number**

Transferor Client File Number : 34497-2

Transferee Client File Number : 02-3373

**LAND TRANSFER TAX STATEMENTS**

In the matter of the conveyance of: 04694 - 0184 BLK L PLAN 529418 SUBJECT TO CR472387, CR516418, CR534059, CR539535 NEPEAN

BY: H.E. 1942 INVESTMENT INC.  
TO: GOLDEN DRAGON HO 7 INC.

1. CHI VAN HO

I am

- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- (c) A transferee named in the above-described conveyance;
- (d) The authorized agent or solicitor acting in this transaction for \_\_\_\_\_ described in paragraph(s) ( ) above.
- (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for GOLDEN DRAGON HO 7 INC. described in paragraph(s) (c) above.
- (f) A transferee described in paragraph ( ) and am making these statements on my own behalf and on behalf of \_\_\_\_\_ who is my spouse described in paragraph ( ) and as such, I have personal knowledge of the facts herein deposed to.

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

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

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

|   |              |
|---|--------------|
| (a) Monies paid or to be paid in cash   | 2,500,000.00 |
| (b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)         | 0.00         |
| (ii) Given Back to Vendor   | 0.00         |
| (c) Property transferred in exchange (detail below)   | 0.00         |
| (d) Fair market value of the land(s)  | 0.00         |
| (e) Liens, legacies, annuities and maintenance charges to which transfer is subject                   | 0.00         |
| (f) Other valuable consideration subject to land transfer tax (detail below)                          | 0.00         |
| (g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f)) | 2,500,000.00 |
| (h) VALUE OF ALL CHATTELS - items of tangible personal property                                       | 0.00         |
| (i) Other considerations for transaction not included in (g) or (h) above                             | 0.00         |
| (j) Total consideration   | 2,500,000.00 |

PROPERTY Information Record

A. Nature of Instrument: Transfer  
 LRO 4 Registration No. OC1548034 Date: 2013/12/19

B. Property(s): PIN 04694 - 0184 Address 39 85 COSTELLO AVENUE Assessment 0612000 - 73502000  
 Roll No  
 OTTAWA

C. Address for Service: 110-532 Montreal Road  
 Ottawa, Ontario  
 K1K 4R4

D. (i) Last Conveyance(s): PIN 04694 - 0184 Registration No. OC243948  
 (ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes  No  Not known:

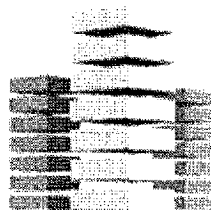
E. Tax Statements Prepared By: Kenneth Wayne Johnson  
 2285 St. Laurent Blvd., Unit D16  
 Ottawa K1G 4Z7

This is Exhibit "E" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a cursive name.

---

*Commissioner for Taking Affidavits (or as may be)*



FIRST SOURCE  
MORTGAGE CORPORATION

Golden Dragon Ho 7 Inc.  
Golden Dragon Ho 5 Inc.  
c/o Chi Ho  
384 Bank Street, Suite 300A  
Ottawa, ON

April 12, 2016

By email only to: paul@firstsourcemortgage.ca

Dear Sir:

***Refinance of the loans to Golden Dragon Ho 7 Inc. and Golden Dragon Ho 5 Inc. with a first charge on the property municipally known as 39-85 Costello Ave, Ottawa, ON ("Costello Property") and second collateral charge on the property municipally known as 64 Reynolds Drive, Brookville, ON ("Reynolds Property"). Both buildings are multi residential rental buildings ( collectively, the "Property").***

Dear Sir:

FIRST SOURCE MORTGAGE CORPORATION ("First Source" or the "Lender"), licensed under the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, is pleased to advise you, Golden Dragon Ho 7 Inc. and Golden Dragon Ho 5 Inc. (the "Borrower"), that Borrower's recent application for a loan to be secured by a first mortgage has been approved subject to the following terms and conditions:

**ARTICLE 1.00**

**MORTGAGE DETAILS**

- 1.01 Loan Amount:** The lesser of: (i) \$7,287,500 or (ii) 51% of the "As Is" value of the Property. The value shall be as determined by an appraisal prepared by a bona fide appraiser approved by the Lender and funds shall be advanced in one advance, as hereinafter set out, (the "Loan" or "Loan Facility").
- 1.02 Interest Rate:** The higher of: (i) 10.50% or (ii) P+7.80% based on RBC Prime Rate per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 12 months and thereafter at (iii) P + 2% compounded monthly, calculated monthly and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged. This Loan will be administered on behalf of the Lender(s), and where applicable, at a cost to the Lender(s) of approximately 0.75%, which cost is subject to any H.S.T. (the "HST Administration Tax"). The HST Administration Tax only is for

the account of the Borrower and an estimated amount is to be deducted from the Loan Advance. The Lender shall advise the Borrower of the HST Administration Tax on or before Closing.

- 1.03 **Term:** 12 months plus 1 day from the Interest Adjustment Date.
- 1.04 **Amortization:** Nil.
- 1.03 **Guarantor:** Chi Ho and Than H.T. Nguyen and any other entities having any beneficial interest in the Property on a joint and several basis. (Collectively the "Guarantor").
- 1.06 **Repayable:** Interest only. Payable monthly on the first day of the month and compounded monthly.
- 1.07 **Interest Adjustment Date:** The 1<sup>st</sup> day of the month following the first advance.
- 1.08 **Closing Date:** The loan shall be made on April 29, 2016 or a date mutually agreed upon by First Source and the Borrower. If the date of the advance is more than 10 business days past the aforesaid date, this commitment will be at our option, null and void. In the event First Source agrees to an extension of more than 10 business days beyond the date specified, the new rate and any costs attributable thereto, will be subject to the then current market terms and conditions as at that date.
- 1.09 **Prepayment Privileges:** Closed for 6 months and then open on any payment date with 15 days prior written notice and the payment of one month's interest as a bonus save and except the mortgage shall be fully open for repayment without Penalty or Bonus during the last 15 days of the term.
- 1.10 **Purpose:** To assist the Borrower with an equity take out refinancing of the Property by; discharging an existing \$2,700,000 first mortgage in favour of MCAP and second mortgage of \$1,000,000 in favour of Pezack on the Costello property; discharge the second mortgage of \$641,000 in favour of Wesboro on the Reynolds property; access three (3) months of interest in the amount of \$191,297 to be held as additional security and to be used in case of default at the lenders sold discretion; provide equity take out of \$2,400,000 to repay construction liens relating to the Borrowers Johnson Kingston property, and to pay for arranging and professional fees.
- 1.11 **Security:**
- 1) Promissory Note from the Borrower.
  - 2) First Charge on the Property located at 39-85 Costello Ave, Ottawa.
  - 3) Second collateral charge on the Property located at 64 Reynolds Dr., Brookville.
  - 4) General Assignment of Rents and Leases on the Property.
  - 5) General Security Agreement ("GSA") against the chattels and inventory/equipment being the property of the Borrower on the Property.
  - 6) Guarantees as aforesaid together with General Security Agreements.
  - 7) Subordination and Postponement of Claim from shareholders of the Borrower.
  - 8) Mortgage to include a covenant of no subsequent financing without consent of the Lender, not to be unreasonably withheld.
  - 9) Three (3) month interest in the amount of \$191,297 to be held back from the advance and held as additional security to be used in the event of default of the mortgage at Lenders sole discretion.

- 10) Such other reasonable legal security as requested by the Lender and/or its legal counsel.

**ARTICLE 2.00**

- 2.01 **Lender Fee:** In consideration of First Source obtaining this Commitment, the Borrower hereby agrees to pay a fee (the “**Lender Fee**”) in the amount of 2% of the Loan Amount;
- a) \$40,000.00 by cheque upon acceptance of this Commitment (the “**First Deposit**”). One half of the First Deposit shall be applied in satisfaction of the Lender Fee or all of the First Deposit shall be forfeited if the Mortgage Amount is not advanced by the Lender due to any cause whatsoever, save and except default of the Lender.
  - b) The balance of the Lender Fee shall be payable from the closing proceeds on the closing date.

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

In addition to the Lender Fee, the Borrower acknowledges that a Brokerage fee shall be payable to Invis Inc. and Ibroker combined of 1.00% the loan amount which shall be deducted from the closing proceeds and paid upon closing. Any additional brokerage fees payable to any other entity shall be the account of the Borrower.

**ARTICLE 3.00**

**CONDITIONS OF THIS COMMITMENT**

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

- a) **Appraisal/Letters of Opinion:** Review and approval of an appraisal from an appraiser approved by the Lender confirming an “as is” value of not less than \$6,400,000 for the Costello Property and \$7,890,000 for the Reynolds Property. The Appraisal is to be addressed to the Lender and its lending clients or a Letter of Reliance provided. All appraisals/Letters of Opinion are for the account of the Borrower. Lender reserves the right to request a realtor’s Letter of Opinion of Value at Borrowers expense if required by Lender that the Lender in its sole discretion finds satisfactory.
- b) **Environmental Reports:** Review and approval by the Lender of a current satisfactory Phase I, and if required by the Lender’s Environmental Consultant a Phase II Environmental Site Assessment Reports addressed to the Lender and its lender clients, or a Reliance Letter, prepared by a reputable environmental firm or other evidence the Lender in its sole discretion finds satisfactory.
- c) **Credit Rating:** Review of the Borrower’s financial position including without limiting the generality of the foregoing, recent financial statements, credit bureau reports, notices of assessment and T1 Generals, statements of Net Worth. The Borrower and Guarantor hereby consent to credit inquiries and to any disclosure of personal or credit information to any other credit grantors or to any consumer reporting agency.



- d) **Loan to Value:** The Borrower shall be obligated to maintain a maximum combined loan to value of 75%, to be tested semi-annually, as determined by the Lender. Failure to maintain such maximum loan to value ratio may be considered an event of default, at the Lender's option.
- e) **Debt Service Coverage:** The borrower is to maintain a minimum debt service coverage of 1.10 times based on combined income and expense statements, 4.50% interest rate or Lender's applicable institutional interest rate used in underwriting comparable property loans on a 25 year amortization. The calculation is to include the BMO loan payments on the Reynolds Property.
- f) **Inspection and Meeting with Principals:** First Source being satisfied with its inspection of the Property and its meeting with the principals of the Borrower. The Borrower hereby agrees to provide access to the Property for initial inspection and any subsequent inspection and at least one of the principals will make him/herself available to meet at the Property.
- g) **First Source Forms:** The Borrower delivering completed and signed Mortgage Application, Background Check Consent Form and Net Worth Statements on such forms as reasonably required by First Source.
- h) **Certified Rent Roll:** Receipt of a current certified rent roll for both Properties.
- i) **Leases:** Receipt of all leases in place and any arising during the term of the loan.
- j) **Existing Debt:** Receipt of mortgage statements showing the outstanding balances and that the loan is in good standing for both properties.
- k) **Construction Lien:** Confirmation of the amount of the construction lien placed on the Johnson Kingston Property.
- l) **Not For Construction:** The borrower shall covenant that no portion of the Loan shall be used for construction.
- m) **Other Documents:** Any other documents realized during the due diligence process of underwriting the loan.

#### ARTICLE 4.00

#### CONDITIONS OF FUNDING

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

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

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

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

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

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

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

- 4.19 **Legal Fees:** The Borrower hereby agrees to pay the reasonable legal fees required by the Lender's Solicitors for the completion of the legal services related to this Mortgage. Disbursements shall be in addition thereto. Borrower to deliver a \$5,000 retainer to Lenders lawyer forthwith upon request. The Borrower shall have the choice of two legal quotations for fees obtained from the solicitors selected by the Lender.

## ARTICLE 5.00 BORROWER'S REPRESENTATIONS

- 5.01 **Borrower's Representations:** The Borrower represents and warrants that as of the date of acceptance of this Commitment and as of the Closing Date:

- (i) The Borrower and the Guarantor have the power, capacity and authority to enter into this Commitment and to perform and complete the transaction contemplated herein, all of which have been duly authorized where required by all necessary corporate action and that no consents are necessary;
- (ii) the Borrower and the Guarantor have not withheld any information of a material nature relating to the Property or to the Borrower or Guarantor;
- (iii) all existing environmental assessments, audits, tests and reports relating to the Properties within the knowledge of the Borrower have been delivered to the Lender.
- (iv) to the best of its knowledge and belief, the Properties have no Environmental issues affecting same and a covenant and warranty with respect to same will be delivered to the Lender.

- 5.02 **Borrower's Acknowledgments:** The Borrower acknowledges and represents that:

- (i) it has considered the risks entailed in private borrowing and has been informed of the risks involved in the Loan;
- (ii) the terms and the interest rate in this Commitment may be higher and more onerous than institutional lenders;
- (iii) it has had an opportunity to consult its legal counsel and accountant or other financial advisors;
- (iv) if the Lender does not advance the Loan by a certain date, the Borrower may be unable to satisfy the intended purpose for the Loan;
- (v) In the event the Borrower is unable to pay monthly payments, Property taxes, fire insurance premiums or the principal amount when the Loan is due, the Lender could obtain a court judgment and enforce all remedies available by law and income could be seized to pay the judgment or the Lender could keep the Property or sell it.
- (vi) When the Loan is due, if the Lender cannot or will not renew the Loan and cannot pay the outstanding balance the Property may have to be sold in order to repay the Loan; and
- (vii) the Lender has disclosed the material risks of the Loan.
- (viii) it has reviewed the loan with its trusted advisors and has determined the loan to be most suitable for its needs.

- 5.03 **Reporting Requirements:** The Borrower acknowledges and represents that:

- (i) Within 120 days of each fiscal year during the term of the Loan Facility to provide the Lender with financial statement for the Borrower and the Guarantor, if any.

- 5.04 **No Subsequent Encumbrances:** Other than the Permitted Encumbrances having been postponed to the Lender's registered encumbrances, the Lender and Borrower agree there shall be no Subsequent Encumbrances registered against the Lands without the express written consent of the Lender being granted and a priority and standstill agreement being obtained between the Lender and the party wishing to hold the Subsequent Encumbrances failing which at the option of the Lender the Mortgage shall immediately become due and payable.

## ARTICLE 6.00

## MISCELLANEOUS

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

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

In the case of the Borrower and the Guarantor to:

Golden Dragon Ho Inc.  
 384 Bank Street, Suite 300A  
 Ottawa, ON  
 Attention: Mr. Chi Ho  
 By email:

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

- 6.06 **General Provisions and Independent Legal Advice:** The Mortgage Advance is to be payable to the registered owner of the Property or the encumbrancers who are to be paid out from the Advance. Independent Legal Advice shall be required for any party guaranteeing the Mortgage, consenting to the Mortgage or postponing their interest to the Lender's security.
- 6.07 **Facsimile Transmission or Email:** The transmission of an executed copy of this Commitment by facsimile transmission or in "pdf" form by email shall be deemed to constitute execution and delivery of an original executed copy.

**6.08 Consent to Personal Information as Per Privacy Policy:** By signing this Commitment, the Borrower and Guarantor agree that any information, personal or otherwise, either that the Borrower or Guarantor has provided or will provide to the Lender or that the Borrower has on file about the Borrower and Guarantor shall be retained and may be used as the Lender deems necessary in its sole discretion for the mortgage placement herein, collection of any arrears or deficiencies in the event of a default and any renewals or extensions of same. The Borrower and the Guarantor also agree that the Lender may retain this information on file for as long as the Lender deems appropriate. The Borrower and Guarantor also agree to any credit bureau search being carried out by the Lender from time to time, as the Lender deems necessary in its sole discretion, but no later than 90 days after the Mortgage is discharged.

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

**6.09 Counterparts:** This Commitment may be executed in counterparts and all counterparts so executed will constitute one agreement binding on the parties effective on execution.

**6.10 Assignment:** The Borrower acknowledges that all or a portion of the Loan may be sold or syndicated without further notice to or consent of the Borrower and the Lender may disclose, transfer and assign as they in their sole discretion deem advisable all financial and other information and materials, without restriction or notice as follows; (i) to any subsequent or proposed purchaser of the Loan or any subsequent lender and their respective third party advisors; and (ii) to any person in connection with the sale or assignment of the Loan. This Commitment is conditional on a portion of the Loan being satisfactorily assigned and funded. The Borrower also consents to the release, disclosure, exchange and sharing of all information and materials and to any publicity or advertising that refers to the financing. The Lender may sell transfer or assign the Loan or any interest therein from time to time without the consent of the Borrower at no cost to the Borrower. After any such assignment, the Lender shall have no further obligation to that part of the Loan assigned.

**6.11 Confidentiality:** The Borrower and the Guarantor acknowledge and agree that the terms herein are confidential between themselves and the Lender, their respective lawyers and consultants and agree not to disclose the information herein to any third party without the Lender's prior written consent, which shall not be unreasonably withheld.

**6.12 Successors and Assigns:** This Commitment and the rights and benefits arising here from may not be assigned by the Borrower to any other party without the prior written approval of the Lender.

**6.13 Interpretation:** This Commitment shall be read in conjunction with the Lender's form of charge documents and in all cases where the interpretation of the terms hereof and the

intention of the parties hereto may be in question, where applicable, the terms recited in the relevant charge document shall prevail.

**6.14 Right to Advertise:** The lender reserves the right to erect a sign on the Property and to advertise in professional publications and/or its website general details of the Loan

This Commitment is open for acceptance by the Borrower and the Guarantor until 5:00 PM on the 15th day of April 2016 by which time and date a copy of this Commitment duly executed by the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder.

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

Yours truly,

FIRST SOURCE MORTGAGE CORPORATION

Per:



---

David Mandel – President  
I am authorized to bind the corporation.  
Principal Broker (License # 10434)  
Mortgage Administrator (License # 12594)  
[www.firstsourcemortgage.ca](http://www.firstsourcemortgage.ca)  
[david@firstsourcemortgage.ca](mailto:david@firstsourcemortgage.ca)

Accepted at Toronto, Ontario this \_\_\_ day of \_\_\_\_\_ 2016

**Golden Dragon Ho 7 Inc.**

Per:

x \_\_\_\_\_

**Borrower:**

I/we have authority to bind the corporation

x \_\_\_\_\_

**Borrower:**

**Golden Dragon Ho 5 Inc.**

Per:

x \_\_\_\_\_

**Borrower:**

I/we have authority to bind the corporation

x \_\_\_\_\_

**Borrower:**

**Guarantors:**

**Chi Ho**

**Thanh H.T. Nguyen**

x \_\_\_\_\_

**Guarantor**

x \_\_\_\_\_

**Guarantor**

Witness: *Please sign beside the X and print full name beside Witness*

X \_\_\_\_\_

Witness Name:

Address:

Tel:



## SCHEDULE "A"

1. **Post-dated Cheques** The Borrower shall provide to the Lender post-dated cheques for each year of the term of the Mortgage. Each cheque is to be in the amount of the monthly instalment payable under the Mortgage. The Lender shall have the right to direct the Borrower to deliver one or more separate cheques for each monthly payment totalling the monthly instalment. Alternatively, the Borrower shall provide Pre-Authorized Payments to be drawn from the Borrowers chosen Bank at the Lenders request at any time and shall provide the Lender with all necessary information for this purpose as required. **Post-dated Cheque should be made payable to "First Source Financial Management Inc." unless instructed otherwise.**
  
2. **Administration Fee:** The Borrower agrees to pay to the Lender an administration fee of \$500 plus HST for each occurrence of any of the following events. If a default occurs a second time the Administration Fee shall be doubled.
  - a) Late Payment after a demand has been made;
  - b) Cheque Dishonored for any reason;
  - c) Failure to provide proof of payment of realty taxes within 30 days of the 31<sup>st</sup> day of January and June in each year of the term or after a demand being made;
  - d) Failure to provide proof of insurance coverage at least 10 business days prior to the maturity date of the initial policy delivered on Closing or after a demand being made;
  - e) Cancellation of insurance coverage shall be two times the applicable administration Fee and the penalty doubles again in the event the Borrower does not provide proof of reinstatement within 24 hours of notice by the Lender.
  - f) Failure to provide postdated cheques when required after a demand being made;
  - g) Failure to notify Lender of registration of lien;
  - h) Each construction advance;
  - i) Each property inspection relating to a second or further mortgage advance, default, insurance matter or any other matter at lenders sole discretion;
  - j) Request for Mortgage Statement;
  - k) Request for Discharge Statement or notice of default letter;
  - l) Default under any other mortgage, charge or encumbrance;
  - m) Each meeting required by the Borrower or Lender because of an issue that has arisen regarding the Loan Facility;
  - n) Each three telephone attendances and/or emails required by the Borrower or Lender because of an issue that has arisen regarding the Loan Facility;
  
3. **Holding Over:** In the event that the mortgage loan is not repaid upon maturity, unless the Lender has received at least thirty (30) days' notice and has agreed to an extension in writing and has received approval from its investors the interest rate on the mortgage loan shall continue at 2% compounded month calculated monthly or the that rate set out herein under Interest Rate until the earlier of discharge or sale, whichever comes first.
  
4. **Notice:** The mortgage will be registered and administered on behalf of the Lender by First Source Financial Management Inc., a related company and licensed mortgage administrator.

5. **Tax Deposits:** The Lender reserves the right to require the Borrower to pay monthly tax deposits to the Lender concurrently with each monthly instalment in such amounts which the Lender in its discretion deems necessary to pay when due all taxes, assessments and similar charges affecting the Property.
6. **Due on Default:** In the event of default under this Mortgage, beyond an applicable cure period, at the option of the Lender, the full principal balance together with interest and costs on a substantial indemnity basis in relation thereto shall become immediately due and payable.
7. **Due on Sale:** The Borrower and the Guarantor hereby agree that in the event that the Property is sold, conveyed, transferred or assigned or there is a change in control of a corporate Borrower or corporate Guarantor, without Lender's written consent, which consent shall not be unreasonably withheld, the Lender shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Lender immediately due and payable together with the Lender's then current prepayment penalties and fees.
8. **No Subsequent Encumbrances:** The Borrower and the Guarantor hereby agree that in the event that a subsequent mortgage is placed on the Property without Lender's written consent, which consent shall not be unreasonably withheld, that the Lender shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Lender immediately due and payable together with the Lender's then current prepayment penalties and fees.
9. **Default of Prior Encumbrances:** If at any time or from time to time any default or breach of covenant occurs under any encumbrance registered against the Property and which encumbrance has priority over the Mortgage and which default is not cured within the grace periods permitted, it shall constitute default under the Mortgage and the Lender may pay all monies and take appropriate action to cure any default or breach under any encumbrance.
10. **Costs:** The Borrower covenants and agrees to pay all property tax, public utilities rates, charges, and insurance premiums as and when they become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Borrower to comply with this covenant shall constitute an event of default hereunder and entitles the Lender at its sole and absolute discretion to avail itself of remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs.  
In addition, at the Lender's sole and absolute discretion, the Borrower agrees that the Lender may satisfy any charge, lien, any matter raised in the previous paragraph or other encumbrances now or hereafter existing or to arise or to be claimed upon the charged lands and the amount so paid together with all costs associated therewith shall be a charge on the Property and/or Collateral Property and shall bear interest at Eighteen (18%) percent per annum, calculated and compounded monthly and shall be payable forthwith by the Borrower to the Lender, and in default of payment, the entire principal sum, accrued interest and costs, shall become payable at the sole and absolute discretion of the Lender and the remedies hereby given and available at law may be exercised forthwith without notice. In the event the Lender satisfying any such charge or claim, it shall be entitled to all equities and securities of the person(s) so satisfied and it may retain any discharge, cessation of charge or assignment of charge unregistered until paid.

11. **Final Payment and Discharge:** The Borrower covenants and agrees that payment at maturity, or earlier if notice to prepay is delivered, of the Mortgage shall be by certified cheque, bank draft or money order. After payment in full of the principal sum and all other amounts hereby provided, a discharge of the Mortgage shall be prepared by the solicitor for the Lender, at the cost and expense of the Borrower within a reasonable time after such payment and such solicitor's fees shall not include attendance outside the office in order to deliver the said discharge or the attendance on a closing or registration of and the cost of registration of the said discharge. In the event the loan is not repaid at the time or times provided within the Mortgage or in the notice to prepay earlier, the Lender will not be required to accept payment of the principal monies without first receiving three (3) months additional months' notice in writing or receiving 3 months interest bonus in advance of the principal monies. No further monies, if any, will be advanced under the Loan, once notice to discharge is received by the Lender.
  
12. **Warranty - Urea Formaldehyde Foam insulation (UFFI) and Environmental:**  
The Borrower covenants to the best of its knowledge and belief the Property has never had "UREA FORMALDEHYDE FOAM" insulation installed, asbestos, PCBs waste, radioactive material, noxious substances, or any contaminant as defined in the Environment Protection Act and that the Property is and will be environmentally sound and there are no and will be no restrictions which would economically affect any buildings on the Property. The terms and conditions of the environmental clause should be as the Lender's solicitor prepares.
  
13. **Receiver:** In the event due to default of the Borrower on the Property, beyond the applicable cure period, then the Lender in addition to any other rights which it may have, shall be entitled to appoint a receiver manager or receiver, either privately or court appointed to manage the building and to do all things necessary as an owner would be entitled to do to sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation. The terms and conditions of the receiver are to be further elaborated in the Mortgage as required by the Lender's lawyers.
  
14. **Management Costs:** In the event that the Lender or its agents takes possession of the Property as a result of default under the Mortgage, or in the event that the Lender or its agents commence Power of Sale proceedings, or if a receiver is appointed as a result of default under the Mortgage, the Lender, will be entitled to charge the Borrower. Said management costs shall be based on the higher of 5% of the mortgage principal plus applicable taxes, or \$15,000 per month which cost the Borrower acknowledges is a reasonable estimate for the time value and opportunity costs incurred for managing the Property(s), including but not limited to communicating with investors, dealing with professional advisors, appraisal companies, environmental engineers, building inspector, receiver, legal counsel, attending meetings, checking property taxes, work orders, liens or other matters acting generally in accordance with the requirements of a mortgage manager of a mortgaged property in default which amount is deemed not to be a penalty.  
In addition to the Management Costs, the Lender or its agent will be entitled to an administration fee on the basis of \$450 per hour plus H.S.T., if applicable for each hour after the advance the Lender or its agent are required to deal with default or potential default. This clause is also deemed to be proper notice to any subsequent charge or lien holder of the above-noted fees in the event of the Borrower's default.
  
15. **Default Abandonment:** Subject to Force Majeure, in the event of abandonment for a period in excess of fifteen (15) consecutive days, the Lender shall be entitled to, after giving the Borrower fifteen (15) days' notice of any abandonment or failure to continue business operations or any failure to construct with due diligence and provided the Borrower fails to rectify same, forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds, if any, as the case may

be and to declare any monies theretofore advanced with interest to be forthwith due and payable at its sole option.

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

This is Exhibit "F" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of stylized, overlapping loops and lines, positioned above a horizontal line.

---

*Commissioner for Taking Affidavits (or as may be)*

**Properties**

PIN 04894 - 0184 LT Interest/Estate Fee Simple  
 Description BLK L PLAN 529418 SUBJECT TO CR472387, CR516418, CR534059, CR539535  
 NEPEAN  
 Address 38 85 COSTELLO AVENUE  
 OTTAWA

**Chargor(s)**

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

Name GOLDEN DRAGON HO 7 INC.  
 Address for Service 384 Bank Street, Suite 300A  
 Ottawa, Ontario

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

| Chargee(s) | Capacity | Share |
|------------|----------|-------|
|------------|----------|-------|

|                     |   |  |
|---------------------|---|--|
| Name                | FIRST SOURCE FINANCIAL MANAGEMENT INC.                |  |
| Address for Service | 1 Valleybrook Drive, Suite 100<br>Toronto, ON M3B 2S7 |  |

**Statements**

Schedule: See Schedules

**Provisions**

|                          |   |          |     |
|--------------------------|---|----------|-----|
| Principal                | \$ 7,287,500.00                           | Currency | CDN |
| Calculation Period       | monthly, not in advance                   |          |     |
| Balance Due Date         | 2017/06/02                                |          |     |
| Interest Rate            | See Schedule                              |          |     |
| Payments                 | \$ 63,765.63                              |          |     |
| Interest Adjustment Date | 2016 06 01                                |          |     |
| Payment Date             | Interest only the first day of each month |          |     |
| First Payment Date       | 2016 07 01                                |          |     |
| Last Payment Date        | 2017 06 01                                |          |     |
| Standard Charge Terms    | 200033                                    |          |     |
| Insurance Amount         | Full insurable value                      |          |     |
| Guarantor                |   |          |     |

**Signed By**

|               |  |                          |        |            |
|---------------|--|--------------------------|--------|------------|
| Kelly Yateman | 1 Toronto St., Suite 910<br>Toronto<br>M5C 2V6 | acting for<br>Chargor(s) | Signed | 2016 05 05 |
| Tel           | 416-368-0600                                   |                          |        |            |
| Fax           | 416-368-6068                                   |                          |        |            |

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

74

LRO # 4 Charge/Mortgage

Received as OC1786618 on 2016 05 12 at 15:51

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

yyyy mm dd

Page 2 of 9

**Submitted By**

MORRISON BROWN SOSNOVITCH LLP

1 Toronto St., Suite 910  
Toronto  
M5C 2V6

2016 05 12

Tel 416-368-0600

Fax 416-368-6068

**Fees/Taxes/Payment**

Statutory Registration Fee \$62.85

Total Paid \$62.85

**File Number**

Chargor Client File Number :

20160416

**SCHEDULE "A"****1. STANDARD CHARGE TERMS**

The terms contained in this schedule are in addition to the terms contained in the Standard Charge Terms. In the event of any conflict between the terms contained in this schedule and those contained in the Standard Charge Terms, the terms contained in this schedule shall, to the extent of the conflict, prevail.

**2. DEFINITIONS**

In this Schedule, the following definitions apply:

- (a) "Commitment Letter" means the letter issued by First Source Mortgage Corporation for the Chargee and addressed to the Chargor and Golden Dragon Ho 5 Inc. dated April 12, 2016 as amended by letter dated April 20, 2016 and any amendments thereto, setting out the terms of the loan secured by this Charge/Mortgage, as it may be amended from time to time;
- (b) "Costs" means all of the fees, costs, charges, losses, damages and expenses incurred by the Charge/Mortgage as a direct or indirect consequence of granting the loan secured by this Charge/Mortgage including, without limitation, all expenses incurred in the construction, preservation, maintenance, repair, insuring and realization of the security contained herein, and all legal costs incurred by the Chargee as between a solicitor and his own client on a substantial indemnity basis.
- (c) "Prime Rate" shall mean the prime commercial lending rate of the Royal Bank of Canada Canadian Dollar loans as it may vary from time to time;
- (d) The terms "Chargee" and "Mortgagee" shall be considered interchangeable.
- (e) The terms "Chargor" and "Mortgagor" shall be considered interchangeable.

**3. NON-MERGER AND CONFLICT**

The Chargor's obligations contained in the Commitment shall survive the execution and registration of the Charge/Mortgage and any other security documentation and all advances of funds under the Charge/Mortgage, and the Chargor agrees that those obligations shall not merge in the execution and registration of the Charge/Mortgage and other security. In the event of any conflict between the terms hereof and the Commitment Letter, the Commitment Letter shall govern.

**4. INTEREST CALCULATION**

Interest is calculated and payable not in advance, monthly at the rate set out on page 1 of the Charge on the principal of:

- a) 10.5% per annum calculated and payable monthly until June 1, 2017; and
- b) at the Prime Rate plus 2% per month calculated from June 1, 2017 until the amount secured by this Charge is fully paid.

Interest is calculated on the amount outstanding from time to time, and is payable on the first day of each month following the interest adjustment date. The deemed reinvestment principle shall not apply.

**5. PAYMENTS BY CHARGE**

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 Property and all costs, charges, legal fees (as between solicitor and his own client) and expenses as deemed necessary by the Chargee to preserve the Property and/or to realize upon the Chargee's security and all such payments shall be deemed Costs hereunder.



#### 6. PREPAYMENT

Closed for six months and then open on any payment date with 15 days prior written notice, plus one month's interest, save and except the mortgage shall be fully open for prepayment without penalty or bonus during the last 15 days of the term.

#### 7. COSTS

Costs shall be forthwith due and payable by the Chargor to the Chargee and shall bear interest until fully paid.

#### 8. INSURANCE PROVISIONS

The insurance provisions of the Commitment Letter shall apply and be maintained by the Chargor throughout the term of the Charge.

#### 9. HAZARDOUS WASTE

Without limiting the generality of any other provision hereof, the Chargor shall forthwith reimburse the Chargee for all Costs directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances and such liability shall survive the discharge of this Charge and any other extinguishing of the obligations of the Chargor to the Chargee in respect of the Charge and any other exercise by the Chargee of any remedies available to it upon the occurrence of an Event of Default.

#### 10. NOT FOR CONSTRUCTION

The Chargor hereby covenants that no portion of the loan will be used for construction.

#### 11. LOAN TO VALUE

The Chargor shall maintain a maximum loan to value of 75%, to be tested semi-annually, as determined by the Chargee. Failure to maintain such maximum loan to value ratio may be considered an Event of Default, at the Chargee's option.

#### 12. EVENTS OF DEFAULT

The Chargor shall be in default under this Charge/Mortgage if any one or more of the following events of default (an "Event of Default") occurs and is continuing beyond any applicable cure period, at any time or times prior to registration of a complete discharge of this Charge/Mortgage:

- (a) the Chargor fails to maintain the requisite loan to value ratio, as set out in Section 11 hereof and the same is not cured within thirty (30) days after notice of same from the Chargee;
- (b) the Chargor defaults under any one or more of the covenants, conditions, terms, agreements, provisions and obligations contained in this Charge/Mortgage to be kept, observed and performed by the Chargor and the same is not cured within fifteen (15) days after notice of same from the Chargee;
- (c) the Chargor becomes insolvent, bankrupt or a trustee in bankruptcy is appointed for the Chargor or the Chargor makes a general assignment for the benefit of creditors or goes into liquidation either voluntarily or under an order of the court of competent jurisdiction or otherwise acknowledges his insolvency;
- (d) if at any time there is or has been any material discrepancy of inaccuracy in any written information, statements or representations at any time made or furnished to the Chargee by or on behalf of the Chargor, concerning the Chargor's financial condition and responsibility, the Chargee shall, if such material discrepancy or inaccuracy cannot be rectified or nullified by the Chargor within thirty (30) days of written notification thereof to the Chargor from the Chargee, be entitled

forthwith to withdraw and cancel its obligations hereunder or decline to advance further funds as the case may be, and to declare any monies theretofore advanced, with interest to be forthwith due and payable;

- (e) if in the Chargee's opinion the financial position of the Chargor and the Property given as security, and the Chargor's representations and warranties, shall have suffered a material adverse change; or if there be any action, suits, or pending proceedings of which the Chargor has knowledge; or if an event shall have occurred, which materially and adversely affects the whole or part of the value of the Property;
- (f) any or all of the shares issued and outstanding in the capital stock of the Chargor are directly or indirectly transferred, pledged, encumbered, hypothecated or dealt with in any manner whatsoever such that the Chargee determines, in its sole and unfettered discretion, that there is a change in control of the Chargor, save and except for a transfer to corporations which are related or affiliated to the Chargor, except with the prior consent of the Chargee, which consent shall not be unreasonably withheld;
- (g) there is rendered against the Chargor a final judgment, order or decree for the payment of money which remains unpaid for 30 days and which, in the sole opinion of the Chargee, will materially affect the Property, the financial condition of the Chargor or the value of the Property; and
- (h) the Chargor is in default of any other security granted pursuant to the Commitment Letter and the same is not cured within fifteen (15) days after notice of same from the Chargee.

If any of the foregoing Events of Default shall occur then, notwithstanding the provisions of any other agreement between the Chargor and the Chargee and at the option of the Chargee, the whole of the Principal Amount and Interest shall immediately become due and payable and the Chargee shall be relieved of any further obligations to advance monies to the Chargor. If an Event of Default is waived by the Chargee, such waiver shall not operate as a waiver of any other, further or continuation of the same Event of Default.

### 13. RIGHT TO DISTRAIN

The Chargee may distrain for arrears of any portion of the Principal Amount, Interest or any other amounts due and unpaid hereunder. The Chargor waives all rights to claim exemption and confirms that there is no limit in the amount for which the Chargee may distrain.

### 14. CHARGEЕ NOT A CHARGEЕ IN POSSESSION

It is agreed that the Chargee, in exercising any of its rights under this Charge, shall be deemed not to be a chargee in possession or a mortgagee in possession of the Property.

### 15. ADDITIONAL SECURITY

In the event that the Chargee, in addition to the Property, holds or shall hold, in the future, further security on account of the Principal Amount, it is agreed that no single or partial exercise of any of the Chargee's powers under this Charge or any of such further security (this Charge and any such further security are hereinafter together referred to as the "Security"), shall preclude other and further exercise of any other right, power or remedy pursuant to the Security. The Chargee shall at all times have the right to proceed against all, any or any portion of the Security in such order and in such a manner as the Chargee shall, in the Chargee's sole and unfettered discretion, deem fit and without waiving any rights which the Chargee might have with respect to the Security and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining Security.

### 16. RECEIVER

In the event due to default of the Chargor on the Property, beyond the applicable cure period, then the Chargee in addition to any other rights which it may have, shall be entitled to appoint a receiver manager or receiver, either privately or court appointed to manage the building and to

do all things necessary as an owner would be entitled to do to sell the Property, subject to the terms of the Charge/Mortgage and all applicable governmental legislation. The Chargor agrees that it shall not oppose any such appointments.

17. POST-DATED CHEQUES

The Chargor shall provide to the Chargee post-dated cheques for each year of the term of the Mortgage. Each cheque is to be in the amount of the monthly installment payable under the Mortgage.

18. ADMINISTRATION FEE

The Chargor agrees to pay to the Chargee an administration fee of \$350.00, plus HST for each occurrence of any of the following events:

- (i) late Payment;
- (ii) cheque dishonoured for any reason;
- (iii) failure to provide proof of payment of realty taxes;
- (iv) failure to provide proof of insurance coverage;
- (v) failure to provide post-dated cheques, when required;
- (vi) failure to notify Chargee of registration of lien;
- (vii) request for Mortgage Statement;
- (viii) request for Discharge Statement or notice of default letter;
- (ix) default under any other mortgage, charge or encumbrance;
- (x) each mortgage advance;
- (xi) each meeting required; and
- (xii) each three telephone attendances or email correspondence required.

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

19. TAX DEPOSITS

The Chargee reserves the right to require the Chargor to pay monthly tax deposits to the Chargee concurrently with each monthly installment in such amounts which the Chargee in its discretion deems necessary to pay when due all taxes, assessments and similar charges affecting the Property.

20. DUE ON DEFAULT

In the event of default under this Mortgage, at the option of the Chargee, the full principal balance together with interest and costs on a substantial indemnity basis in relation thereto shall become immediately due and payable.

21. DUE ON SALE

The Chargor hereby agrees that in the event that the Property is sold, conveyed, transferred or assigned without Chargee's written consent the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee immediately due and payable together with the Chargee's then current prepayment penalties and fees.

22. DUE ON REGISTRATION OF CONDOMINIUM

The Chargor hereby agrees that in the event that the Property is registered as a Condominium Corporation the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee due and payable together with the Chargee's then current prepayment penalties and fees.

23. NO SUBSEQUENT ENCUMBRANCES

The Chargor hereby agrees that in the event that the a subsequent mortgage is place on the Property without Chargee's written consent that the Chargee shall have the right, at its option, to

immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee immediately due and payable together with the Chargee's then current prepayment penalties and fees.

24. DEFAULT OF PRIOR ENCUMBRANCES

If at any time or from time to time any default or breach of covenant occurs under any encumbrance registered against the Property and which encumbrance has priority over this Mortgage, it shall constitute default under the Mortgage and the Chargee may pay all monies and take appropriate action to cure any default or breach under any encumbrance.

25. COSTS

The Chargor covenants and agrees to, pay all property tax, public utilities rates, charges, and insurance premiums as and when the become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Chargor to comply with this covenant shall constitute an event of default hereunder and entitles the Chargee at its sole and absolute discretion to avail itself of remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs.

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

26. FINAL PAYMENT AND DISCHARGE

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

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

27. HOLDING OVER

In the event that the loan secured by the Charge/Mortgage is not repaid upon maturity, unless the Chargee has received at least thirty (30) days' notice and has agreed to an extension in writing and has received approval from its investors the interest rate on the Charge/Mortgage shall continue at the that rate set out herein under Interest Rate until the earlier of discharge or sale, whichever comes first.

28. WARRANTY - UREA FORMALDEHYDE FOAM INSULATION (UFFI) AND ENVIRONMENTAL

The Chargor covenants that the Property has never had 'UREA FORMALDEHYDE FOAM' insulation installed, asbestos, PCBs waste, radioactive material, noxious substances, or any contaminant as defined in the *Environment Protection Act* and that the Property is and will be

environmentally sound and there are no and will be no restrictions which would economically affect any buildings on the Property. The terms and conditions of the environmental clause should be as the Chargee's solicitor prepares.

29. MANAGEMENT FEE

In the event that the Chargee or its agents takes possession of the Property as a result of default under the Charge/Mortgage, or in the event that the Chargee or its agents commence Power of Sale proceedings, or if a receiver is appointed as a result of default under the Charge/Mortgage, the Chargee, will be entitled to charge the Chargor. Said management costs shall be based on the higher of 5% of the mortgage principal plus applicable taxes, or \$15,000 per month which cost the Chargor acknowledges is a reasonable estimate for the time value and opportunity costs incurred for managing the Property(s), including but not limited to communicating with investors, dealing with professional advisors, appraisal companies, environmental engineers, building inspector, receiver, legal counsel, attending meetings, checking property taxes, work orders, liens or other matters acting generally in accordance with the requirements of a mortgage manager of a mortgaged property in default which amount is deemed not to be a penalty.

In addition to the Management Costs, the Chargee or its agent will be entitled to an administration fee on the basis of \$350 per hour plus H.S.T., if applicable for each hour after the advance the Chargee or its agent are required to deal with default or potential default. This clause is also deemed to be proper notice to any subsequent charge or lien holder of the above-noted fees in the event of the Chargor's default.

30. DEFAULT ABANDONMENT

Subject to force majeure, in the event of abandonment for a period in excess of eight (8) consecutive days, the Chargee shall be entitled, after giving the Chargor fifteen (15) days notice of any abandonment or any failure to construct with due diligence and provided the Chargor fails to rectify same, forthwith to withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and to declare any monies theretofore advanced with interest to be forthwith due and payable at its sole option.

31. RECEIPT OF FUNDS

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

32. POSSESSION

In the event of default under the Mortgage by the Chargor and the Chargee obtains possession of the Property and it determines, in its sole discretion, that the Property requires work and improvements in order to market the Property, then the Chargee shall have the right, at its sole option, to complete such work on such terms as it deems advisable. The cost of completion of the servicing and work by the Chargee and its agents and all expenses incidental thereto shall be added to the Loan amount, together with a management fee of fifteen percent (15%) of the costs of the work and improvements completed by the Chargee. All costs and expenses, as well as said management fee, shall bear Interest at the rate as herein provided for and shall form part of the Loan secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of Mortgage principal and interest hereunder or at law.

33. INSURANCE

Chargor shall maintain and provide evidence that proper and adequate insurance is in place for the Property, which insurance shall include but not be limited to coverage for not less than the full 100% "Replacement Cost" thereof, against the perils of "All Risk" and public liability insurance to such amounts of not less than \$5,000,000 on a per-occurrence basis. The Insurer or Insurers shall sign each policy of insurance and the policy shall contain a clause at least equivalent to IBC 3000 showing loss payable the mortgagees as their interest may appear in the first instance. During construction the Chargor shall maintain builders risk coverage. The Chargor shall arrange for the insurance following completion of construction, if any to be subject to "Stated Amount Co-Insurance Clause" not exceeding 10% and "Replacement Cost Clause" of

insurers and shall in this regard file values are required under these clauses. The insurance policy shall include the insurance of the foundation and all parts below ground level. Each policy of insurance shall show loss payable to the mortgagee, as its interest may appear. All insurance policies shall be in form and scope satisfactory to Chargee and its solicitors and the premiums on it shall be paid for a period of not less than one year. A third party company shall review the policies at the chargor's cost.

34. REPORTING REQUIREMENTS

The Chargor shall within 120 days of each fiscal year during the term of the Charge/Mortgage provide the Chargee with financial statement for the Chargor.

35. ADDITIONAL SECURITY

The loan secured by this Charge is also secured by a charge between Golden Dragon Ho 7 Inc., a chargor and the Chargee on the property legally described as BLK L PLAN 529418 SUBJECT TO CR472387, CR516418, CR534059, CR539535 NEPEAN known municipally as 39-85 Costello Avenue, Ottawa, Ontario (the "Additional Security"). Any default under either this Charge or the Additional Security shall constitute a default under both charges and the Chargee shall have the option at its discretion to determine to proceed to enforce its remedies under either or both of the charges or any other security it may hold as security for the loan. Any payments received by the Chargee pursuant to either of the charges shall be applied to reduce the amount owing under the loan.

This is Exhibit "G" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of stylized, overlapping loops and lines, positioned above a horizontal line.

---

*Commissioner for Taking Affidavits (or as may be)*

**Properties**

**PIN** 04684 - 0184 LT  
**Description** BLK L PLAN 529418 SUBJECT TO CR472387, CR516418, CR534059, CR539535  
 NEPEAN  
**Address** 39 85 COSTELLO AVENUE  
 OTTAWA

**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** GOLDEN DRAGON HO 7 INC.  
**Address for Service** 384 Bank Street, Suite 300A  
 Ottawa, Ontario

I, Chi Van Ho, President, have the authority to bind the corporation.

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

| <b>Party To(s)</b> | <b>Capacity</b> | <b>Share</b> |
|--------------------|-----------------|--------------|
|--------------------|-----------------|--------------|

|                            |   |
|----------------------------|---|
| <b>Name</b>                | FIRST SOURCE FINANCIAL MANAGEMENT INC.                |
| <b>Address for Service</b> | 1 Valleybrook Drive, Suite 100<br>Toronto, ON M3B 2S7 |

**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, OC1786618 registered on 2018/05/12 to which this notice relates is deleted

Schedule: See Schedules

**Signed By**

|               |  |                            |        |            |
|---------------|--|----------------------------|--------|------------|
| Kelly Yateman | 1 Toronto St., Suite 910<br>Toronto<br>M5C 2V6 | acting for<br>Applicant(s) | Signed | 2016 05 05 |
|---------------|--|----------------------------|--------|------------|

**Tel** 416-368-0600  
**Fax** 416-368-6068

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

|               |  |                           |        |            |
|---------------|--|---------------------------|--------|------------|
| Kelly Yateman | 1 Toronto St., Suite 910<br>Toronto<br>M5C 2V6 | acting for Party<br>To(s) | Signed | 2016 05 12 |
|---------------|--|---------------------------|--------|------------|

**Tel** 416-368-0600  
**Fax** 416-368-6068

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

**Submitted By**

|                               |  |  |  |            |
|-------------------------------|--|--|--|------------|
| MORRISON BROWN SOSNOVITCH LLP | 1 Toronto St., Suite 910<br>Toronto<br>M5C 2V6 |  |  | 2016 05 12 |
|-------------------------------|--|--|--|------------|

**Tel** 416-368-0600  
**Fax** 416-368-6068



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LRO # 4 Notice Of Assignment Of Rents-General

Received as OC1786619 on 2018 05 12 at 15:51

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

yyyy mm dd Page 2 of 7

**Fees/Taxes/Payment**

Statutory Registration Fee \$62.85

Total Paid \$62.85

**File Number**

Applicant Client File Number : 20160416

GENERAL ASSIGNMENT OF RENTS

THIS AGREEMENT made as of April 29, 2016.

BETWEEN:

Golden Dragon Ho 7 Inc.  
(hereinafter collectively referred to as the "Assignor")

OF THE FIRST PART

- and -

First Source Financial Management Inc.  
(hereinafter referred to as the "Assignee")

OF THE SECOND PART

WHEREAS the Assignor is the owner of the Lands, subject to the Charge, as hereinafter defined, and has agreed to enter into this Agreement with the Assignee as collateral security for the due payment of the Charge.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the making of the loan represented by the Charge, the sum of \$2.00 and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Assignor), it is hereby covenanted and agreed and declared by the Assignor as follows:

1. In this Agreement, unless there is something in the subject matter or context inconsistent therewith:
  - (a) "Agreement" shall mean this agreement.
  - (b) "Charge" shall mean a charge of the Lands from the Assignor to and in favour of the Assignee securing the principal sum of \$7,287,500.00, together with interest thereon as therein set out, and registered against the Lands in the Land Registry Office for the Land Titles Division of Ottawa-Carleton (No. 4) as Instrument Number as set out in the Notice of Assignment of Rents - General to which this Assignment is annexed under the heading "Statements".
  - (c) "Lands" shall mean the lands and premises situate, lying and being Block L, Plan 529418; in the City of Ottawa, being all of PIN 04694-0184, together with any buildings or structures now or hereafter erected thereon.
  - (d) "Leases" shall mean:
    - (i) each and every existing and future lease of and agreement to lease of any and/or all units within the buildings located on the Lands;
    - (ii) each and every existing and future tenancy agreement as to use or occupation and licence in respect of the whole or any portion of the Lands, whether or not pursuant to any written lease, agreement or licence, and including any such lease, agreement or licence granting or permitting occupancy to any of the members of the Assignor;
    - (iii) each and every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands; and
    - (iv) each and every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Lands.
  - (e) "Rents" shall mean all rents, charges and other moneys (including, without limitation, any subsidies payable by any governmental bodies or agencies) now due and payable or hereafter to become due and payable and the benefit of all

covenants of tenants, users, occupiers, licensees and guarantors under or in respect of the Leases.

- 2. The Assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns (as security for payment of the principal, interest and other moneys secured by the Charge and for performance of the obligations of the Assignor thereunder and until the moneys due under and by virtue of the Charge have been fully paid and satisfied) the Rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Lands, and their respective heirs, executors, administrators, successors or assigns.
- 3. The Assignor hereby represents, warrants, covenants and agrees that:
  - (a) the Assignor has not and will not, without the prior written consent of the Assignee, do or omit to do any act having the effect of terminating, cancelling or accepting surrender of any of the Leases or of waiving, releasing, reducing or abating any rights or remedies of the Assignor or obligations of any other party thereunder or in connection therewith;
  - (b) none of the Leases or the Assignor's rights thereunder, including the right to receive the Rents, have been nor, without the prior written consent of the Assignee, will be altered, varied, amended, assigned, encumbered, discounted, or anticipated;
  - (c) the Assignor has not and will not consent to any assignments of the lessees' interests in the Leases which will in any way relieve or reduce the liability of the lessees in connection therewith;
  - (d) none of the Rents under any of the Leases has been nor will be paid prior to the due date for payment thereof, except rent for the ensuing month and except rent for the last month of the term of any Lease;
  - (e) the Assignor will from time to time and at all times hereafter observe, perform and keep all of its obligations, covenants and agreements under each of the Leases;
  - (f) the Assignor will not enter into any Leases without the Assignee's prior written consent;
  - (g) there has been no default of a material nature which has not been remedied under any of the existing Leases by any of the parties thereto;
  - (h) the Assignor will not do any act which would destroy or impair the benefits to the Assignee of this Agreement; and
  - (i) the Leases have not been amended in any way, either orally or in writing, since the time of their execution, the Leases are good, valid and subsisting leases and the Assignor now has in its good and rightful power absolute authority to assign the Leases according to the true intent and meaning of this Agreement.
- 4. Subject to the provisions of Section 3(d), the Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each of the Leases, unless and until the Assignor is in default under any of the provisions of the Charge and, thereafter, the Assignee gives notice to the tenant, user, occupier, licensee or guarantor thereunder requiring the same to pay the Rents to the Assignee, which notice shall be binding upon the Assignor and may not be contested by it. It is further agreed that a statement of default purporting to be made by or on behalf of the Assignee shall be deemed to be, for all purposes, sufficient evidence of default having been made in the payment of principal moneys and interest or some part thereof secured by the Charge or in the observance, performance or keeping of any of the terms, covenants or agreements therein contained on the part of the Assignor to be observed, performed or kept and the continuance of such default, and notice of such default shall be

deemed to be well and sufficiently given to the lessees named in the Leases if such notice is sent by mail addressed to the lessees.

5. Provided further and it is hereby expressly agreed that nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of any of the covenants, obligations, provisions or conditions under or in respect of the Leases or any of them to be observed or performed by the Assignor, and the Assignee shall not, by virtue of this Agreement or its receipt of the Rents or any of them become or be deemed a chargee in possession of the Lands or the charged premises and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them, and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less all costs and expenses, collection charges and other proper deductions and that such moneys may be applied on account of any indebtedness of the Assignor to the Assignee.
6. In the event, however, that the Assignor shall reinstate the Charge completely in good standing, having complied with all the terms, covenants and conditions of the Charge, then the Assignee shall after demand re-deliver possession of the Lands to the Assignor and the Assignor shall remain in possession unless and until another default occurs, at which time the Assignee may, at the Assignee's sole option, again take possession of the Lands under authority of this Agreement.
7. If the Assignee shall have exercised its rights under Section 5 and shall have received any of the Rents and if the Assignor shall cure the default under the Charge which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee will provide the Assignor with details of all Rents received by it prior to such resumption.
8. The Assignee shall not be responsible or accountable for any failure to collect, realize, sell or obtain payment of the Rents or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of same or for the purpose of preserving any rights of the Assignee, the Assignor or any other person, firm or corporation in respect of the Rents or any part thereof.
9. The Assignee may grant extensions, take and give up securities, accept compositions, grant releases and discharges and, generally, deal with the Rents in its absolute discretion without the consent of or notice to the Assignor, but otherwise in accordance with the provisions hereof.
10. In furtherance of the foregoing assignment, the Assignor hereby authorizes the Assignee, by its employees or agents, at its option, after the occurrence of a default hereunder or under the Charge, to enter upon the Lands and to collect in the name of the Assignor or in its own name as Assignee the Rents accrued but unpaid and in arrears at the date of such default, as well as the Rents thereafter accruing and becoming payable during the period of the continuance of the said default or any other default and, to this end, the Assignor further agrees that it will facilitate in all reasonable ways the Assignee's collection of said Rents and will, upon request by the Assignee, execute a written notice to each tenant under any of the Leases directing the tenant to pay rent to the said Assignee.
11. The Assignor also hereby authorizes the Assignee upon such entry, at its option, to take over and assume the management, operation and maintenance of the Lands and, for such purpose, to retain such agents or employees as it may deem advisable and to perform all acts necessary and proper and to expend such sums out of the income of the Lands, the Leases and the Rents as may be needful in connection therewith in the same manner and to the same extent as the Assignor theretofore might do, including the right to effect new Leases, to cancel or surrender existing Leases, to alter or amend the terms of existing Leases, to renew existing Leases or to make concessions to tenants. The Assignor hereby releases all claims against the Assignee arising out of such management, operation and maintenance.
12. The Assignee shall, after payment of all proper charges and expenses, including reasonable compensation to any agent or employee as it shall select and employ and after

the accumulation of a reserve, to meet taxes, assessments, water rates and other public utility charges and fire and liability insurance in the requisite amounts, credit the net amount of income received by it from the Lands by virtue of this Agreement and to any amounts due and owing to it by the Assignor under the terms of the Charge, but the manner of the application of such net income and what items shall be credited shall be determined in the sole discretion of the Assignee.

- 13. The Assignor shall from time to time forthwith upon request furnish to the Assignee in writing all information requested relating to the Rents and the Leases and the Assignee shall be entitled from time to time to inspect such documentation and records, including all securities, bills, notes, books, papers, files, correspondence and other documents constituting or connected with the Rents and the Leases or take temporary custody thereof and, for such purposes, the Assignee shall have access to all premises occupied by the Assignor.
- 14. The Assignor shall from time to time forthwith upon the request of the Assignee do, make and execute all such financing statements, further assignments, documents, acts, matters and things as may be required by the Assignee of or with respect to the Rents and the Leases or any part thereof or as may be required to give effect or further effect hereto, and the Assignor hereby constitutes and appoints the Assignee the true and lawful attorney of the Assignor irrevocably, with full power of substitution to do, make and execute all such assignments, documents, acts, matters or things, with the right to use the name or expedient and, without limitation, for the purpose of demanding, suing for, collecting, comprising, compounding and giving releases for any and all sums owing or which now or hereinafter may become due upon the Rents and the Leases, provided that the Assignee shall be under no obligation or duty to exercise such powers or authority or to collect or realize upon the Rents.
- 15. The Assignor covenants and agrees that whenever in the future any Lease with respect to the Lands is made, the Assignor will forthwith advise the Assignee of the terms thereof and the Assignor further covenants and agrees that upon the request of the Assignee made at any time, the Assignor will assign, transfer and set over unto the Assignee the Leases or such of them so requested by a valid first assignment thereof, and the Assignor hereby irrevocably appoints the Assignee its attorney to effect and execute such assignment.
- 16. The Assignor hereby covenants and warrants to the Assignee that neither the Assignor nor any previous owner of the Lands has executed any prior assignment or pledge of the Rents of the Lands nor any prior assignment or pledge of the Assignor's interest as landlord in the Leases which to this date have not been executed, satisfied and released, and that the Assignor has provided to the Assignee full written details of all prepayments on account of the Rents received by the Assignor in respect of the Leases.
- 17. It is understood and agreed that this Agreement is being taken as collateral security for the due payment of any sum due under the Charge and that none of the rights or remedies of the Assignee under the Charge shall be delayed or in any way prejudiced by these presents and that following registration of a cessation of the whole of the Charge, this Agreement shall be of no further force or effect and, if requested by the Assignor, the Assignee will execute and deliver a separate reconveyance of this Agreement and the Land Registrar is hereby authorized to delete reference to this Agreement from the title to the Lands. Following registration of a cessation of the Charge, this Agreement shall be of no further force or effect only in respect of that part or parts of the Lands in respect of which the Charge has been discharged.
- 18. Any notice or communication to be given hereunder shall be validly given if delivered by hand or, if sent by registered prepaid mail, or by fax addressed:

(a) in case of the Assignor, to it at:

Golden Dragon Ho 7 Inc.  
384 Bank Street, Suite 300A  
Ottawa, Ontario K2P 1Y4  
Attention: Chi Van Ho  
Fax No.:

88.

(b) in case of the Assignee, to it at:

First Source Financial Management Inc.  
1 Valleybrook Drive, Suite 100  
Toronto, Ontario M3B 2S7  
Attention: David Mandel  
Fax No.: (416) 224-2408

All such notices and communications sent by registered prepaid mail as aforesaid shall be deemed (in the absence of an interruption in postal services affecting the handling or delivery thereof) to have been given and received on the 3rd day (excluding Saturdays, Sundays and statutory holidays) following the date of mailing and all such notices delivered by hand or by fax shall be deemed to have been given and received on the date of delivery. Either party hereto may, by notice given as aforesaid to the other party, change the address to which, or the party to whom, future notices are to be sent to the party giving such notice.

- 19. The provisions of this Agreement shall be construed according to the laws of the Province of Ontario.
- 20. This Agreement and everything herein contained shall bind and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.
- 21. This Assignment may be executed in counterpart and each such counterpart shall for all purposes constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the same counterpart, provided that each party has signed at least one counterpart. Execution of this agreement by facsimile transmission or email shall be acceptable and shall be binding upon each party hereto and upon the party so signing by facsimile transmission or email.

IN WITNESS WHEREOF the Assignor hereto has hereunto caused to be affixed its corporate seal duly attested to by the hands of its proper signing officers duly authorized in that behalf as of the day and year first above written.

Golden Dragon Ho 7 Inc.

Per:

Name: Chi Van Ho  
Title: President

I/We have authority to bind the Corporation.

This is Exhibit "H" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of stylized, overlapping loops and lines, positioned above a horizontal line.

---

*Commissioner for Taking Affidavits (or as may be)*

**Properties**

*PIN* 44175 - 0386 LT *Interest/Estate* Fee Simple  
*Description* BLK F PL 250; S/T 47B8778, LR244687; BROCKVILLE  
*Address* 70 REYNOLDS DR  
BROCKVILLE

**Chargor(s)**

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

*Name* GOLDEN DRAGON HO 5 INC.  
*Address for Service* 384 Bank Street, Suite 300A  
Ottawa, Ontario

I, Chi Van Ho, President, have the authority to bind the corporation.

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

**Chargee(s)** *Capacity* *Share*

*Name* FIRST SOURCE FINANCIAL MANAGEMENT INC.  
*Address for Service* 1 Valleybrook Drive, Suite 100  
Toronto, ON M3B 2S7

**Statements**

Schedule: See Schedules

**Provisions**

*Principal* \$ 7,287,500.00 *Currency* CDN  
*Calculation Period* monthly, not in advance  
*Balance Due Date* 2017/06/02  
*Interest Rate* See Schedule  
*Payments* \$ 63,765.63  
*Interest Adjustment Date* 2016 06 01  
*Payment Date* interest only, the first day of each month  
*First Payment Date* 2016 07 01  
*Last Payment Date* 2017 06 01  
*Standard Charge Terms* 200033  
*Insurance Amount* full insurable value  
*Guarantor*

**Signed By**

Kelly Yateman 1 Toronto St., Suite 910 acting for Signed 2016 05 05  
Toronto Chargor(s)  
M5C 2V6  
Tel 416-368-0600  
Fax 416-368-6068

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



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LRO # 28 Charge/Mortgage

Received as LE81462 on 2016 05 12 at 15:55

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

yyyy mm dd Page 2 of 9

**Submitted By**

MORRISON BROWN SOSNOVITCH LLP                      1 Toronto St., Suite 910                      2016 05 12  
Toronto  
M5C 2V6  
Tel      416-368-0600  
Fax      416-368-6068

**Fees/Taxes/Payment**

Statutory Registration Fee                      \$62.85  
Total Paid    \$62.65

**File Number**

Chargor Client File Number :                      20160416

**SCHEDULE "A"****1. STANDARD CHARGE TERMS**

The terms contained in this schedule are in addition to the terms contained in the Standard Charge Terms. In the event of any conflict between the terms contained in this schedule and those contained in the Standard Charge Terms, the terms contained in this schedule shall, to the extent of the conflict, prevail.

**2. DEFINITIONS**

In this Schedule, the following definitions apply:

- (a) "Commitment Letter" means the letter issued by First Source Mortgage Corporation for the Chargee and addressed to the Chargor and Golden Dragon Ho 7 Inc. dated April 12, 2016 as amended by letter dated April 20, 2016 and any amendments thereto, setting out the terms of the loan secured by this Charge/Mortgage, as it may be amended from time to time;
- (b) "Costs" means all of the fees, costs, charges, losses, damages and expenses incurred by the Charge/Mortgage as a direct or indirect consequence of granting the loan secured by this Charge/Mortgage including, without limitation, all expenses incurred in the construction, preservation, maintenance, repair, insuring and realization of the security contained herein, and all legal costs incurred by the Chargee as between a solicitor and his own client on a substantial indemnity basis.
- (c) "Prime Rate" shall mean the prime commercial lending rate of the Royal Bank of Canada Canadian Dollar loans as it may vary from time to time;
- (d) The terms "Chargee", and "Mortgagee" shall be considered interchangeable.
- (e) The terms "Chargor", and "Mortgagor" shall be considered interchangeable.

**3. NON-MERGER AND CONFLICT**

The Chargor's obligations contained in the Commitment shall survive the execution and registration of the Charge/Mortgage and any other security documentation and all advances of funds under the Charge/Mortgage, and the Chargor agrees that those obligations shall not merge in the execution and registration of the Charge/Mortgage and other security. In the event of any conflict between the terms hereof and the Commitment Letter, the Commitment Letter shall govern.

**4. INTEREST CALCULATION**

Interest is calculated and payable not in advance, monthly at the rate of:

- a) 10.5% per annum calculated and payable monthly until June 1, 2017; and
- b) at the Prime Rate plus 2% per month calculated from June 1, 2017 until the amount secured by this Charge is fully paid.

Interest is calculated on the amount outstanding from time to time and is payable on the first day of each month following the interest adjustment date. The deemed reinvestment principle shall not apply.

**5. PAYMENTS BY CHARGE**

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 Property and all costs, charges, legal fees (as between solicitor and his own client) and expenses as deemed necessary by the Chargee to preserve the Property and/or to realize upon the Chargee's security and all such payments shall be deemed Costs hereunder.

6. PREPAYMENT

Closed for six months and then open on any payment date with 15 days prior written notice, plus one month's interest, save and except the mortgage shall be fully open for prepayment without penalty or bonus during the last 15 days of the term.

7. COSTS

Costs shall be forthwith due and payable by the Chargor to the Chargee and shall bear Interest until fully paid.

8. INSURANCE PROVISIONS

The insurance provisions of the Commitment Letter shall apply and be maintained by the Chargor throughout the term of the Charge.

9. HAZARDOUS WASTE

Without limiting the generality of any other provision hereof, the Chargor shall forthwith reimburse the Chargee for all Costs directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances and such liability shall survive the discharge of this Charge and any other extinguishing of the obligations of the Chargor to the Chargee in respect of the Charge and any other exercise by the Chargee of any remedies available to it upon the occurrence of an Event of Default.

10. NOT FOR CONSTRUCTION

The Chargor hereby covenants that no portion of the loan will be used for construction.

11. LOAN TO VALUE

The Chargor shall maintain a maximum loan to value of 75%, to be tested semi-annually, as determined by the Chargee. Failure to maintain such maximum loan to value ratio may be considered an Event of Default, at the Chargee's option.

12. EVENTS OF DEFAULT

The Chargor shall be in default under this Charge/Mortgage if any one or more of the following events of default (an "Event of Default") occurs and is continuing beyond any applicable cure period, at any time or times prior to registration of a complete discharge of this Charge/Mortgage:

- (a) the Chargor fails to maintain the requisite loan to value ratio, as set out in Section 11 hereof and the same is not cured within thirty (30) days after notice of same from the Chargee;
- (b) the Chargor defaults under any one or more of the covenants, conditions, terms, agreements, provisions and obligations contained in this Charge/Mortgage to be kept, observed and performed by the Chargor and the same is not cured within fifteen (15) days after notice of same from the Chargee;
- (c) the Chargor becomes insolvent, bankrupt or a trustee in bankruptcy is appointed for the Chargor or the Chargor makes a general assignment for the benefit of creditors or goes into liquidation either voluntarily or under an order of the court of competent jurisdiction or otherwise acknowledges his insolvency;
- (d) if at any time there is or has been any material discrepancy of inaccuracy in any written information, statements or representations at any time made or furnished to the Chargee by or on behalf of the Chargor, concerning the Chargor's financial condition and responsibility, the Chargee shall, if such material discrepancy or inaccuracy cannot be rectified or nullified by the Chargor within thirty (30) days of written notification thereof to the Chargor from the Chargee, be entitled forthwith to withdraw and cancel its obligations hereunder or decline to advance

further funds as the case may be, and to declare any monies theretofore advanced, with interest to be forthwith due and payable;

- (e) if in the Chargee's opinion the financial position of the Chargor and the Property given as security, and the Chargor's representations and warranties, shall have suffered a material adverse change; or if there be any action, suits, or pending proceedings of which the Chargor has knowledge; or if an event shall have occurred, which materially and adversely affects the whole or part of the value of the Property;
- (f) any or all of the shares issued and outstanding in the capital stock of the Chargor are directly or indirectly transferred, pledged, encumbered, hypothecated or dealt with in any manner whatsoever such that the Chargee determines, in its sole and unfettered discretion, that there is a change in control of the Chargor, save and except for a transfer to corporations which are related or affiliated to the Chargor, except with the prior consent of the Chargee, which consent shall not be unreasonably withheld;
- (g) there is rendered against the Chargor a final judgment, order or decree for the payment of money which remains unpaid for 30 days and which, in the sole opinion of the Chargee, will materially affect the Property, the financial condition of the Chargor or the value of the Property; and
- (h) the Chargor is in default of any other security granted pursuant to the Commitment Letter and the same is not cured within fifteen (15) days after notice of same from the Chargee.

If any of the foregoing Events of Default shall occur then, notwithstanding the provisions of any other agreement between the Charger and the Chargee and at the option of the Chargee, the whole of the Principal Amount and Interest shall immediately become due and payable and the Chargee shall be relieved of any further obligations to advance monies to the Chargor. If an Event of Default is waived by the Chargee, such waiver shall not operate as a waiver of any other, further or continuation of the same Event of Default.

### 13. RIGHT TO DISTRAIN

The Chargee may distrain for arrears of any portion of the Principal Amount, Interest or any other amounts due and unpaid hereunder. The Chargor waives all rights to claim exemption and confirms that there is no limit in the amount for which the Chargee may distrain.

### 14. CHARGE NOT A CHARGE IN POSSESSION

It is agreed that the Chargee, in exercising any of its rights under this Charge, shall be deemed not to be a chargee in possession or a mortgagee in possession of the Property.

### 15. ADDITIONAL SECURITY

In the event that the Chargee, in addition to the Property, holds or shall hold, in the future, further security on account of the Principal Amount, it is agreed that no single or partial exercise of any of the Chargee's powers under this Charge or any of such further security (this Charge and any such further security are hereinafter together referred to as the "Security"), shall preclude other and further exercise of any other right, power or remedy pursuant to the Security. The Chargee shall at all times have the right to proceed against all, any or any portion of the Security in such order and in such a manner as the Chargee shall, in the Chargee's sole and unfettered discretion, deem fit and without waiving any rights which the Chargee might have with respect to the Security and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining Security.

### 16. RECEIVER

In the event due to default of the Chargor on the Property, beyond the applicable cure period, then the Chargee in addition to any other rights which it may have, shall be entitled to appoint a receiver manager or receiver, either privately or court appointed to manage the building and to do all things necessary as an owner would be entitled to do to sell the Property, subject to the

terms of the Charge/Mortgage and all applicable governmental legislation. The Chargor agrees that it shall not oppose any such appointments.

17. POST-DATED CHEQUES

The Chargor shall provide to the Chargee post-dated cheques for each year of the term of the Mortgage. Each cheque is to be in the amount of the monthly installment payable under the Mortgage.

18. ADMINISTRATION FEE

The Chargor agrees to pay to the Chargee an administration fee of \$350.00, plus HST for each occurrence of any of the following events:

- (i) late Payment;
- (ii) cheque dishonoured for any reason;
- (iii) failure to provide proof of payment of realty taxes;
- (iv) failure to provide proof of insurance coverage;
- (v) failure to provide post-dated cheques, when required;
- (vi) failure to notify Chargee of registration of lien;
- (vii) request for Mortgage Statement;
- (viii) request for Discharge Statement or notice of default letter;
- (ix) default under any other mortgage, charge or encumbrance;
- (x) each mortgage advance;
- (xi) each meeting required; and
- (xii) each three telephone attendances or email correspondence required.

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

19. TAX DEPOSITS

The Chargee reserves the right to require the Chargor to pay monthly tax deposits to the Chargee concurrently with each monthly installment in such amounts which the Chargee in its discretion deems necessary to pay when due all taxes, assessments and similar charges affecting the Property.

20. DUE ON DEFAULT

In the event of default under this Mortgage, at the option of the Chargee, the full principal balance together with interest and costs on a substantial indemnity basis in relation thereto shall become immediately due and payable.

21. DUE ON SALE

The Chargor hereby agrees that in the event that the Property is sold, conveyed, transferred or assigned without Chargee's written consent the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee immediately due and payable together with the Chargee's then current prepayment penalties and fees.

22. DUE ON REGISTRATION OF CONDOMINIUM

The Chargor hereby agrees that in the event that the Property is registered as a Condominium Corporation the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee due and payable together with the Chargee's then current prepayment penalties and fees.

23. NO SUBSEQUENT ENCUMBRANCES

The Chargor hereby agrees that in the event that a subsequent mortgage is placed on the Property without Chargee's written consent that the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses

owing to the Chargee immediately due and payable together with the Chargee's then current prepayment penalties and fees.

**24. DEFAULT OF PRIOR ENCUMBRANCES**

If at any time or from time to time any default or breach of covenant occurs under any encumbrance registered against the Property and which encumbrance has priority over this Mortgage, it shall constitute default under the Mortgage and the Chargee may pay all monies and take appropriate action to cure any default or breach under any encumbrance.

**25. COSTS**

The Chargor covenants and agrees to, pay all property tax, public utilities rates, charges, and insurance premiums as and when they become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Chargor to comply with this covenant shall constitute an event of default hereunder and entitles the Chargee at its sole and absolute discretion to avail itself of remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs.

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

**26. FINAL PAYMENT AND DISCHARGE**

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

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

**27. HOLDING OVER**

In the event that the loan secured by the Charge/Mortgage is not repaid upon maturity, unless the Chargee has received at least thirty (30) days' notice and has agreed to an extension in writing and has received approval from its investors the interest rate on the Charge/Mortgage shall continue at the that rate set out herein under Interest Rate until the earlier of discharge or sale, whichever comes first.

**28. WARRANTY - UREA FORMALDEHYDE FOAM INSULATION (UFFI) AND ENVIRONMENTAL**

The Chargor covenants that the Property has never had "UREA FORMALDEHYDE FOAM" insulation installed, asbestos, PCBs waste, radioactive material, noxious substances, or any contaminant as defined in the *Environment Protection Act* and that the Property is and will be environmentally sound and there are no and will be no restrictions which would economically

affect any buildings on the Property. The terms and conditions of the environmental clause should be as the Chargee's solicitor prepares.

#### 29. MANAGEMENT FEE

In the event that the Chargee or its agents takes possession of the Property as a result of default under the Charge/Mortgage, or in the event that the Chargee or its agents commence Power of Sale proceedings, or if a receiver is appointed as a result of default under the Charge/Mortgage, the Chargee, will be entitled to charge the Chargor. Said management costs shall be based on the higher of 5% of the mortgage principal plus applicable taxes, or \$15,000 per month which cost the Chargor acknowledges is a reasonable estimate for the time value and opportunity costs incurred for managing the Property(s), including but not limited to communicating with investors, dealing with professional advisors, appraisal companies, environmental engineers, building inspector, receiver, legal counsel, attending meetings, checking property taxes, work orders, liens or other matters acting generally in accordance with the requirements of a mortgage manager of a mortgaged property in default which amount is deemed not to be a penalty.

In addition to the Management Costs, the Chargee or its agent will be entitled to an administration fee on the basis of \$350 per hour plus H.S.T., if applicable for each hour after the advance the Chargee or its agent are required to deal with default or potential default. This clause is also deemed to be proper notice to any subsequent charge or lien holder of the above-noted fees in the event of the Chargor's default.

#### 30. DEFAULT ABANDONMENT

Subject to force majeure, in the event of abandonment for a period in excess of eight (8) consecutive days, the Chargee shall be entitled, after giving the Chargor fifteen (15) days notice of any abandonment or any failure to construct with due diligence and provided the Chargor fails to rectify same, forthwith to withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and to declare any monies theretofore advanced with interest to be forthwith due and payable at its sole option.

#### 31. RECEIPT OF FUNDS

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

#### 32. POSSESSION

In the event of default under the Mortgage by the Chargor and the Chargee obtains possession of the Property and it determines, in its sole discretion, that the Property requires work and improvements in order to market the Property, then the Chargee shall have the right, at its sole option, to complete such work on such terms as it deems advisable. The cost of completion of the servicing and work by the Chargee and its agents and all expenses incidental thereto shall be added to the Loan amount, together with a management fee of fifteen percent (15%) of the costs of the work and improvements completed by the Chargee. All costs and expenses, as well as said management fee, shall bear interest at the rate as herein provided for and shall form part of the Loan secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of Mortgage principal and interest hereunder or at law.

#### 33. INSURANCE

Chargor shall maintain and provide evidence that proper and adequate insurance is in place for the Property, which insurance shall include but not be limited to coverage for not less than the full 100% "Replacement Cost" thereof, against the perils of "All Risk" and public liability insurance to such amounts of not less than \$5,000,000 on a per-occurrence basis. The Insurer or Insurers shall sign each policy of insurance and the policy shall contain a clause at least equivalent to IBC 3000 showing loss payable the mortgagees as their interest may appear in the first instance. During construction the Chargor shall maintain builders risk coverage. The Chargor shall arrange for the insurance following completion of construction, if any to be subject to "Stated Amount Co-Insurance Clause" not exceeding 10% and "Replacement Cost Clause" of insurers and shall in this regard file values are required under these clauses. The insurance policy

shall include the insurance of the foundation and all parts below ground level. Each policy of insurance shall show loss payable to the mortgagee, as its interest may appear. All insurance policies shall be in form and scope satisfactory to Chargee and its solicitors and the premiums on it shall be paid for a period of not less than one year. A third party company shall review the policies at the chargor's cost.

34. REPORTING REQUIREMENTS

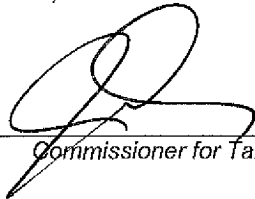
The Chargor shall within 120 days of each fiscal year during the term of the Charge/Mortgage provide the Chargee with financial statement for the Chargor.

35. ADDITIONAL SECURITY

The loan secured by this Charge is also secured by a charge between Golden Dragon Ho 5 Inc., a chargor and the Chargee on the property legally described as BLK F PL 250; S/T 47B8778, LR244687; BROCKVILLE known municipally as 64, 68, 70 Reynold Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (the "Additional Security"). Any default under either this Charge or the Additional Security shall constitute a default under both charges and the Chargee shall have the option at its discretion to determine to proceed to enforce its remedies under either or both of the charges or any other security it may hold as security for the loan. Any payments received by the Chargee pursuant to either of the charges shall be applied to reduce the amount owing under the loan.



This is Exhibit "I" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a series of loops and a long horizontal stroke extending to the right.

---

*Commissioner for Taking Affidavits (or as may be)*

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

yyyy mm dd Page 1 of 7

**Properties**

PIN 44175 - 0386 LT  
 Description BLK F PL 250; S/T 47B8778, LR244687; BROCKVILLE  
 Address 70 REYNOLDS DR  
 BROCKVILLE

**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 GOLDEN DRAGON HO 5 INC.  
 Address for Service 384 Bank Street, Suite 300A  
 Ottawa, Ontario

I, Chi Van Ho, President, have the authority to bind the corporation.

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

**Party To(s)**

Capacity

Share

Name FIRST SOURCE FINANCIAL MANAGEMENT INC.  
 Address for Service 1 Valleybrook Drive, Suite 100  
 Toronto, ON M3B 2S7

**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, LE81462 registered on 2016/05/12 to which this notice relates is deleted

Schedule: See Schedules

**Signed By**

Kelly Yateman 1 Toronto St., Suite 910 acting for Applicant(s) Signed 2016 05 12  
 Toronto  
 M5C 2V6  
 Tel 416-368-0800  
 Fax 416-368-6068

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

Kelly Yateman 1 Toronto St., Suite 910 acting for Party Signed 2016 05 12  
 Toronto To(s)  
 M5C 2V6  
 Tel 416-368-0800  
 Fax 416-368-6068

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

**Submitted By**

MORRISON BROWN SOSNOVITCH LLP 1 Toronto St., Suite 910 2016 05 12  
 Toronto  
 M5C 2V6  
 Tel 416-368-0800  
 Fax 416-368-6068

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

yyyy mm dd

**Fees/Taxes/Payment**

Statutory Registration Fee \$62.85

Total Paid \$62.85

**File Number**

Applicant Client File Number : 20160416

**GENERAL ASSIGNMENT OF RENTS**

**THIS AGREEMENT** made as of April 29, 2016.

**B E T W E E N :**

**Golden Dragon Ho 5 Inc.**  
(hereinafter collectively referred to as the "Assignor")

**OF THE FIRST PART**

- and -

**First Source Financial Management Inc.**  
(hereinafter referred to as the "Assignee")

**OF THE SECOND PART**

WHEREAS the Assignor is the owner of the Lands, subject to the Charge, as hereinafter defined, and has agreed to enter into this Agreement with the Assignee as collateral security for the due payment of the Charge.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the making of the loan represented by the Charge, the sum of \$2.00 and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Assignor), it is hereby covenanted and agreed and declared by the Assignor as follows:

1. In this Agreement, unless there is something in the subject matter or context inconsistent therewith:
  - (a) "Agreement" shall mean this agreement.
  - (b) "Charge" shall mean a charge of the Lands from the Assignor to and in favour of the Assignee securing the principal sum of \$7,287,500.00, together with interest thereon as therein set out, and registered against the Lands in the Land Registry Office for the Land Titles Division of Leeds (No. 28) as Instrument Number as set out in the Notice of Assignment of Rents - General to which this Assignment is annexed under the heading "Statements".
  - (c) "Lands" shall mean the lands and premises situate, lying and being Block F, Plan 250; in the City of Brockville, in the United County of Leeds and Grenville being all of PIN 44175-0386, together with any buildings or structures now or hereafter erected thereon.
  - (d) "Leases" shall mean:
    - (i) each and every existing and future lease of and agreement to lease of any and/or all units within the buildings located on the Lands;
    - (ii) each and every existing and future tenancy agreement as to use or occupation and licence in respect of the whole or any portion of the Lands, whether or not pursuant to any written lease, agreement or licence, and including any such lease, agreement or licence granting or permitting occupancy to any of the members of the Assignor;
    - (iii) each and every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands; and
    - (iv) each and every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Lands.
  - (e) "Rents" shall mean all rents, charges and other moneys (including, without limitation, any subsidies payable by any governmental bodies or agencies) now due and payable or hereafter to become due and payable and the benefit of all

covenants of tenants, users, occupiers, licensees and guarantors under or in respect of the Leases.

2. The Assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns (as security for payment of the principal, interest and other moneys secured by the Charge and for performance of the obligations of the Assignor thereunder and until the moneys due under and by virtue of the Charge have been fully paid and satisfied) the Rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Lands, and their respective heirs, executors, administrators, successors or assigns.
  
3. The Assignor hereby represents, warrants, covenants and agrees that:
  - (a) the Assignor has not and will not, without the prior written consent of the Assignee, do or omit to do any act having the effect of terminating, cancelling or accepting surrender of any of the Leases or of waiving, releasing, reducing or abating any rights or remedies of the Assignor or obligations of any other party thereunder or in connection therewith;
  - (b) none of the Leases or the Assignor's rights thereunder, including the right to receive the Rents, have been nor, without the prior written consent of the Assignee, will be altered, varied, amended, assigned, encumbered, discounted, or anticipated;
  - (c) the Assignor has not and will not consent to any assignments of the lessees' interests in the Leases which will in any way relieve or reduce the liability of the lessees in connection therewith;
  - (d) none of the Rents under any of the Leases has been nor will be paid prior to the due date for payment thereof, except rent for the ensuing month and except rent for the last month of the term of any Lease;
  - (e) the Assignor will from time to time and at all times hereafter observe, perform and keep all of its obligations, covenants and agreements under each of the Leases;
  - (f) the Assignor will not enter into any Leases without the Assignee's prior written consent;
  - (g) there has been no default of a material nature which has not been remedied under any of the existing Leases by any of the parties thereto;
  - (h) the Assignor will not do any act which would destroy or impair the benefits to the Assignee of this Agreement; and
  - (i) the Leases have not been amended in any way, either orally or in writing, since the time of their execution, the Leases are good, valid and subsisting leases and the Assignor now has in its good and rightful power absolute authority to assign the Leases according to the true intent and meaning of this Agreement.
  
4. Subject to the provisions of Section 3(d), the Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each of the Leases, unless and until the Assignor is in default under any of the provisions of the Charge and, thereafter, the Assignee gives notice to the tenant, user, occupier, licensee or guarantor thereunder requiring the same to pay the Rents to the Assignee, which notice shall be binding upon the Assignor and may not be contested by it. It is further agreed that a statement of default purporting to be made by or on behalf of the Assignee shall be deemed to be, for all purposes, sufficient evidence of default having been made in the payment of principal moneys and interest or some part thereof secured by the Charge or in the observance, performance or keeping of any of the terms, covenants or agreements therein contained on the part of the Assignor to be observed, performed or kept and the continuance of such default, and notice of such default shall be

deemed to be well and sufficiently given to the lessees named in the Leases if such notice is sent by mail addressed to the lessees.

5. Provided further and it is hereby expressly agreed that nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of any of the covenants, obligations, provisions or conditions under or in respect of the Leases or any of them to be observed or performed by the Assignor, and the Assignee shall not, by virtue of this Agreement or its receipt of the Rents or any of them become or be deemed a chargee in possession of the Lands or the charged premises and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them, and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less all costs and expenses, collection charges and other proper deductions and that such moneys may be applied on account of any indebtedness of the Assignor to the Assignee.
6. In the event, however, that the Assignor shall reinstate the Charge completely in good standing, having complied with all the terms, covenants and conditions of the Charge, then the Assignee shall after demand re-deliver possession of the Lands to the Assignor and the Assignor shall remain in possession unless and until another default occurs, at which time the Assignee may, at the Assignee's sole option, again take possession of the Lands under authority of this Agreement.
7. If the Assignee shall have exercised its rights under Section 5 and shall have received any of the Rents and if the Assignor shall cure the default under the Charge which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee will provide the Assignor with details of all Rents received by it prior to such resumption.
8. The Assignee shall not be responsible or accountable for any failure to collect, realize, sell or obtain payment of the Rents or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of same or for the purpose of preserving any rights of the Assignee, the Assignor or any other person, firm or corporation in respect of the Rents or any part thereof.
9. The Assignee may grant extensions, take and give up securities, accept compositions, grant releases and discharges and, generally, deal with the Rents in its absolute discretion without the consent of or notice to the Assignor, but otherwise in accordance with the provisions hereof.
10. In furtherance of the foregoing assignment, the Assignor hereby authorizes the Assignee, by its employees or agents, at its option, after the occurrence of a default hereunder or under the Charge, to enter upon the Lands and to collect in the name of the Assignor or in its own name as Assignee the Rents accrued but unpaid and in arrears at the date of such default, as well as the Rents thereafter accruing and becoming payable during the period of the continuance of the said default or any other default and, to this end, the Assignor further agrees that it will facilitate in all reasonable ways the Assignee's collection of said Rents and will, upon request by the Assignee, execute a written notice to each tenant under any of the Leases directing the tenant to pay rent to the said Assignee.
11. The Assignor also hereby authorizes the Assignee upon such entry, at its option, to take over and assume the management, operation and maintenance of the Lands and, for such purpose, to retain such agents or employees as it may deem advisable and to perform all acts necessary and proper and to expend such sums out of the income of the Lands, the Leases and the Rents as may be needful in connection therewith in the same manner and to the same extent as the Assignor theretofore might do, including the right to effect new Leases, to cancel or surrender existing Leases, to alter or amend the terms of existing Leases, to renew existing Leases or to make concessions to tenants. The Assignor hereby releases all claims against the Assignee arising out of such management, operation and maintenance.
12. The Assignee shall, after payment of all proper charges and expenses, including reasonable compensation to any agent or employee as it shall select and employ and after

the accumulation of a reserve, to meet taxes, assessments, water rates and other public utility charges and fire and liability insurance in the requisite amounts, credit the net amount of income received by it from the Lands by virtue of this Agreement and to any amounts due and owing to it by the Assignor under the terms of the Charge, but the manner of the application of such net income and what items shall be credited shall be determined in the sole discretion of the Assignee.

13. The Assignor shall from time to time forthwith upon request furnish to the Assignee in writing all information requested relating to the Rents and the Leases and the Assignee shall be entitled from time to time to inspect such documentation and records, including all securities, bills, notes, books, papers, files, correspondence and other documents constituting or connected with the Rents and the Leases or take temporary custody thereof and, for such purposes, the Assignee shall have access to all premises occupied by the Assignor.
14. The Assignor shall from time to time forthwith upon the request of the Assignee do, make and execute all such financing statements, further assignments, documents, acts, matters and things as may be required by the Assignee of or with respect to the Rents and the Leases or any part thereof or as may be required to give effect or further effect hereto, and the Assignor hereby constitutes and appoints the Assignee the true and lawful attorney of the Assignor irrevocably, with full power of substitution to do, make and execute all such assignments, documents, acts, matters or things, with the right to use the name or expedient and, without limitation, for the purpose of demanding, suing for, collecting, comprising, compounding and giving releases for any and all sums owing or which now or hereinafter may become due upon the Rents and the Leases, provided that the Assignee shall be under no obligation or duty to exercise such powers or authority or to collect or realize upon the Rents.
15. The Assignor covenants and agrees that whenever in the future any Lease with respect to the Lands is made, the Assignor will forthwith advise the Assignee of the terms thereof and the Assignor further covenants and agrees that upon the request of the Assignee made at any time, the Assignor will assign, transfer and set over unto the Assignee the Leases or such of them so requested by a valid first assignment thereof, and the Assignor hereby irrevocably appoints the Assignee its attorney to effect and execute such assignment.
16. The Assignor hereby covenants and warrants to the Assignee that neither the Assignor nor any previous owner of the Lands has executed any prior assignment or pledge of the Rents of the Lands nor any prior assignment or pledge of the Assignor's interest as landlord in the Leases which to this date have not been executed, satisfied and released, and that the Assignor has provided to the Assignee full written details of all prepayments on account of the Rents received by the Assignor in respect of the Leases.
17. It is understood and agreed that this Agreement is being taken as collateral security for the due payment of any sum due under the Charge and that none of the rights or remedies of the Assignee under the Charge shall be delayed or in any way prejudiced by these presents and that following registration of a cessation of the whole of the Charge, this Agreement shall be of no further force or effect and, if requested by the Assignor, the Assignee will execute and deliver a separate reconveyance of this Agreement and the Land Registrar is hereby authorized to delete reference to this Agreement from the title to the Lands. Following registration of a cessation of the Charge, this Agreement shall be of no further force or effect only in respect of that part or parts of the Lands in respect of which the Charge has been discharged.
18. Any notice or communication to be given hereunder shall be validly given if delivered by hand or, if sent by registered prepaid mail, or by fax addressed:
  - (a) in case of the Assignor, to it at:

Golden Dragon Ho 5 Inc.  
384 Bank Street, Suite 300A  
Ottawa, Ontario K2P 1Y4  
Attention: Chi Van Ho  
Fax No.:

(b) In case of the Assignee, to it at:

First Source Financial Management Inc.  
1 Valleybrook Drive, Suite 100  
Toronto, Ontario M3B 2S7  
Attention: David Mandel  
Fax No.: (416) 224-2408

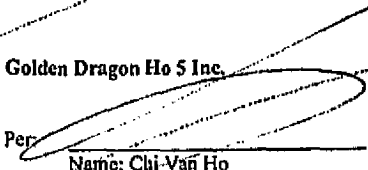
All such notices and communications sent by registered prepaid mail as aforesaid shall be deemed (in the absence of an interruption in postal services affecting the handling or delivery thereof) to have been given and received on the 3rd day (excluding Saturdays, Sundays and statutory holidays) following the date of mailing and all such notices delivered by hand or by fax shall be deemed to have been given and received on the date of delivery. Either party hereto may, by notice given as aforesaid to the other party, change the address to which, or the party to whom, future notices are to be sent to the party giving such notice.

- 19. The provisions of this Agreement shall be construed according to the laws of the Province of Ontario.
- 20. This Agreement and everything herein contained shall bind and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.
- 21. This Assignment may be executed in counterpart and each such counterpart shall for all purposes constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the same counterpart, provided that each party has signed at least one counterpart. Execution of this agreement by facsimile transmission or email shall be acceptable and shall be binding upon each party hereto and upon the party so signing by facsimile transmission or email.

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**IN WITNESS WHEREOF** the Assignor hereto has hereunto caused to be affixed its corporate seal duly attested to by the hands of its proper signing officers duly authorized in that behalf as of the day and year first above written.

Golden Dragon Ho S Inc.

Per 

Name: Chi-Van Ho  
Title: President  
I/We have authority to bind the Corporation.



This is Exhibit "J" referred to in the Affidavit of David Mandel  
sworn June 7 , 2017

A handwritten signature in black ink, consisting of a large, stylized loop followed by a few smaller strokes.

---

*Commissioner for Taking Affidavits (or as may be)*

**SECURITY AGREEMENT**

THIS AGREEMENT made and effective as of April 29, 2016.

**BETWEEN:**

**First Source Financial Management Inc.**  
a corporation incorporated under the laws of the  
Province of Ontario  
(hereinafter called the "Creditor")

OF THE FIRST PART

- and -

**Golden Dragon Ho 7 Inc. and Golden Dragon Ho 5 Inc.,**  
a corporation incorporated under the laws of the  
Province of Ontario  
(hereinafter collectively called the "Debtor")

OF THE SECOND PART

WHEREAS the Debtor is indebted to the Creditor pursuant to the Commitment Letter as herein defined;

AND WHEREAS as additional security for the Loan the Debtor has entered into this Agreement with the Creditor.

NOW THIS AGREEMENT WITNESSETH THAT in consideration of the sum of One Dollar (\$1.00) now paid by the Creditor to the Debtor and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE 1 - INTERPRETATION**

**1.1 Definitions**

In this Agreement and in any amendments hereto, the following terms shall have the following meanings:

- (a) "Act" means the *Personal Property Security Act* (Ontario), as amended, or any legislation that may be substituted therefor, as the same may from time to time hereafter be amended;
- (b) "Charge" shall mean the Charge of the Real Property given by the Debtor to the Creditor to secure the Loan;
- (c) "Collateral" shall have the meaning assigned thereto in section 2.1 and notwithstanding any other provision hereof shall be restricted to the property used in conjunction with or in connection with the Real Property;
- (d) "Commitment Letter" shall mean the loan agreement dated April 12, 2016 as amended by letter dated April 20, 2016, and any further amendments thereto, between the Debtor and the Creditor for the sum of \$7,287,500.00, the particulars of which are more particularly set out in the Commitment Letter and "Loan" shall mean the money owing to the Creditor thereunder;

- (e) "Default" shall have the meaning assigned thereto in section 5.1;
- (f) "Obligations" means the indebtedness and liabilities of the Debtor to the Creditor, outstanding from time to time pursuant to the Commitment Letter;
- (g) "Real Property" means the lands and premises owned by the Debtor and secured by the Charge and more particularly described on Schedule "A" annexed hereto;
- (h) "Reasonable Expenses" means any and all reasonable expenses incurred from time to time by the Creditor in taking possession of, holding, repairing, processing, preparing for and arranging for the disposition of the Collateral and/or disposing of the Collateral pursuant to the terms of this Agreement, including, without limitation, all legal expenses and receiver's fees;
- (i) "Receiver" means a receiver or a receiver and manager and the term "Receiver" may include one or more Receivers; and
- (j) "Security Interest" shall have the meaning assigned thereto in section 2.1
- (k)

**1.2 Additional Definitions**

All capitalized terms used herein which are not defined herein, and which are defined in the Act, shall have the respective meanings assigned thereto in the Act.

**1.3 Jurisdiction**

Insofar as the Collateral is located in Ontario, this Agreement shall be governed by and construed in accordance with the Act and the other laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereby irrevocably attorn to the jurisdiction of the courts in Ontario.

**ARTICLE 2- CREATION OF SECURITY INTEREST**

**2.1 Grant**

As security for the payment and performance by the Debtor of the Obligations, whether incurred prior to, at the time of or subsequent to the execution of this Agreement, including, without limitation, any extensions or renewals, notwithstanding that the Obligations shall at any time or from time to time be fully satisfied or performed, the Debtor hereby grants, mortgages, charges, transfers, assigns and creates to and in favour of the Creditor, a general and continuing security interest (the "Security Interest") in the following:

- (a) all present and future equipment of the Debtor, including, without limitation, all machinery, fixtures, plants, 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");
- (b) all present and future inventory of the Debtor, including, without limitation, 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**");

- (c) all present and future debts, demands and amounts due or accruing due to the Debtor, whether or not earned by performance, including, without limitation, its book debts, accounts receivable and claims under policies of insurance and all contracts, security interests and other rights and benefits in respect thereof and including, without limitation, any right to receive any cash distribution from any joint venture, co-tenancy or partnership in which the Debtor has an interest ("**Accounts**");
- (d) all present and future intangible personal property of the Debtor, including, without limitation, all contract rights, 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 and including, without limitation, any interest the Debtor may have in any joint venture, co-tenancy or partnership, whether such interest is treated as capital property or as inventory ("**Intangibles**");
- (e) all present and future documents of title of the Debtor, whether negotiable or otherwise, including, without limitation, all warehouse receipts and bills of lading ("**Documents of Title**");
- (f) all present and future agreements made between the Debtor as Creditor and others which evidence both a monetary obligation and a security interest in or a lease of specific goods ("**Chattel Paper**");
- (g) all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)), and all other writings that evidence a right to the payment of money and are of a type that, in the ordinary course of business, are transferred by delivery without any necessary endorsement or assignment ("**Instruments**");
- (h) all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating to collateral subject to the Security Interest ("**Documents**");
- (i) all present and future personal property, business and undertaking of the Debtor not being Equipment, Inventory, Accounts, Intangibles, Documents of Title, Chattel Paper, Instruments, or Documents, whether treated as inventory or as capital property ("**Undertaking**"); and
- (j) all personal property in any form or fixtures derived directly or indirectly from any dealing with collateral subject to the Security Interest or the proceeds therefrom including, without limitation, any payment representing indemnity or compensation for loss of or damage thereto or the proceeds therefrom ("**Proceeds**") proceeds therefrom ("**Proceeds**"); and
- (k) All property described in Schedule "B" annexed hereto ("**Specific Property**").

The Equipment, Inventory, Accounts, Intangibles, Documents of Title, Chattel Paper, Instruments, Documents, Undertaking, Proceeds and Specific Property, if any) are collectively called the "**Collateral**". Any reference in this Agreement to Collateral shall mean the Collateral or any part thereof, unless the context otherwise requires. The Collateral shall not include Consumer Goods as defined in the Act.

The Creditor hereby takes and reserves the Security Interest, which security interest shall extend to the Proceeds and shall continue in full force and effect until terminated in accordance with section 11.2 hereof.

## 2.2 Attachment of Security Interest

The Debtor and the Creditor acknowledge and agree that:

- (a) they intend that the Security Interest attach to each item of the Collateral upon the later of the date of execution of this Agreement and the date when the Debtor has rights in such item of the Collateral including after acquired property;
- (b) value has been given for the granting of the Security Interest;
- (c) they have not agreed to postpone the time for attachment of the Security Interest;
- (d) Indebtedness Secured

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

## 2.3 Last Day of Lease

The Security Interest shall not extend or apply to the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor. As further security for payment of the principal and interest hereby secured, the Debtor agrees that it will stand possessed of the reversion, upon trust, to assign and dispose of the same in such manner as the Creditor may from time to time direct in writing. To the extent that the creation of the Security Interest would constitute a breach or cause the acceleration of any agreement, right, licence or permit to which the Debtor is a party, the Security Interest shall not attach thereto, but the Debtor shall hold its interest therein in trust for the Creditor, and shall assign such agreement, right, licence or permit to the Creditor forthwith upon obtaining the consent of the other party thereto.

## 2.4 Dealings with Collateral

Until the occurrence of a Default, the Debtor may sell its Inventory in the ordinary course of its business. The Debtor agrees to deposit all Proceeds from the disposition of Inventory into its account with its bank, and the trust established herein attaching to the funds in such account in favour of the Creditor and shall be paid to the Creditor on account of the Loan upon request.

## 2.5 Collection of Debts

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

Debtor authorizes the Creditor to take such action or proceedings in Debtor's name and at Debtor's expense as may be necessary to collect and recover any rents.

### ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

#### 3.1 Representations and Warranties

The Debtor represents and warrants to the Creditor, that as of the date hereof and so long as this agreement is in force, and upon each of which representations and warranties the Creditor specifically relies, as follows:

(a) Incorporation

the Debtor is a corporation incorporated, organized and existing under the laws of its incorporating jurisdiction, is in good standing and has all necessary power and authority to own its properties and carry on its business in all jurisdictions in which it owns property or carries on its business;

(b) Power, Authority

the Debtor has full power, legal right, authority and capacity to enter into this Agreement, incur the Obligations, create the Security Interest and do all such acts and things as are required hereunder to be done, observed or performed in accordance with the terms hereof;

(c) Licenses, Permits

the Debtor has obtained all licenses, permits and approvals from any and all governments, governmental commissions, boards or other agencies required in respect of the operations of the Debtor as at the date of any advance hereunder;

(d) Defaults in Other Obligations

the Debtor is not presently in default, beyond any period of grace with respect thereto, under any guarantee, bond, debenture, note or other similar document evidencing any indebtedness (or any such obligations contained in any instrument or instruments pursuant to which any of the foregoing has been issued or made and delivered);

(e) Conflict with Other Agreements

neither the execution nor the delivery of this Agreement or the creation of the Security Interest, the consummation of the transactions herein contemplated, or compliance with the terms, conditions and provisions hereof conflicts with or will conflict with or results or will result in any breach of any of the terms, conditions or provisions of the articles of the Debtor, or of any agreement or instrument to which the Debtor is now a party, or constitutes a default thereunder, or

(except as contemplated by this Agreement) results or will result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Debtor, including, without limitation, the Collateral;

(f) Tax Returns

the Debtor has filed all tax returns which are required to be filed, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by it, except such taxes, if any, as are being contested in good faith by it or, in the reasonable opinion of the Debtor, do not in the aggregate materially adversely affect the Debtor's financial condition or operations;

(g) Title

the Collateral is owned by the Debtor free and clear of any undisclosed mortgages, liens, charges, encumbrances, pledges, security interests or other claims whatsoever;

(h) Consumer Goods

the Collateral does not include any goods which are used or were used or acquired by the Debtor for use primarily for personal, family or household purposes; and

(i) Other Agreements

there are no outstanding agreements, calls, commitments, options, subscriptions, warrants or other rights or privileges to acquire any item constituting the Collateral.

#### ARTICLE 4 - COVENANTS

##### 4.1 Positive Covenants

The Debtor covenants and agrees with the Creditor that, so long as this Agreement is in force, it shall:

(a) Payment of Obligations

pay or satisfy all Obligations when due;

(b) Business

do or cause to be done all things necessary to keep in full force and effect its corporate existence and all properties, rights, licenses and qualifications to carry on its business in Canada, in such jurisdictions within Canada and elsewhere as the Debtor carries on business or owns property;

(c) Reasonable Care

use reasonable care in the custody and preservation of the Collateral;

(d) Insurance

insure and keep insured such of its buildings, structures, equipment, apparatus, materials and supplies as required by the Commitment Letter. All such insurance maintained with respect to the Collateral shall contain a loss payable clause requiring that any loss payable thereunder be

payable to the Creditor as its interest may appear, and the Debtor agrees to cause the interest of the Creditor to be noted in such policies of insurance. The Debtor will deliver to the Creditor, from time to time, upon written request, a certificate, signed by its President, setting forth particulars of such insurance and the names of the insurers;

(e) Notice

promptly notify the Creditor of any loss or damage to the Collateral, any change in any information provided in this Agreement or any actual or potential claim affecting the Debtor, the Collateral or the Security Interest;

(f) Compliance with Governmental Regulations

comply with all applicable governmental restrictions and regulations and obtain and maintain in good standing all licenses, permits and approvals from any and all governments, governmental commissions, boards or agencies required in respect of the operations of the Debtor;

(g) Taxes

pay or cause to be paid all taxes, assessments, rates, levies, payroll deductions, government fees and dues levied, assessed or imposed upon it or its property or any part thereof, as and when the same become due and payable, unless any such taxes, assessments, rates, levies, deductions, fees, dues or imposts are in good faith contested by it;

(h) Landlord's Acknowledgements

if so requested by the Creditor, obtain a written agreement from each landlord of the Debtor in favour of the Creditor and in form and substance satisfactory to the Creditor, whereby such landlord:

- (i) agrees to give notice to the Creditor of any default by the Debtor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord; and
- (ii) acknowledges the Security Interest and the right of the Creditor to enforce the Security Interest in priority to any claim of such landlord;

(i) Accessions and Fixtures

prevent the Collateral from becoming an accession to any personal property not subject to this Agreement or becoming affixed to any real property;

(j) Inspection

allow the Creditor to have access to all premises of the Debtor at which Collateral may be located and to inspect the Collateral and all records of the Debtor pertaining thereto from time to time;

(k) Payment of Expenses

pay all expenses, including, without limitation, solicitors' and receivers' fees and disbursements incurred by the Creditor or its agents (including any Receiver) in connection with the preparation,



perfection, preservation and enforcement of this Agreement and all expenses incurred by the Creditor or such agents in dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the Security Interest, all of which expenses shall be payable forthwith upon demand and shall form part of the Obligations;

(l) Compliance With Agreement

duly and punctually observe and perform all of the covenants, conditions and agreements to be observed and performed on its part under this Agreement or any other agreement entered into and in force at any time between it and the Creditor as and when they become due;

(m) Corporate Changes

obtain written consent of the Creditor of any material corporate changes, including, without limitation, change of name, change of voting control, amalgamations, amendments to its articles of incorporation or change of head office address;

(n) Information

deliver to the Creditor such information concerning the Collateral or the Debtor as the Creditor may reasonably request from time to time including, without limitation, aged lists of Inventory and Accounts and annual and monthly financial statements of the Debtor;

(o) Delivery of Certain Collateral

deliver to the Creditor from time to time all items of Collateral comprising Chattel Paper, Instruments, Securities and those Documents of Title which are negotiable; and

(p) Further Acts

from time to time make and do all such acts and things and execute and deliver all such instruments, agreements and documents in order to create, preserve, perfect, validate or otherwise protect the Security Interest, to enable the Creditor to exercise and enforce its rights and remedies hereunder and generally to carry out the provisions and purposes of this Agreement and it shall, without limitation, forthwith inform the Creditor of any purchase of assets made by it out of the ordinary course of business.

(q) Covenants

- (i) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation
- (ii) to notify the Creditor promptly of:
  - (A) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral;
  - (B) the details of any significant acquisition of Collateral;

- (C) the details of any claims or litigation affecting Debtor or Collateral;
  - (D) any loss or damage to Collateral;
  - (E) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral; and
  - (F) the return to or repossession by Debtor of Collateral;
- (r) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
  - (s) to do, execute, acknowledge and deliver such financing statements, financing change statements further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Creditor of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
  - (t) 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 Debtor or Collateral as and when the same become due and payable;
  - (u) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Creditor's request so as to indicate the Security Interest;
  - (v) to deliver to the Creditor 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 Debtor regarding Debtor's business,
    - (iv) all policies and certificates of insurance relating to Collateral, and
    - (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as the Creditor may reasonably request.

#### 4.2 Negative Covenants

The Debtor covenants and agrees with the Creditor that so long as this Agreement is in force it will not, without the prior written consent of the Creditor, which consent may be unreasonably withheld:

- (a) create, issue, renew, incur or suffer to exist, any mortgage, pledge, charge, lien, security interest or other encumbrance on all or any part of the present or future undertaking, property or assets of

the Debtor, ranking or purporting to rank or capable of ranking or being enforced in priority to or pari passu with the Security Interest, other than:

- (i) renewals, extensions or replacements of presently existing prior ranking encumbrances; and
- (ii) any purchase money security interest in collateral hereafter acquired but only if such interest is perfected and notification thereof is given to the Creditor pursuant to the Act;
- (b) directly or indirectly change the nature of its business;
- (c) incur any liabilities or obligations outside of its normal course of business;
- (d) change the location of its principal place of business or any other place at which any of the Collateral is situated; or
- (e) sell, exchange, transfer, dispose of, assign, lease or otherwise deal with any item constituting the Collateral, other than in the ordinary course of business of the Debtor or enter into any agreement or undertaking to do so. Provided that it shall not sell, exchange, transfer, dispose of, lease or otherwise deal with the Specific Property without the prior consent in writing of the Creditor.

**ARTICLE 5 - EVENTS OF DEFAULT**

**5.1 Events of Default**

Each of the following events shall constitute a "Default":

- (a) Payment  
if the Debtor fails to make any payment under any of the Obligations when due;
- (b) Default under Commitment Letter  
if any default occurs pursuant to the Commitment Letter or any security given pursuant to the Commitment Letter;
- (c) Taking of Possession  
if any encumbrance affecting the Collateral becomes enforceable, or if an encumbrancer takes possession of all or any portion of the property of the Debtor, or if any of the Collateral or any of it is seized, distrained, forfeited, confiscated or attached;
- (d) Judgment  
if a distress or execution or other similar process is levied or enforced against all or any portion of the property of the Debtor and is not discharged, varied or stayed, as the case may be, whether pursuant to appeal or otherwise, within thirty (30) days after the entry thereof or within the period allowed under applicable law for appeals therefrom if such period is greater than thirty (30) days;
- (e) Liquidation or Winding up

if the Debtor takes any action in respect of liquidation or winding-up, or makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts as they become due, or makes any proposal or assignment under any bankruptcy legislation of any applicable jurisdiction, or if a bankruptcy petition is filed or presented by it in respect of its properties or assets, or a judgment or order is entered by any court of competent jurisdiction approving such petition or any petition by it seeking an arrangement or composition in respect of its obligations, or if a custodian or Receiver or any other official with similar powers is appointed for it or all or any portion of its undertaking, properties or assets;

(f) Arrangement

if any proceedings are commenced in respect of the Debtor under the *Companies Creditors Arrangement Act* (Canada) or similar legislation for relief from insolvency, as amended;

(g) Carry on Business

if the Debtor, or any amalgamated corporation of which the Debtor is a predecessor, ceases to carry on business;

(h) Insolvency

if the Debtor becomes insolvent;

(i) Sale in Bulk

if the Debtor makes or proposes to make any sale of its assets in bulk or out of the ordinary course of its business;

(j) Inability to Pay Debts

if the Debtor illustrates, in any way, its inability to pay its debts generally as they become due;

(k) Removal from Jurisdiction

if the Debtor removes or attempts to remove any of the Collateral, other than in the ordinary course of its business;

(l) Performance

if the Debtor defaults in the performance of or compliance with any other term, condition, representation or covenant contained in this Agreement, provided that such default continues unremedied for a period of seven (7) consecutive days after written notice of such default has been given to the Debtor by the Creditor specifying with reasonable particularity the nature of such default and requiring such default to be remedied;

(m) Threat to Obligations or Collateral

if the Creditor, in good faith and with commercially reasonable grounds, believes that the prospect of payment or performance of any of the Obligations is or is about to be impaired or that the Creditor is or is about to be placed in jeopardy;

(n) Representations and Warranties

if any representation or warranty made by the Debtor herein or in any certificate or other document delivered to the Creditor pursuant hereto or otherwise shall prove to be incorrect in any material adverse respect; and

(o) Performance of Other Obligations

if the Debtor defaults in the performance of or compliance with any term, condition, representation or covenant contained in any other general security agreement or instrument generally charging its assets and undertaking to which it is a party or in any arrangements it may have with any institutional lender, provided that such default continues unremedied for a period of time which permits the creditor under such agreement or arrangement to exercise its rights thereunder.

**5.2 Notice of Intent to Enforce**

The parties hereto agree that the Creditor may, contemporaneously with or during any period which the Debtor may have to remedy defaults hereunder, give the Debtor the Notice of Intention to Enforce Security required by the *Bankruptcy and Insolvency Act* (Canada), as amended, it being the intention of the parties that, at the Creditor's option, the period to cure defaults, and the ten (10) day Notice of Intention to Enforce Security, may run concurrently.

**ARTICLE 6 - DEFAULT AND REMEDIES**

**6.1 Results of Default**

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

- (c) Upon default, the Creditor may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (b).
- (d) The Creditor may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Creditor may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Creditor may seem reasonable.
- (e) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and the Creditor and in addition to any other rights the Creditor may have at law or in equity, the Creditor shall have, both before and after default, all rights and remedies of a secured party under the *Personal Property Security Act*. Provided always, that the Creditor shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Creditor 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 Creditor's possession and shall not be liable or accountable for failure to do so.
- (f) Debtor acknowledges that the Creditor or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from the Creditor or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (g) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by the Creditor or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Creditor 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.
- (h) The Creditor will give 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 *Personal Property Security Act*.
- (i) Debtor appoints any officer or director or branch manager of the Creditor upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign or transfer, and to record any assignment or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

**6.2 Accounting for Surplus**

Where the Collateral has been disposed of by the Creditor as provided herein, the Creditor shall account to the Debtor for any amount by which the proceeds of disposition of the Collateral exceed the Obligations plus the Reasonable Expenses.

### **6.3 Redemption of Collateral**

At any time before the Creditor has disposed of the Collateral as provided herein or before the Creditor has elected, in the manner set out herein, to retain the Collateral irrevocably, the Debtor may redeem the Collateral by tendering payment of the aggregate of the Obligations and the Reasonable Expenses incurred prior to such time.

### **6.4 Remedies Cumulative**

The Creditor's rights and remedies, whether provided for in this Agreement or otherwise, may be exercised separately or in combination.

### **6.5 The Creditor's Obligations**

The Creditor shall not be under any obligation, or liable or accountable for any failure, to enforce payment or performance of the Obligations or to seize, realize, take possession of or dispose of the Collateral and shall not be under any obligation to institute proceedings for any such purposes.

### **6.6 Standards of Sale**

Without prejudice to the ability of the Creditor to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Creditor which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;
- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper having general circulation in the location of the Collateral to be sold at least seven (7) days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Creditor of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Creditor;
- (e) the disposition may be for cash or credit or part cash and part credit; and
- (f) the Creditor may establish a reserve bid in respect of all or any portion of the Collateral.

## **ARTICLE 7 - RIGHTS AND OBLIGATIONS OF THE CREDITOR**

### **7.1 Possession by the Creditor**

Where any Collateral is in the possession of the Creditor:

- (a) the Creditor shall use reasonable care in the custody and preservation thereof and shall take any steps of any nature necessary to defend or preserve the rights of the Debtor therein against the claims or demands of others or, with respect to any instrument or any Chattel Paper comprising any such Collateral, to preserve rights against prior parties;

- (b) the Creditor may, at any time following the occurrence of a Default, grant or otherwise create a security interest in such Collateral upon terms that do not impair the Debtor's right to redeem such Collateral; and
- (c) the Creditor may, at any time following the occurrence of a Default, use such Collateral for the purpose of preserving such Collateral or its value.

**ARTICLE 8 - ACKNOWLEDGEMENT**

**8.1 Acknowledgement of Debtor**

The Debtor acknowledges receipt of a true copy of this Agreement.

**ARTICLE 9 - NOTICES**

**9.1 Notice**

Any demand or notice to be given by any party hereto to any other party shall be in writing and may be given by personal delivery or except during any period when postal service is interrupted, by prepaid registered mail or by fax, or by other means of instantaneous transmission that produces a permanent copy ("**other communication**") addressed as follows:

to the Debtor at:           Golden Dragon Ho 7 Inc. and Golden Dragon Ho 5 Inc.  
                                   384 Bank Street, Suite 300A  
                                   Ottawa, Ontario K2P 1Y4  
                                   Attention: Chi Van Ho  
                                   Fax No.:

to the Creditor at:       First Source Financial Management Inc.  
                                   1 Valleybrook Drive, Suite 100  
                                   Toronto, Ontario M3B 2S7  
                                   Attention: David Mandel  
                                   Fax No.: (416) 224-2408

and shall be deemed to have been received by the party to whom it was addressed:

- (i) if given by registered mail, on the date falling two (2) business days following the date upon which it was deposited in the post office with postage and cost of registration prepaid;
- (ii) if personally delivered when so delivered; and
- (iii) if given by electronic communication upon the time in the confirmation of receipt,

provided that any of the above-named parties may change the address designated from time to time, by notice in writing to the other party hereto.

**ARTICLE 10 - WAIVER**

**10.1 Waiver of Default**



The Creditor may at any time waive in writing any Default which may have occurred, provided that no such waiver shall extend to, or be taken in any manner whatsoever to affect, any subsequent Default or the rights or remedies resulting therefrom. No delay or failure by the Creditor to exercise any right or remedy hereunder shall impair any such right or remedy, or shall be construed to be a waiver of any Default hereunder or under the Commitment Letter, or acquiescence therein.

### **10.2 Extensions**

The Creditor may grant renewals, extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, perfect or fail to perfect any securities, release any part of the Collateral to third parties and otherwise deal or fail to deal with the Debtor, debts of the Debtor, Guarantor, sureties and others and with the Collateral and other securities as the Creditor may see fit, all without prejudice to the liability of the Debtor to the Creditor or the Creditor's rights and powers under this Agreement or the Commitment Letter.

### **10.3 The Creditor Not Obligated to Advance**

Nothing in this Agreement shall obligate the Creditor to make any Loan or accommodation to the Debtor, or extend the time for payment or satisfaction of any Obligations.

## **ARTICLE 11 - EFFECTIVE DATE AND TERMINATION**

### **11.1 Effective Date**

This Agreement shall become effective according to its terms immediately upon the execution hereof by the Creditor and the Debtor. This Agreement and the Security Interest are in addition to and not in substitution for any other agreement made between the Creditor and the Debtor or any other security granted by the Debtor to the Creditor whether before or after the execution of this Agreement. The Security Interest shall be a general and continuing security notwithstanding that the Obligations shall at any time or from time to time be fully satisfied or performed and shall continue in full force and effect until terminated as provided herein.

### **11.2 Discharge by the Creditor**

If the Debtor or its successors or assigns (all of which are referred to as the "Debtor" in this section), as the case may be, fully satisfy and perform all of the Obligations, or if the Loan is terminated, in accordance with its terms, then the Creditor shall at the request in writing of the Debtor, and at the expense of the Debtor, terminate this Agreement and execute and deliver to the Debtor, in accordance with the Act, where applicable, such financing statements, instruments, agreements and documents as the Debtor reasonably considers necessary or desirable to discharge the Security Interest, to release and discharge the Collateral therefrom and to record such release and discharge in all appropriate offices of public record. The registration of a discharge of the Charge shall be deemed as a discharge of this Agreement.

## **ARTICLE 12 - GENERAL**

### **12.1 Failure to Perform**

Upon Debtor's failure to perform any of its duties hereunder, the Creditor may, but shall not be obligated to perform any or all of such duties, and Debtor shall pay to the Creditor, forthwith upon written demand

therefor, an amount equal to the expense incurred by the Creditor in so doing plus interest thereon from the date, such expense is incurred until it is paid at the rate of fifteen percent (15%) per annum.

#### **12.2 Grant Extensions**

The Creditor 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 Debtor, debtors of Debtor, sureties and others and with Collateral and other security as the Creditor may see fit without prejudice to the liability of Debtor or the Creditor's right to hold and realize the Security Interest. Furthermore, the Creditor may demand, collect and sue on Collateral in either Debtor's or the Creditor's name, at the Creditor's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.

#### **12.3 No Delay or Omission**

No delay or omission by the Creditor 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 Creditor may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of the Creditor granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

#### **12.4 Debtor Waives Protest**

Debtor waives protest of any Instrument constituting Collateral at any time held by the Creditor on which Debtor is in any way liable and, subject to the notice clauses hereof, notice of any other action taken by the Creditor.

#### **12.5 Event of Amalgamation**

Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company; and
- (b) shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

#### **12.6 Province of Ontario**

This Security Agreement and the transactions evidenced hereby shall be governed by and continued in accordance with the laws of Province of Ontario, as those laws may from time to time be in effect, including where applicable, the *Personal Property Security Act*.

**12.7 Further Acts**

The Debtor will, from time to time at the written request of the Creditor, make and do all such acts and things and execute and deliver all such instruments, agreements and documents as the Creditor reasonably requests in order to create, preserve, perfect, validate or otherwise protect the Security Interest, to enable the Creditor to exercise and enforce its rights and remedies hereunder and generally to carry out the provisions and purposes of this Agreement.

**12.8 Severability**

If any provision herein is determined to be void, voidable or unenforceable, in whole or in part by the decision of any court of competent jurisdiction, which determination is not appealed or appealable for any reason whatsoever, the provision in question shall not affect or impair or be deemed to affect or impair the enforceability or validity of any other provision hereof and such unenforceable or invalid provision or portion thereof shall be severed from the remainder of this Agreement. All the provisions hereof are hereby declared to be separate, severable and distinct.

**12.9 Entire Agreement**

This Agreement including the schedules hereto, constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and may not be amended or modified in any respect except by written instrument signed by the parties hereto, and all other agreements, understandings, representations and writings, oral or written, are entirely replaced thereby and no longer effective.

**12.10 Time of Essence.**

Time shall be of the essence in this Agreement and every part hereof and no extension or variation of this Agreement shall operate as a waiver of this Agreement.

**12.11 Plurality and Gender, etc.**

Words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders and vice versa.

**12.12 Headings**

The Article and section headings are not to be considered part of this Agreement, are inserted for convenience of reference only, and are not intended to be full or accurate descriptions of the contents thereof and shall not affect the construction or interpretation of this Agreement.

**12.13 Law Applicable**

This Agreement shall be construed in accordance with the laws of the Province of Ontario and shall be treated in all respects as an Ontario contract.

**12.14 Enurement.**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, personal representatives, successors and assigns, as the case may be. This Agreement may not be assigned by the Debtor without the prior written consent of the Creditor, which consent may be unreasonably withheld.

**12.15 Counterpart.**

This Agreement may be executed and delivered in counterparts and any such counterpart may be delivered in its original form or by electronic transmission and each of which when so executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same Agreement.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement by the hands of their respective duly authorized signing officers as of the date first above written.

**Golden Dragon Ho 7 Inc.**

Per:

~~Name: Chi Van Ho  
Title: President~~

I/We have authority to bind the Corporation.

**Golden Dragon Ho 5 Inc.**

Per:

~~Name: Chi Van Ho  
Title: President~~

I/We have authority to bind the Corporation.

**SCHEDULE "A"**

Municipal Address of the Property

39-85 Costello Avenue, Ottawa, Ontario

64, 68, 70 Reynold Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario

125

SCHEDULE "B"

Particulars of Specific Property

77 fridges, 77 stoves and 8 dishwashers located at the Real Property

This is Exhibit "K" referred to in the Affidavit of David Mandel  
sworn June 7 , 2017

A handwritten signature in black ink, consisting of stylized, overlapping loops and curves, positioned above a horizontal line.

---

*Commissioner for Taking Affidavits (or as may be)*



**Search Results**  
ID=4184910

CORPORATE SERVICES LTD.

126

Current: 29/05/2017 02:43:22  
Submitted: 29/05/2017 02:43:12  
Completed: 29/05/2017 02:43:17

Your Ref No. ESCWEB4184910

PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73506 ENQUIRY REQUEST 14:43:14

FILE CURRENCY 28MAY 2017  
CHANGE ACCOUNT (Y/N) : N ACCOUNT NUMBER : 009313 0001 ACCOUNT CODE : ESCVFDE

SEARCH TYPE (BD,IN,IS,MV) : BD  
SEARCH CRITERIA : Golden Dragon Ho 5 Inc.

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



127

PSSME19                    PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM                    05/29/2017  
TIP73506                    RESPONSE SUMMARY/HIGH VOLUME                    14:43:14  
ACCOUNT : 009313-0001  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 5 INC.

RESPONSE CONTAINS : APPROXIMATELY      4 FAMILIES      12 PAGES

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

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

---

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TTP73506 DISPLAY 1C REGISTRATION - SCREEN 1 14:43:14  
ACCOUNT : 009313-0001 FAMILY : 1 OF 4 ENQUIRY PAGE : 1 OF 12  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 5 INC.

00 FILE NUMBER : 667336293 EXPIRY DATE : 26JAN 2021 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20110126 1314 1590 5739 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: GOLDEN DRAGON HO 5 INC.

04 ADDRESS : 338 - 27 BEECHWOOD AVENUE OCN :  
CITY : OTTAWA PROV: ON POSTAL CODE: K1M 1M2  
05 IND DOB : IND NAME:  
06 BUS NAME: PAQUIN PROPERTY MANAGEMENT LTD. OCN : 1495990  
07 ADDRESS : 338 - 27 BEECHWOOD AVENUE  
CITY : OTTAWA PROV: ON POSTAL CODE: K1M 1M2

08 SECURED PARTY/LIEN CLAIMANT :  
BANK OF MONTREAL  
09 ADDRESS : 100 KING STREET WEST, B1 LEVEL  
CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A3  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION  
13 GENERAL SECURITY AGREEMENT SECURING ALL PRESENT AND AFTER ACQUIRED  
14 PROPERTY OF THE DEBTOR LOCATED ON OR RELATED TO THE LANDS MUNICIPALLY  
15 KNOWN AS (A) 64, 68, 70 REYNOLDS DRIVE/10, 14, 18, 22 SALISBURY  
16 AGENT: DANIEL C. FERNANDES  
17 ADDRESS : 418 PRESTON STREET  
CITY : OTTAWA PROV: ON POSTAL CODE: K1S 4N2

129

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73506 DISPLAY 1C REGISTRATION - SCREEN 1 14:43:14  
ACCOUNT : 009313-0001 FAMILY : 1 OF 4 ENQUIRY PAGE : 2 OF 12  
FTLE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 5 INC.

00 FILE NUMBER : 667336293 EXPIRY DATE : 26JAN 2021 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20110126 1314 1590 5739 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 :

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

10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION  
13 AVENUE, BROCKVILLE, (B) 55 OAK STREET, BROCKVILLE, (C) 801 RIVER  
14 ACRES DRIVE/1851 AND 1853 COUNTY ROAD #2, BROCKVILLE, (D) 1236 COUNTY  
15 ROAD #2, MATTLAND, AND (E) 30 DEWICK DRIVE, BROCKVILLE

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

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73506 DISPLAY 2C REGISTRATION - SCREEN 1 14:43:15  
ACCOUNT : 009313-0001 FAMILY : 1 OF 4 ENQUIRY PAGE : 3 OF 12  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD. : GOLDEN DRAGON HO 5 INC.

FILE NUMBER 667336293

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 01 OF 001 MV SCHED: 20160114 1929 1531 8071  
21 REFERENCE FILE NUMBER : 667336293  
22 AMEND PAGE: NO PAGE: X CHANGE: B RENEWAL REN YEARS: 5 CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: GOLDEN DRAGON HO 5 INC.

25 OTHER CHANGE:  
26 REASON:  
27 /DESCR:  
28 :  
02/05 IND/TRANSFEE:  
03/06 BUS NAME/TRFEE:

OCN:

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

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

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

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16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS  
17 ADDRESS : 4126 NORLAND AVENUE  
CITY : BURNABY PROV : BC POSTAL CODE : V5G 3S8

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73506 DISPLAY 1C REGISTRATION - SCREEN 1 14:43:15  
ACCOUNT : 009313-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 4 OF 12  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 5 INC.

00 FILE NUMBER : 667336302 EXPIRY DATE : 26JAN 2021 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED :  
REG NUM : 20110126 1316 1590 5740 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: PAQUIN PROPERTY MANAGEMENT LTD. OCN : 1495990

04 ADDRESS : 338 - 27 BEECHWOOD AVENUE  
CITY : OTTAWA PROV: ON POSTAL CODE: K1M 1M2

05 IND DOB : IND NAME:  
06 BUS NAME: GOLDEN DRAGON HO 5 INC. OCN :

07 ADDRESS : 338 - 27 BEECHWOOD AVENUE  
CITY : OTTAWA PROV: ON POSTAL CODE: K1M 1M2

08 SECURED PARTY/LIEN CLAIMANT :  
BANK OF MONTREAL

09 ADDRESS : 100 KING STREET WEST, B1 LEVEL  
CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A3  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

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

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GENERAL COLLATERAL DESCRIPTION

13 A SECURITY INTEREST TAKEN BY GENERAL ASSIGNMENTS OF RENTS AND LEASES  
14 IN ALL PRESENT AND FUTURE LEASES AND RENTS COMPRISING OR OTHERWISE  
15 RELATING TO AND ARISING FROM THE LANDS MUNICIPALLY KNOWN AS (A) 64,  
16 AGENT: DANIEL C. FERNANDES  
17 ADDRESS : 418 PRESTON STREET  
CITY : OTTAWA PROV: ON POSTAL CODE: K1S 4N2

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73506 DISPLAY 1C REGISTRATION - SCREEN 1 14:43:15  
ACCOUNT : 009313-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 5 OF 12  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 5 INC.

00 FILE NUMBER : 667336302 EXPIRY DATE : 26JAN 2021 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :  
REG NUM : 20110126 1316 1590 5740 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 :

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

10 YEAR MAKE MODEL V.I.N.  
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GENERAL COLLATERAL DESCRIPTION

13 68, 70 REYNOLDS DRIVE/10, 14, 18, 22 SALISBURY AVENUE, CITY OF  
14 BROCKVILLE, (B) 1236 COUNTY ROAD 2, TOWN OF MAITLAND, (C) 801 RIVER  
15 ACRES DRIVE, TOWN OF AUGUSTA, (D) 55 OAK STREET, CITY OF BROCKVILLE,  
16 AGENT:

17 ADDRESS :  
CITY : PROV: POSTAL CODE:

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
 TIP73506 DISPLAY 1C REGISTRATION - SCREEN 1 14:43:15  
 ACCOUNT : 009313-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 6 OF 12  
 FILE CURRENCY : 28MAY 2017  
 SEARCH : BD : GOLDEN DRAGON HO 5 INC.

00 FILE NUMBER : 667336302 EXPIRY DATE : 26JAN 2021 STATUS :  
 01 CAUTION FILING : PAGE : 003 OF 3 MV SCHEDULE ATTACHED :  
 REG NUM : 20110126 1316 1590 5740 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 :

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

10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 AND (E) 30 DEWICK DRIVE, CITY OF BROCKVILLE

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16 AGENT:

17 ADDRESS :  
 CITY : PROV: POSTAL CODE:

134

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73506 DISLAY 2C REGISTRATION - SCREEN 1 14:43:16  
ACCOUNT : 009313-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 7 OF 12  
FILE CURRENCY : 2BMAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 5 INC.

FILE NUMBER 667336302  
PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 01 OF 001 MV SCHED: 20160114 1929 1531 8063  
21 REFERENCE FILE NUMBER : 667336302  
22 AMEND PAGE: NO PAGE; X CHANGE; B RENEWAL REN YEARS: 5 CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: PAQUIN PROPERTY MANAGEMENT LTD.

25 OTHER CHANGE:  
26 REASON:  
27 /DESCR:  
28 :  
02/05 IND/TRANSFEE:  
03/06 BUS NAME/TRFEE:

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

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

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

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16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS  
17 ADDRESS : 4126 NORLAND AVENUE  
CITY : BURNABY PROV : BC POSTAL CODE : V5G 3S8

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135

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73506 DISPLAY 1C REGISTRATION - SCREEN 1 14:43:16  
ACCOUNT : 009313-0001 FAMILY : 3 OF 4 ENQUIRY PAGE : 8 OF 12  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 5 INC.

00 FILE NUMBER : 667336338 EXPIRY DATE : 26JAN 2021 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20110126 1318 1590 5741 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : 20OCT1966 IND NAME: CHI V HO  
03 BUS NAME:

OCN :

04 ADDRESS : 338 - 27 BEECHWOOD AVENUE  
CITY : OTTAWA PROV: ON POSTAL CODE: K1M 1M2  
05 IND DOB : IND NAME:  
06 BUS NAME: GOLDEN DRAGON HO 5 INC.

OCN :

07 ADDRESS : 338 - 27 BEECHWOOD AVENUE  
CITY : OTTAWA PROV: ON POSTAL CODE: K1M 1M2

08 SECURED PARTY/LIEN CLAIMANT :  
BANK OF MONTREAL

09 ADDRESS : 100 KING STREET WEST, B1 LEVEL  
CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A3  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

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

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GENERAL COLLATERAL DESCRIPTION

13 GUARANTEE REGARDING THE OBLIGATIONS DUE BY PAQUIN PROPERTY MANAGEMENT  
14 LTD. TO THE SECURED PARTY IN RELATION TO (A) 64/68/70 REYNOLDS  
15 DRIVE/10/14/18/22 SALISBURY AVENUE, CITY OF BROCKVILLE, (B) 1236  
16 AGENT: DANIEL C. FERNANDES  
17 ADDRESS : 418 PRESTON STREET  
CITY : OTTAWA PROV: ON POSTAL CODE: K1S 4N2

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73506 DISPLAY 1C REGISTRATION - SCREEN 1 14:43:16  
ACCOUNT : 009313-0001 FAMILY : 3 OF 4 ENQUIRY PAGE : 9 OF 12  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 5 INC.

00 FILE NUMBER : 667336338 EXPIRY DATE : 26JAN 2021 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20110126 1318 1590 5741 REG TYP: REG PERIOD:  
02 IND DOB : IND NAME:  
03 BUS NAME:

04 ADDRESS : OCN :  
CITY : PROV: POSTAL CODE:  
05 IND DOB : IND NAME:  
06 BUS NAME:

07 ADDRESS : OCN :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

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

10 YEAR MAKE MODEL V.I.N.

11  
12

GENERAL COLLATERAL DESCRIPTION  
13 COUNTY ROAD 2, TOWN OF MAITLAND, (C) 801 RIVER ACRES DRIVE, TOWN OF  
14 AUGUSTA, (D) 55 OAK STREET, CITY OF BROCKVILLE, AND (E) 30 DEWICK  
15 DRIVE, CITY OF BROCKVILLE

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

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73506 DISPLAY 2C REGISTRATION - SCREEN 1 14:43:16  
ACCOUNT : 009313-0001 FAMILY : 3 OF 4 ENQUIRY PAGE : 10 OF 12  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 5 INC.

FILE NUMBER 667336338

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 01 OF 001 MV SCHED: 20160114 1929 1531 8065  
21 REFERENCE FILE NUMBER : 667336338  
22 AMEND PAGE: NO PAGE: X CHANGE: B RENEWAL REN YEARS: 5 CORR PER:  
23 REFERENCE DEBTOR/ IND NAME: CHI V HO  
24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:  
26 REASON:  
27 /DESCR:  
28 :  
02/05 IND/TRANSFEEER:  
03/06 BUS NAME/TRFEE:

OCN:

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

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

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

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16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS  
17 ADDRESS : 4126 NORLAND AVENUE  
CITY : BURNABY PROV : BC POSTAL CODE : V5G 3S8

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73506 DISPLAY 1C REGISTRATION - SCREEN 1 14:43:16  
ACCOUNT : 009313-0001 FAMILY : 4 OF 4 ENQUIRY PAGE : 12 OF 12  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 5 INC.

00 FILE NUMBER : 716587263 EXPIRY DATE : 12MAY 2019 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20160512 1033 1590 8836 REG TYP: REG PERIOD:  
02 IND DOB : IND NAME:  
03 BUS NAME:

04 ADDRESS : OCN :  
CITY : PROV: POSTAL CODE:

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

07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :  
CITY : PROV: POSTAL CODE:  
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  
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GENERAL COLLATERAL DESCRIPTION  
13 AND 10, 14, 18 AND 22 SALISBURY AVENUE, BROCKVILLE, ONTARIO  
14  
15

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

LAST SCREEN



This is Exhibit "L" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of stylized, cursive letters, positioned above a horizontal line.

---

*Commissioner for Taking Affidavits (or as may be)*





PSSMEL9 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 RESPONSE SUMMARY/HIGH VOLUME 14:44:15  
ACCOUNT : 009313-0001  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

RESPONSE CONTAINS : APPROXIMATELY 6 FAMILIES 18 PAGES

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

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

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143

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 DISPLAY 1C REGISTRATION - SCREEN 1 14:44:15  
ACCOUNT : 009313-0001 FAMILY : 1 OF 6 ENQUIRY PAGE : 1 OF 18  
FILE CURRENCY : 26MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

00 FILE NUMBER : 679338315 EXPIRY DATE : 20JUN 2018 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20120620 1506 1590 2925 REG TYP: P PPSA REG PERIOD: 2  
02 IND DOB : IND NAME:  
03 BUS NAME: GOLDEN DRAGON HO 7 INC.

OCN : 002308112

04 ADDRESS : 110-532 MONTREAL ROAD  
CITY : OTTAWA PROV: ON POSTAL CODE: K1K 4R4

05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :

07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
THE EQUITABLE TRUST COMPANY

09 ADDRESS : 30 ST. CLAIR AVENUE WEST , SUITE 700  
CITY : TORONTO PROV: ON POSTAL CODE: M4V 3A1  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

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

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GENERAL COLLATERAL DESCRIPTION

13 A SECURITY INTEREST TAKEN BY GENERAL ASSIGNMENT OF RENTS IN ALL  
14 PRESENT AND FUTURE LEASES AND RENTS COMPRISING OR OTHERWISE RELATING  
15 TO AND ARISING FROM THE LAND AND PREMISES MUNICIPALLY KNOWN AS  
16 AGENT: DANIEL C. FERNANDES  
17 ADDRESS : 418 PRESTON STREET, 2ND FLOOR  
CITY : OTTAWA PROV: ON POSTAL CODE: K1S 4N2

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 DISPLAY IC REGISTRATION - SCREEN 1 14:44:16  
ACCOUNT : 009313-0001 FAMILY : 1 OF 6 ENQUIRY PAGE : 2 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

00 FILE NUMBER : 679339315 EXPIRY DATE : 20JUN 2018 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20120620 1506 1590 2925 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 :

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

10 YEAR MAKE MODEL V.I.N.  
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GENERAL COLLATERAL DESCRIPTION

13 122-124 FORWARD AVENUE AND 64-66 BURNSIDE AVENUE, OTTAWA

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16 AGENT:

17 ADDRESS :  
CITY : PROV: POSTAL CODE:

145

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73803 DISPLAY 2C REGISTRATION ~ SCREEN 1 14:44:16  
ACCOUNT : 009313-0001 FAMILY : 1 OF 6 ENQUIRY PAGE : 3 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

FILE NUMBER 679338315  
PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 01 OF 001 MV SCHED: 20140507 1702 1462 4958  
21 REFERENCE FILE NUMBER : 679338315  
22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 1 CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: GOLDEN DRAGON HO 7 INC.

25 OTHER CHANGE:  
26 REASON:  
27 /DESCR:  
28 :  
02/05 IND/TRANSFEREE:  
03/06 BUS NAME/TRFEE:

OCN:

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

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

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

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16 NAME : THE EQUITABLE TRUST COMPANY  
17 ADDRESS : 30 ST. CLAIR WEST AVE. SUITE# 700  
CITY : TORONTO PROV : ON POSTAL CODE : M4V3A1

146.

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP72503 DISPLAY 2C REGISTRATION - SCREEN 1 14:44:16  
ACCOUNT : 009313-0001 FAMILY : 1 OF 6 ENQUIRY PAGE : 4 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

FILE NUMBER 679338315  
PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 01 OF 001 MV SCHED: 20150506 1402 1482 7562  
21 REFERENCE FILE NUMBER : 679338315  
22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 3 CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: GOLDEN DRAGON HO 7 INC.

25 OTHER CHANGE:  
26 REASON:  
27 /DESCR:  
28 :  
02/05 IND/TRANSFEREE:  
03/06 BUS NAME/TREE:

OCN:

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

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

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

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16 NAME : THE EQUITABLE TRUST COMPANY  
17 ADDRESS : 30 ST. CLAIR WEST AVE. SUITE# 700  
CITY : TORONTO PROV : ON POSTAL CODE : M4V3A1

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147.

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 DISPLAY LC REGISTRATION - SCREEN 1 14:44:16  
ACCOUNT : 009313-0001 FAMILY : 2 OF 6 ENQUIRY PAGE : 5 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

00 FILE NUMBER : 679338378 EXPIRY DATE : 20JUN 2018 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20120620 1508 1590 2926 REG TYP: P PPSA REG PERIOD: 2  
02 IND DOB : IND NAME:  
03 BUS NAME: GOLDEN DRAGON HO 7 INC. OCN : 002308112

04 ADDRESS : 110-532 MONTREAL ROAD  
CITY : OTTAWA PROV: ON POSTAL CODE: K1K 4R4  
05 IND DOB : IND NAME:  
06 BUS NAME: OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
THE EQUITABLE TRUST COMPANY  
09 ADDRESS : 30 ST. CLAIR AVENUE WEST , SUITE 700  
CITY : TORONTO PROV: ON POSTAL CODE: M4V 3A1  
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.

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GENERAL COLLATERAL DESCRIPTION  
13 GENERAL SECURITY AGREEMENT SECURING ALL PRESENT AND AFTER ACQUIRED  
14 PROPERTY OF THE DEBTOR LOCATED ON OR RELATED TO THE PROPERTY  
15 MUNICIPALLY KNOWN AS 122-124 FORWARD AVENUE AND 64-66 BURNSIDE  
16 AGENT: DANIEL C. FERNANDES  
17 ADDRESS : 418 PRESTON STREET, 2ND FLOOR  
CITY : OTTAWA PROV: ON POSTAL CODE: K1S 4N2

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIE73503 DISPLAY IC REGISTRATION - SCREEN 1 14:44:16  
ACCOUNT : 009313-0001 FAMILY : 2 OF 6 ENQUIRY PAGE : 6 OF 18  
FILE CURRENCY : 29MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

00 FILE NUMBER : 679338378 EXPIRY DATE : 20JUN 2018 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20120620 1508 1590 2926 REG TYP: REG PERIOD:  
02 IND DOB : IND NAME:  
03 BUS NAME:

04 ADDRESS : OCN :  
CITY : PROV: POSTAL CODE:  
05 IND DOB : IND NAME:  
06 BUS NAME: OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :  
CITY : PROV: POSTAL CODE:  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10  
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION  
13 AVENUE, OTTAWA

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

149

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 DISPLAY 2C REGISTRATION - SCREEN 1 14:44:16  
ACCOUNT : 009313-0001 FAMILY : 2 OF 6 ENQUIRY PAGE : 7 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

FILE NUMBER 679338378  
PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 01 OF 001 MV SCHED: 20140507 1702 1462 4957  
21 REFERENCE FILE NUMBER : 679338378  
22 AMEND PAGE: NO PAGE; CHANGE: B RENEWAL REN YEARS: 1 CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: GOLDEN DRAGON HO 7 INC.

25 OTHER CHANGE:  
26 REASON:  
27 /DESCR:  
28 :  
02/05 IND/TRANSFEEE:  
03/06 BUS NAME/TRFEE:

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

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

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

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16 NAME : THE EQUITABLE TRUST COMPANY  
17 ADDRESS : 30 ST. CLAIR WEST AVE. SUITE# 700  
CITY : TORONTO PROV : ON POSTAL CODE : M4V3A1



PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 DISPLAY 2C REGISTRATION - SCREEN 1 14:44:17  
ACCOUNT : 009313-0001 FAMILY : 2 OF 5 ENQUIRY PAGE : 8 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

FILE NUMBER 679338378  
PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 01 OF 001 MV SCHED: 20150506 1402 1462 7561  
21 REFERENCE FILE NUMBER : 679338378  
22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 3 CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: GOLDEN DRAGON HO 7 INC.

25 OTHER CHANGE:  
26 REASON:  
27 /DESCR:  
28 :  
02/05 IND/TRANSFEE:  
03/06 BUS NAME/TRFEE:

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

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

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

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16 NAME : THE EQUITABLE TRUST COMPANY  
17 ADDRESS : 30 ST. CLAIR WEST AVE. SUITE# 700  
CITY : TORONTO PROV : ON POSTAL CODE : M4V3A1

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 DISPLAY 1C REGISTRATION - SCREEN 1 14:44:17  
ACCOUNT : 009313-0001 FAMILY : 3 OF 6 ENQUIRY PAGE : 9 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

00 FILE NUMBER : 694070415 EXPIRY DATE : 28FEB 2019 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20140228 0959 1590 7573 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: GOLDEN DRAGON HO 7 INC. OCN : 2308112

04 ADDRESS : 338-27 BEECHWOOD AVENUE  
CITY : OTTAWA PROV: ON POSTAL CODE: K1M 1M2  
05 IND DOB : IND NAME:  
06 BUS NAME: OCN :

07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
MAGENTA MORTGAGE INVESTMENT CORPORATION

09 ADDRESS : 5-47 GORE STREET EAST PROV: ON POSTAL CODE: K7H 1H6  
CITY : PERTH MV DATE OF OR NO FIXED  
CONS. MATURITY MAT DATE  
GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT  
10 X X X X X X X X X X  
YEAR MAKE MODEL V.I.N.

11  
12  
GENERAL COLLATERAL DESCRIPTION  
13 SECURITY INTEREST TAKEN BY SECURITY AGREEMENT IN ALL PRESENT AND  
14 AFTER ACQUIRED PERSONAL PROPERTY (AS SET OUT IN THE SAID SECURITY  
15 AGREEMENT OF THE DEBTOR INCLUDING ANY AND ALL RESERVES) COMPRISING OR  
16 AGENT: DANIEL C. FERNANDES  
17 ADDRESS : 418 PRESTON, 2ND FLR  
CITY : OTTAWA PROV: ON POSTAL CODE: K1S 4N2

ESSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 DISPLAY 1C REGISTRATION - SCREEN 1 14:44:17  
ACCOUNT : 009313-0001 FAMILY : 3 OF 6 ENQUIRY PAGE : 10 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

00 FILE NUMBER : 694070415 EXPIRY DATE : 28FEB 2019 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20140228 0959 1590 7573 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 :

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

10 YEAR MAKE MODEL V.I.N.  
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12

GENERAL COLLATERAL DESCRIPTION

13 OTHERWISE RELATING TO AND ARISING FROM THE LAND AND PREMISES  
14 MUNICIPALLY KNOWN AS 122-124 FORWARD AVENUE AND 64-66 BURNSIDE  
15 AVENUE, OTTAWA.

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

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 DISPLAY 1C REGISTRATION - SCREEN 1 14:44:17  
ACCOUNT : 009313-0001 FAMILY : 4 OF 6 ENQUIRY PAGE : 11 OF 18  
FILE CURRENCY : 29MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

00 FILE NUMBER : 694070433 EXPIRY DATE : 28FEB 2019 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20140228 1000 1590 7574 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: GOLDEN DRAGON HO 7 INC. OCN : 2308112

04 ADDRESS : 338-27 BEECHWOOD AVENUE  
CITY : OTTAWA PROV: ON POSTAL CODE: K1M 1M2  
05 IND DOB : IND NAME:  
06 BUS NAME: OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
MAGENTA MORTGAGE INVESTMENT CORPORATION  
09 ADDRESS : 5-47 GORE STREET EAST  
CITY : PERTH PROV: ON POSTAL CODE: K7H 1H6  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 YEAR MAKE X X MODEL V.I.N. X

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GENERAL COLLATERAL DESCRIPTION  
13 A SECURITY INTEREST TAKEN BY GENERAL ASSIGNMENT OF RENTS AND LEASES  
14 IN ALL PRESENT AND FUTURE LEASES AND RENTS COMPRISING OR OTHERWISE  
15 RELATING TO AND ARISING FROM THE LAND AND PREMISES MUNICIPALLY KNOWN  
16 AGENT: DANIEL C. FERNANDES  
17 ADDRESS : 418 PRESTON, 2ND FLR  
CITY : OTTAWA PROV: ON POSTAL CODE: K1S 4M2

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 DISPLAY LC REGISTRATION - SCREEN 1 14:44:17  
ACCOUNT : 009313-0001 FAMILY : 4 OF 6 ENQUIRY PAGE : 12 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

00 FILE NUMBER : 694070433 EXPIRY DATE : 28FEB 2019 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20140228 1000 1590 7574 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 :

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

10 YEAR MAKE MODEL V.I.N.

11  
12  
GENERAL COLLATERAL DESCRIPTION  
13 AS 122-124 FORWARD AVENUE AND 64-66 BURNSIDE AVENUE, OTTAWA.

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15  
16 AGENT:  
17 ADDRESS :  
CITY : PROV: POSTAL CODE:

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 DISPLAY 1C REGISTRATION - SCREEN 1 14:44:17  
ACCOUNT : 009313-0001 FAMILY : 5 OF 6 ENQUIRY PAGE : 13 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

00 FILE NUMBER : 706076145 EXPIRY DATE : 13MAY 2019 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 003 MV SCHEDULE ATTACHED :  
REG NUM : 20150513 1424 1862 8083 REG TYP: P PPSA REG PERIOD: 2  
02 IND DOB : IND NAME:  
03 BUS NAME: GOLDEN DRAGON HO 7 INC.

OCN :  
04 ADDRESS : 532 MONTREAL ROAD, SUITE 110  
CITY : OTTAWA PROV: ON POSTAL CODE: K1K 4R4

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

07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
KINGSSETT MORTGAGE CORPORATION  
09 ADDRESS : TORONTO-DOMINION CENTRE, TD BANK TOWER,  
CITY : TORONTO PROV: ON POSTAL CODE: M5K 1H6  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.

11  
12  
GENERAL COLLATERAL DESCRIPTION  
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16 AGENT: BLANEY MCMURERY LLP (K. STASIUK)  
17 ADDRESS : 2 QUEEN STREET EAST, SUITE 1500  
CITY : TORONTO PROV: ON POSTAL CODE: M5C 3G5

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 DISPLAY 1C REGISTRATION - SCREEN 1 14:44:17  
ACCOUNT : 009313-0001 FAMILY : 5 OF 6 ENQUIRY PAGE : 14 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

00 FILE NUMBER : 706076145 EXPIRY DATE : 13MAY 2019 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 003 MV SCHEDULE ATTACHED :  
REG NUM : 20150513 1424 1862 8083 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 :

09 ADDRESS : 66 WELLINGTON STREET WEST, SUITE 4400, B  
CITY : PROV: POSTAL CODE:  
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

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

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158

PSSME06            PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM            05/29/2017  
TIP73503            DISPLAY 3C REGISTRATION -- SCREEN 1            14:44:18  
ACCOUNT : 009513-0001            FAMILY : 5 OF 6            ENQUIRY PAGE : 16 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.            FILE NUMBER 706076145

01 REGISTRATION NUMBER : 20170202 1043 1862 6964  
31 REF FILE NUM: 706076145    CHANGE CODE: B    RENEWAL    RENEWAL YEARS: 2  
32 REF IND NAME:  
33 REF BUS NAME: GOLDEN DRAGON HO 7 INC.            OCN :

SECURED PARTY/LIEN CLAIMANT/REGISTERING AGENT :  
08/16 NAME  
          BLANEY MCMURTRY LLP (K. STASIUK)  
09/17 ADDRESS : 2 QUEEN STREET EAST, SUITE 1500  
          CITY : TORONTO            PROV : ON            POSTAL CODE : M5C 3G5

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159

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 DISPLAY 1C REGISTRATION - SCREEN 1 14:44:18  
ACCOUNT : 009313-0001 FAMILY : 6 OF 6 ENQUIRY PAGE : 17 OF 18  
FILE CURRENCY : 29MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

00 FILE NUMBER : 716587317 EXPIRY DATE : 12MAY 2019 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20160512 1034 1590 8937 REG TYP: P PPSA REG PERIOD: 3  
02 IND DOB : IND NAME:  
03 BUS NAME: GOLDEN DRAGON HO 7 INC.

04 ADDRESS : 384 BANK STREET, SUITE 300A OCN :  
CITY : OTTAWA PROV: ON POSTAL CODE: K2P 1Y4  
05 IND DOB : IND NAME:  
06 BUS NAME:

07 ADDRESS : OCN :  
CITY : PROV: POSTAL CODE:

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

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

10 YEAR MAKE MODEL V.I.N.  
X X X X 7287500

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GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS RE THE  
14 PROPERTIES MUNICIPALLY KNOWN AS 39-85 COSTELLO AVENUE, OTTAWA,  
15 ONTARIO AND A SECOND COLLATERAL MORTGAGE ON 64, 68, 70 REYNOLD DRIVE  
16 AGENT: MORRISON BROWN SOSNOVITCH LLP  
17 ADDRESS : 910-1 TORONTO STREET PO BOX 28  
CITY : TORONTO PROV: ON POSTAL CODE: M5C 2V6

160

FSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TTP73503 DISPLAY 1C REGISTRATION - SCREEN 1 14:44:18  
ACCOUNT : 009313-0001 FAMILY : 6 OF 6 ENQUIRY PAGE : 18 OF 18  
FILE CURRENCY : 28MAY 2017  
SEARCH : BD : GOLDEN DRAGON HO 7 INC.

00 FILE NUMBER : 716587317 EXPIRY DATE : 12MAY 2019 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20160512 1034 1590 8837 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:

07 ADDRESS : OCN :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :  
CITY : PROV: POSTAL CODE:  
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 AND 10, 14, 18 AND 22 SALISBURY AVENUE, BROCKVILLE, ONTARIO

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15  
16 AGENT:  
17 ADDRESS :  
CITY : PROV: POSTAL CODE:

LAST SCREEN

PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/29/2017  
TIP73503 ENQUIRY REQUEST 14:44:18

161

FILE CURRENCY 28MAY 2017  
CHANGE ACCOUNT (Y/N) : ACCOUNT NUMBER : 009313 0001 ACCOUNT CODE : ESCVFE

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

SUB-SEARCH  
RETRIEVE REGISTRATIONS RECORDED SINCE (DDMMYYYY) :  
RESPONSE TYPE (V,P) : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE :  
RESPONSE MAILING ADDRESS  
NAME :  
ADDRESS :  
CITY : PROV :  
POSTAL CODE :  
PRINT RESPONSE LOCALLY (Y/N) : N  
ENQUIRY FOR "GOLDEN DRAGON HO 7 INC." ENDED

This is Exhibit "M" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a series of loops and a long horizontal stroke extending to the right.

---

*Commissioner for Taking Affidavits (or as may be)*

**CLEAR CERTIFICATE / CERTIFICAT LIBRE****SHERIFF OF / SHÉRIF DE :** CITY OF OTTAWA (OTTAWA)**CERTIFICATE # /** 31443479-8777603B**N° DE CERTIFICAT :****DATE OF CERTIFICATE /** 2017-JUN-06**DATE DU CERTIFICAT :****SHERIFF'S STATEMENT**

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

**DÉCLARATION DU SHÉRIF**

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

**NAME SEARCHED / NOM RECHERCHÉ**

| #  | PERSON OR COMPANY /<br>PERSONNE OU SOCIÉTÉ | NAME OR SURNAME, GIVEN NAME(S) /<br>NOM OU NOM DE FAMILLE, PRÉNOM(S) |
|----|--|--|
| 1. | COMPANY / SOCIÉTÉ                          | GOLDEN DRAGON HO 5 INC.  |

**CAUTION TO PARTY REQUESTING SEARCH:**

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

**AVERTISSEMENT À LA PARTIE QUI DEMANDE LA RECHERCHE :**

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

**CHARGE FOR THIS CERTIFICATE** CDN 11.60**/ FRAIS POUR CE CERTIFICAT :**

This is Exhibit "N" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized capital letter 'R' with a loop at the top and a tail that extends downwards and to the left.

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*Commissioner for Taking Affidavits (or as may be)*

**CLEAR CERTIFICATE / CERTIFICAT LIBRE**

SHERIFF OF / SHÉRIF DE : CITY OF OTTAWA (OTTAWA)

CERTIFICATE # / 31443480-5875163B

N° DE CERTIFICAT :

DATE OF CERTIFICATE / 2017-JUN-06

DATE DU CERTIFICAT :

**SHERIFF'S STATEMENT**

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

**DÉCLARATION DU SHÉRIF**

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

**NAME SEARCHED / NOM RECHERCHÉ**

| #  | PERSON OR COMPANY /<br>PERSONNE OU SOCIÉTÉ | NAME OR SURNAME, GIVEN NAME(S) /<br>NOM OU NOM DE FAMILLE, PRÉNOM(S) |
|----|--|--|
| 1. | COMPANY / SOCIÉTÉ                          | GOLDEN DRAGON HO 7 INC.  |

**CAUTION TO PARTY REQUESTING SEARCH:**

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

**AVERTISSEMENT À LA PARTIE QUI DEMANDE LA RECHERCHE :**

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

CHARGE FOR THIS CERTIFICATE CDN 11.60

/ FRAIS POUR CE CERTIFICAT :



This is Exhibit "O" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

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*Commissioner for Taking Affidavits (or as may be)*

**TAX CERTIFICATE / CERTIFICAT DE TAXES  
CITY OF OTTAWA / VILLE D'OTTAWA**



Roll Number / Numéro du Rôle: 0614.120.735.02000.0000

Owner(s) / Propriétaire(s)  
GOLDEN DRAGON HO 7 INC.

Street Address / Adress Municipale:  
39 COSTELLO AVE # 85  
Legal / Légale:  
PLAN 529418 BLK L  
IRREG  
1.07AC 160.15FR 292.34D

|   |   |
|---|---|
| Issued To / Envoyer à:<br><br>MORRISON BROWN SOSNOVITCH<br>910-1 TORONTO ST<br>P.O. BOX 28<br>TORONTO ON<br>M5C 2V6 | Certificate Number / Numéro de certificat: <b>173830</b><br>Tax Certificate Fee / Frais de certificat de taxes: \$ 69.00<br>Certified as at / Certifié en date du: APR/AVR 06, 2017<br>Your Reference / Votre référence: 20160416 |
|---|---|

Remarks / Remarques  
WATER ARREARS ADDED TO THE TAX ROLL

Pending Fees / Frais en suspens

| STATEMENT OF TAX ARREARS / ÉTAT D'ARRÉRAGES DE TAXES                |                                    |                                       |   |                                |
|---|------------------------------------|---------------------------------------|---|--------------------------------|
| Year / Année  | Taxes Outstanding / Taxes impayées | Interest Outstanding / Intérêt impayé | Other Charges / Autres frais                | Balance Outstanding / Solde dû |
| 2016  | \$32,098.47                        | \$4,663.28                            | \$8,680.94                                  | \$45,442.69                    |
| 2015  | \$0.00                             | \$0.00                                | \$0.00                                      | \$0.00                         |
| 2014+   | \$0.00                             | \$0.00                                | \$0.00                                      | \$0.00                         |
| Prior Year Tax Levy / Taxes prélevées année précédente: \$61,686.03 |                                    |                                       | <b>Total Arrears / total des arrérages:</b> | <b>\$45,442.69</b>             |

| STATEMENT OF CURRENT TAXES / ÉTAT DES TAXES COURANTES             |                                  |  |  |                                       |
|---|----------------------------------|--|--|---------------------------------------|
| Taxes Levied / Taxes prélevées                                    | Penalty Added / Pénalité imposée | Total including Penalty / Total, pénalité comprise | Payments/Adjustments / Paiements/Ajustements | Total Payable / Montant total à payer |
| \$30,843.01   | \$613.46                         | \$31,456.47  | \$9,116.65                                   | <b>\$40,573.12</b>                    |
| Due Dates and Instalment Amounts / Dates d'échéance et versements |                                  |  |  |                                       |
| Interim Taxes / Provisaires                                       |                                  | MAR/MARS 16, 2017                                  | \$30,843.01                                  |                                       |

| Local Improvements and Other Charges Levied / Améliorations locales et autres redevances prélevées |             |                                     |                                |  |
|--|-------------|-------------------------------------|--------------------------------|--|
| Local ID Code / Code d'identification  | Description | Year of Expiry / Année d'expiration | Annual Charge / Montant annuel |  |
|  |             |                                     |                                |  |

**TOTAL PAYABLE AS AT DATE OF CERTIFICATE / SOLDE À LA DATE DU CERTIFICAT: \$86,015.81**

The penalty / interest rate on past due taxes and arrears is **1.250 % per month.** La pénalité / le taux d'intérêt est de **1.250 % par mois** sur les taxes en souffrance et les arrérages.

(SEE BACK FOR IMPORTANT INFORMATION) (VOIR AU VERSO POUR RENSEIGNEMENTS IMPORTANTS)

FOR THE TREASURER OR TAX COLLECTOR  
POUR LE TRÉSORIER OU LE PERCEPTEUR DES TAXES

City of Ottawa, Revenue Branch  
100 Constellation Drive, 4th Floor, East  
Nepean ON K2G 6J8  
Tel: 613-580-2444 Fax: 613-580-2457  
TTY: 613-580-2401  
E-mail: revenue@ottawa.ca  
Web site: ottawa.ca

Ville d'Ottawa, Direction des recettes  
100, promenade Constellation, 4e étage est  
Nepean ON K2G 6J8  
Tél.: 613-580-2444 Téléc.: 613-580-2457  
ATS: 613-580-2401  
Courriel: revenue@ottawa.ca  
Site web: ottawa.ca

**Important Information**

This certificate has been prepared in accordance with the provisions of Section 352 of the Municipal Act, 2001 R.S.O. 2001 c25 and may be subject to the following:

1. Penalty/Interest has been calculated to the date of issue of this certificate. Payments received after the end of the month or after the due dates may be subject to additional penalty/interest charges.
2. Adjustments authorized by statute not applied to the Collector's Roll at the date of certification may be added subsequently without further notice and may include:
  - a. Additional taxes and adjustments levied and made under the Assessment Act, R.S.O. 1990, c.A31; and
  - b. Tax adjustments, tax apportionments, local improvement charges, and any other charges made under the Municipal Act.
3. The information on this certificate is based on payments tendered being honoured by the bank upon which they are drawn.
4. Any credit balance appearing on this certificate is not verified and no adjustment should be made unless the credit balance is verified in writing as an overpayment.

I hereby certify this statement shows the current year's taxes and all arrears of taxes (prior years) against the above land.

**Informations importantes**

Ce certificat a été préparé conformément aux dispositions de l'article 352 de la Loi de 2001 sur les municipalités L.R.O. 2001, chapitre 25, et peut être assujéti aux dispositions suivantes :

1. Pénalité/intérêt a été calculé à la date de réception de ce certificat; les paiements reçus après la fin du mois ou après la date d'échéance peuvent être soumis à des pénalités/frais d'intérêt supplémentaires;
2. Les rajustements autorisés par la loi qui n'ont pas été appliqués au rôle du percepteur à la date de certification peuvent être ajoutés par la suite sans avis préalable et peuvent inclure :
  - a. des taxes et rajustements supplémentaires imposés et perçus en vertu de la Loi sur l'évaluation foncière, L.R.O. 1990, chapitre A31;
  - b. des rajustements fiscaux, répartitions fiscales, taxes d'améliorations locales et tous autres frais imposés en vertu de la Loi sur les municipalités.
3. Les informations figurant sur ce certificat reposent sur le principe que les paiements effectués seront honorés par la banque où se trouve le compte sur lequel ils sont tirés.
4. Tout solde créditeur figurant sur ce certificat n'est pas vérifié, et aucun rajustement ne devrait être fait à moins que le solde créditeur ne soit vérifié par écrit en tant que versement excédentaire.

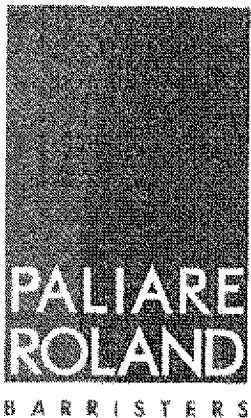
J'atteste par la présente que ce relevé indique les impôts de l'année en cours et tous les arriérés d'impôt (années précédentes) pour le terrain indiqué ci-dessus.

This is Exhibit "P" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a cursive name.

---

*Commissioner for Taking Affidavits (or as may be)*



Jeffrey Larry  
T 416.646.4330 Asst 416.646.7404  
F 416.646.4301  
E jeff.larry@paliareroland.com  
[www.paliareroland.com](http://www.paliareroland.com)

August 18, 2016

File 21488

VIA REGISTERED MAIL AND MAIL

Golden Dragon Ho 5 Inc.  
and Golden Dragon Ho 7 Inc.  
384 Bank Street, Suite 300A  
Ottawa, Ontario K2P 1Y4

Chi Van Ho  
384 Bank Street, Suite 300A  
Ottawa, Ontario K2P 1Y4

Dear Sir and Madam:

**Re: First Source Mortgage Corporation Loan to Golden Dragon Ho 5 Inc.  
and Golden Dragon Ho 7 Inc.**

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

On May 12, 2016, the Lender completed a mortgage loan transaction (the "Loan") with Golden Dragon Ho 5 Inc. and Golden Dragon Ho 7 Inc. (the "Debtor") in accordance with the Letter of Commitment dated April 12, 2016, as amended (the "Commitment").

The Loan contemplated a facility in the amount of \$7,287,500.00. As at August 16, 2016, the principal amount of \$7,287,500.00 had been advanced under the Loan, less a holdback of \$265,000.

The Debtor's obligations under the Loan are guaranteed by Chi Van Ho (the "Guarantor").

The security for the Loan included, but was not limited to the following charge (the "Charge"):

1. a first mortgage granted by the Debtor in favour of the Lender over the property municipally known as 39-85 Costello Avenue, Ottawa, Ontario (the "Ottawa Property"). The First Mortgage was registered on title to the Property on May 12, 2016 as Instrument No. OC1786618; and
2. a second mortgage granted by the Debtor in favour of the Lender over the property municipally known as 64, 68, and 70 Reynolds Drive, and 10, 14, 18, and 22 Salisbury Avenue, Brockville, Ontario (the "Brockville Property"). The Second Mortgage was registered on title to the Property on May 12, 2016 as Instrument No. LE81462.

- Chris G. Paliare
- Ian J. Roland
- Ken Rosenberg
- Linda R. Rothstein
- Richard P. Stephenson
- Nick Coleman
- Margaret L. Waddell
- Donald K. Eady
- Gordon D. Capern
- Lily I. Harner
- Andrew Lokan
- John Monger
- Odette Soriano
- Andrew C. Lewis
- Megan E. Shortreed
- Massimo Starnino
- Karen Jones
- Robert A. Centa
- Nini Jones
- Jeffrey Larry
- Kristian Borg-Olivier
- Emily Lawrence
- Denise Sayer
- Tina H. Lie
- Jean-Claude Killey
- Jodi Martin
- Michael Fenrick
- Jessica Latimer
- Debra McKenna
- Lindsay Scott
- Aiysha Shore
- Denise Cooney
- Zoë Pallara
- Jesse Elders

COUNSEL  
Stephen Goudge, Q.C.  
Robin D. Walker, Q.C.

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

The Debtor defaulted on the Loan on or about August 10, 2016 by failing to make the required monthly payment.

In total, the Debtor is indebted to the Lender in the total amount of \$7,127,168.02 (the "Indebtedness") as of August 16, 2016, consisting of:

- i. the principal amount (less holdback) of \$7,022,500.00;
- ii. interest arrears of \$65,341.56; and
- iii. Legal fees and administration costs of \$5,000.

The Lender demands the immediate payment of the Indebtedness, together with interest at the per diem rate of \$2,144.25 from August 16, 2016 to the date of payment, plus any further costs and legal expenses.

We also enclose the Lender's Notice of Intention to Enforce Security pursuant to s. 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

In the event that the Debtors or the Guarantor fails to make the required payment to the Lender by **August 29, 2016**, the Lender may exercise any such remedies as it deems advisable, including the enforcement of the Charges and/or any of the other security.

Yours very truly,

**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**



Jeffrey Larry  
JL:m

c. Guarantor  
Client

Doc 1915037 v1

FORM 86

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

TO: Golden Dragon Ho 5 Inc. and Golden Dragon Ho 7 Inc.  
Chi Van Ho  
(the "Debtor")

Take notice that:

1. First Source Mortgage Corporation, as secured creditor (the "Secured Creditor"), intends to enforce its security on the Debtor's properties municipally known as 39-85 Costello Avenue, Ottawa, Ontario and 64, 68, and 70 Reynolds Drive, and 10, 14, 18, and 22 Salisbury Avenue, Brockville, Ontario (the "Property").
2. The security that is to be enforced is in the form of Charges registered by the Debtor on the Property on May 12, 2016 and attached as Schedule "A".
3. The total amount of indebtedness secured by the security is, as of August 16, 2016, \$7,127,168.02 plus further interest and costs in an amount that can be provided to you upon request.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, this 18th day of August, 2016.

FIRST SOURCE MORTGAGE CORPORATION  
by its lawyers PALIARE ROLAND ROSENBERG  
ROTHSTEIN LLP



Per: \_\_\_\_\_  
Name: Jeffrey Larry

LRO # 28 Charge/Mortgage

Received as LE81462 on 2016 05 12 at 15:55

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

yyyy mm dd Page 1 of 9

**Properties**

PIN 44175 - 0386 LT Interest/Estate Fee Simple  
Description BLK F PL 250; S/T 47B8778, LR244657; BROCKVILLE  
Address 70 REYNOLDS DR  
BROCKVILLE

**Chargor(s)**

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

Name GOLDEN DRAGON HO 5 INC.  
Address for Service 364 Bank Street, Suite 300A  
Ottawa, Ontario

I, Chi Van Ho, President, have the authority to bind the corporation.

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

**Chargee(s)** Capacity Share

Name FIRST SOURCE FINANCIAL MANAGEMENT INC.  
Address for Service 1 Valleybrook Drive, Suite 100  
Toronto, ON M3B 2S7

**Statements**

Schedule: See Schedules

**Provisions**

Principal \$7,287,500.00 Currency CDN  
Calculation Period monthly, not in advance  
Balance Due Date 2017/06/02  
Interest Rate See Schedule  
Payments \$ 83,765.63  
Interest Adjustment Date 2016 08 01  
Payment Date Interest only, the first day of each month  
First Payment Date 2016 07 01  
Last Payment Date 2017 06 01  
Standard Charge Terms 200033  
Insurance Amount full insurable value  
Guarantor

**Signed By**

Kelly Yateman 1 Toronto St., Suite 910 acting for Signed 2016 05 06  
Toronto Chargor(s)  
M6C 2V6  
Tel 416-368-0600  
Fax 416-368-6068

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



170

LRO # 28 Charge/Mortgage

Received as LE81462 on 2016 05 12 at 15:55

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

yyyy mm dd Page 2 of 9

**Submitted By**

MORRISON BROWN SOSNOVITCH LLP                      1 Toronto St., Suite 910                      2016 05 12  
Toronto  
M5C 2V6  
Tel      416-368-0800  
Fax      416-368-6068

**Fees/Taxes/Payment**

Statutory Registration Fee                      \$82.85  
Total Paid    \$82.85

**File Number**

Charger Client File Number :                      20160416

**SCHEDULE "A"****1. STANDARD CHARGE TERMS**

The terms contained in this schedule are in addition to the terms contained in the Standard Charge Terms. In the event of any conflict between the terms contained in this schedule and those contained in the Standard Charge Terms, the terms contained in this schedule shall, to the extent of the conflict, prevail.

**2. DEFINITIONS**

In this Schedule, the following definitions apply:

- (a) "Commitment Letter" means the letter issued by First Source Mortgage Corporation for the Chargee and addressed to the Chargor and Golden Dragon Ho 7 Inc. dated April 12, 2016 as amended by letter dated April 20, 2016 and any amendments thereto, setting out the terms of the loan secured by this Charge/Mortgage, as it may be amended from time to time;
- (b) "Costs" means all of the fees, costs, charges, losses, damages and expenses incurred by the Charge/Mortgage as a direct or indirect consequence of granting the loan secured by this Charge/Mortgage including, without limitation, all expenses incurred in the construction, preservation, maintenance, repair, insuring and realization of the security contained herein, and all legal costs incurred by the Chargee as between a solicitor and his own client on a substantial indemnity basis.
- (c) "Prime Rate" shall mean the prime commercial lending rate of the Royal Bank of Canada Canadian Dollar loans as it may vary from time to time;
- (d) The terms "Chargee", and "Mortgagee" shall be considered interchangeable.
- (e) The terms "Chargor", and "Mortgagor" shall be considered interchangeable.

**3. NON-MERGER AND CONFLICT**

The Chargor's obligations contained in the Commitment shall survive the execution and registration of the Charge/Mortgage and any other security documentation and all advances of funds under the Charge/Mortgage, and the Chargor agrees that those obligations shall not merge in the execution and registration of the Charge/Mortgage and other security. In the event of any conflict between the terms hereof and the Commitment Letter, the Commitment Letter shall govern.

**4. INTEREST CALCULATION**

Interest is calculated and payable not in advance, monthly at the rate of:

- a) 10.5% per annum calculated and payable monthly until June 1, 2017; and
- b) at the Prime Rate plus 2% per month calculated from June 1, 2017 until the amount secured by this Charge is fully paid.

Interest is calculated on the amount outstanding from time to time and is payable on the first day of each month following the interest adjustment date. The deemed reinvestment principle shall not apply.

**5. PAYMENTS BY CHARGE**

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 Property and all costs, charges, legal fees (as between solicitor and his own client) and expenses as deemed necessary by the Chargee to preserve the Property and/or to realize upon the Chargee's security and all such payments shall be deemed Costs hereunder.

6. PREPAYMENT

Closed for six months and then open on any payment date with 15 days prior written notice, plus one month's interest, save and except the mortgage shall be fully open for prepayment without penalty or bonus during the last 15 days of the term.

7. COSTS

Costs shall be forthwith due and payable by the Chargor to the Chargee and shall bear interest until fully paid.

8. INSURANCE PROVISIONS

The insurance provisions of the Commitment Letter shall apply and be maintained by the Chargor throughout the term of the Charge.

9. HAZARDOUS WASTE

Without limiting the generality of any other provision hereof, the Chargor shall forthwith reimburse the Chargee for all Costs directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances and such liability shall survive the discharge of this Charge and any other extinguishing of the obligations of the Chargor to the Chargee in respect of the Charge and any other exercise by the Chargee of any remedies available to it upon the occurrence of an Event of Default.

10. NOT FOR CONSTRUCTION

The Chargor hereby covenants that no portion of the loan will be used for construction.

11. LOAN TO VALUE

The Chargor shall maintain a maximum loan to value of 75%, to be tested semi-annually, as determined by the Chargee. Failure to maintain such maximum loan to value ratio may be considered an Event of Default, at the Chargee's option.

12. EVENTS OF DEFAULT

The Chargor shall be in default under this Charge/Mortgage if any one or more of the following events of default (an "Event of Default") occurs and is continuing beyond any applicable cure period, at any time or times prior to registration of a complete discharge of this Charge/Mortgage:

- (a) the Chargor fails to maintain the requisite loan to value ratio, as set out in Section 11 hereof and the same is not cured within thirty (30) days after notice of same from the Chargee;
- (b) the Chargor defaults under any one or more of the covenants, conditions, terms, agreements, provisions and obligations contained in this Charge/Mortgage to be kept, observed and performed by the Chargor and the same is not cured within fifteen (15) days after notice of same from the Chargee;
- (c) the Chargor becomes insolvent, bankrupt or a trustee in bankruptcy is appointed for the Chargor or the Chargor makes a general assignment for the benefit of creditors or goes into liquidation either voluntarily or under an order of the court of competent jurisdiction or otherwise acknowledges his insolvency;
- (d) if at any time there is or has been any material discrepancy of inaccuracy in any written information, statements or representations at any time made or furnished to the Chargee by or on behalf of the Chargor, concerning the Chargor's financial condition and responsibility, the Chargee shall, if such material discrepancy or inaccuracy cannot be rectified or nullified by the Chargor within thirty (30) days of written notification thereof to the Chargor from the Chargee, be entitled forthwith to withdraw and cancel its obligations hereunder or decline to advance

further funds as the case may be, and to declare any monies theretofore advanced, with interest to be forthwith due and payable;

- (e) if in the Chargee's opinion the financial position of the Chargor and the Property given as security, and the Chargor's representations and warranties, shall have suffered a material adverse change; or if there be any action, suits, or pending proceedings of which the Chargor has knowledge; or if an event shall have occurred, which materially and adversely affects the whole or part of the value of the Property;
- (f) any or all of the shares issued and outstanding in the capital stock of the Chargor are directly or indirectly transferred, pledged, encumbered, hypothecated or dealt with in any manner whatsoever such that the Chargee determines, in its sole and unfettered discretion, that there is a change in control of the Chargor, save and except for a transfer to corporations which are related or affiliated to the Chargor, except with the prior consent of the Chargee, which consent shall not be unreasonably withheld;
- (g) there is rendered against the Chargor a final judgment, order or decree for the payment of money which remains unpaid for 30 days and which, in the sole opinion of the Chargee, will materially affect the Property, the financial condition of the Chargor or the value of the Property; and
- (h) the Chargor is in default of any other security granted pursuant to the Commitment Letter and the same is not cured within fifteen (15) days after notice of same from the Chargee.

If any of the foregoing Events of Default shall occur then, notwithstanding the provisions of any other agreement between the Chargor and the Chargee and at the option of the Chargee, the whole of the Principal Amount and Interest shall immediately become due and payable and the Chargee shall be relieved of any further obligations to advance monies to the Chargor. If an Event of Default is waived by the Chargee, such waiver shall not operate as a waiver of any other, further or continuation of the same Event of Default.

13. RIGHT TO DISTRAIN

The Chargee may distrain for arrears of any portion of the Principal Amount, Interest or any other amounts due and unpaid hereunder. The Chargor waives all rights to claim exemption and confirms that there is no limit in the amount for which the Chargee may distrain.

14. CHARGE NOT A CHARGE IN POSSESSION

It is agreed that the Chargee, in exercising any of its rights under this Charge, shall be deemed not to be a chargee in possession or a mortgagee in possession of the Property.

15. ADDITIONAL SECURITY

In the event that the Chargee, in addition to the Property, holds or shall hold, in the future, further security on account of the Principal Amount, it is agreed that no single or partial exercise of any of the Chargee's powers under this Charge or any of such further security (this Charge and any such further security are hereinafter together referred to as the "Security"), shall preclude other and further exercise of any other right, power or remedy pursuant to the Security. The Chargee shall at all times have the right to proceed against all, any or any portion of the Security in such order and in such a manner as the Chargee shall, in the Chargee's sole and unfettered discretion, deem fit and without waiving any rights which the Chargee might have with respect to the Security and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining Security.

16. RECEIVER

In the event due to default of the Chargor on the Property, beyond the applicable cure period, then the Chargee in addition to any other rights which it may have, shall be entitled to appoint a receiver manager or receiver, either privately or court appointed to manage the building and to do all things necessary as an owner would be entitled to do to sell the Property, subject to the

terms of the Charge/Mortgage and all applicable governmental legislation. The Chargor agrees that it shall not oppose any such appointments.

17. POST-DATED CHEQUES

The Chargor shall provide to the Chargee post-dated cheques for each year of the term of the Mortgage. Each cheque is to be in the amount of the monthly installment payable under the Mortgage.

18. ADMINISTRATION FEE

The Chargor agrees to pay to the Chargee an administration fee of \$350.00, plus HST for each occurrence of any of the following events:

- (i) late Payment;
- (ii) cheque dishonoured for any reason;
- (iii) failure to provide proof of payment of realty taxes;
- (iv) failure to provide proof of insurance coverage;
- (v) failure to provide post-dated cheques, when required;
- (vi) failure to notify Chargee of registration of lien;
- (vii) request for Mortgage Statement;
- (viii) request for Discharge Statement or notice of default letter;
- (ix) default under any other mortgage, charge or encumbrance;
- (x) each mortgage advance;
- (xi) each meeting required; and
- (xii) each three telephone attendances or email correspondence required.

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

19. TAX DEPOSITS

The Chargee reserves the right to require the Chargor to pay monthly tax deposits to the Chargee concurrently with each monthly installment in such amounts which the Chargee in its discretion deems necessary to pay when due all taxes, assessments and similar charges affecting the Property.

20. DUE ON DEFAULT

In the event of default under this Mortgage, at the option of the Chargee, the full principal balance together with interest and costs on a substantial indemnity basis in relation thereto shall become immediately due and payable.

21. DUE ON SALE

The Chargor hereby agrees that in the event that the Property is sold, conveyed, transferred or assigned without Chargee's written consent the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee immediately due and payable together with the Chargee's then current prepayment penalties and fees.

22. DUE ON REGISTRATION OF CONDOMINIUM

The Chargor hereby agrees that in the event that the Property is registered as a Condominium Corporation the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee due and payable together with the Chargee's then current prepayment penalties and fees.

23. NO SUBSEQUENT ENCUMBRANCES

The Chargor hereby agrees that in the event that the a subsequent mortgage is place on the Property without Chargee's written consent that the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses

owing to the Chargee immediately due and payable together with the Chargee's then current prepayment penalties and fees.

24. DEFAULT OF PRIOR ENCUMBRANCES

If at any time or from time to time any default or breach of covenant occurs under any encumbrance registered against the Property and which encumbrance has priority over this Mortgage, it shall constitute default under the Mortgage and the Chargee may pay all monies and take appropriate action to cure any default or breach under any encumbrance.

25. COSTS

The Chargor covenants and agrees to, pay all property tax, public utilities rates, charges, and insurance premiums as and when they become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Chargor to comply with this covenant shall constitute an event of default hereunder and entitles the Chargee at its sole and absolute discretion to avail itself of remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs.

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

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

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

27. HOLDING OVER

In the event that the loan secured by the Charge/Mortgage is not repaid upon maturity, unless the Chargee has received at least thirty (30) days' notice and has agreed to an extension in writing and has received approval from its investors the interest rate on the Charge/Mortgage shall continue at the that rate set out herein under Interest Rate until the earlier of discharge or sale, whichever comes first.

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The Chargor covenants that the Property has never had "UREA FORMALDEHYDE FOAM" insulation installed, asbestos, PCBs waste, radioactive material, noxious substances, or any contaminant as defined in the *Environment Protection Act* and that the Property is and will be environmentally sound and there are no and will be no restrictions which would economically

affect any buildings on the Property. The terms and conditions of the environmental clause should be as the Chargee's solicitor prepares.

29. MANAGEMENT FEE

In the event that the Chargee or its agents takes possession of the Property as a result of default under the Charge/Mortgage, or in the event that the Chargee or its agents commence Power of Sale proceedings, or if a receiver is appointed as a result of default under the Charge/Mortgage, the Chargee, will be entitled to charge the Chargor. Said management costs shall be based on the higher of 5% of the mortgage principal plus applicable taxes, or \$15,000 per month which cost the Chargor acknowledges is a reasonable estimate for the time value and opportunity costs incurred for managing the Property(s), including but not limited to communicating with investors, dealing with professional advisors, appraisal companies, environmental engineers, building inspector, receiver, legal counsel, attending meetings, checking property taxes, work orders, liens or other matters acting generally in accordance with the requirements of a mortgage manager of a mortgaged property in default which amount is deemed not to be a penalty.

In addition to the Management Costs, the Chargee or its agent will be entitled to an administration fee on the basis of \$350 per hour plus H.S.T., if applicable for each hour after the advance the Chargee or its agent are required to deal with default or potential default. This clause is also deemed to be proper notice to any subsequent charge or lien holder of the above-noted fees in the event of the Chargor's default.

30. DEFAULT ABANDONMENT

Subject to force majeure, in the event of abandonment for a period in excess of eight (8) consecutive days, the Chargee shall be entitled, after giving the Chargor fifteen (15) days notice of any abandonment or any failure to construct with due diligence and provided the Chargor fails to rectify same, forthwith to withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and to declare any monies theretofore advanced with interest to be forthwith due and payable at its sole option.

31. RECEIPT OF FUNDS

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

32. POSSESSION

In the event of default under the Mortgage by the Chargor and the Chargee obtains possession of the Property and it determines, in its sole discretion, that the Property requires work and improvements in order to market the Property, then the Chargee shall have the right, at its sole option, to complete such work on such terms as it deems advisable. The cost of completion of the servicing and work by the Chargee and its agents and all expenses incidental thereto shall be added to the Loan amount, together with a management fee of fifteen percent (15%) of the costs of the work and improvements completed by the Chargee. All costs and expenses, as well as said management fee, shall bear interest at the rate as herein provided for and shall form part of the Loan secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of Mortgage principal and interest hereunder or at law.

33. INSURANCE

Chargor shall maintain and provide evidence that proper and adequate insurance is in place for the Property, which insurance shall include but not be limited to coverage for not less than the full 100% "Replacement Cost" thereof, against the perils of "All Risk" and public liability insurance to such amounts of not less than \$5,000,000 on a per-occurrence basis. The Insurer or Insurers shall sign each policy of insurance and the policy shall contain a clause at least equivalent to IBC 3000 showing loss payable the mortgagees as their interest may appear in the first instance. During construction the Chargor shall maintain builders risk coverage. The Chargor shall arrange for the insurance following completion of construction, if any to be subject to "Stated Amount Co-Insurance Clause" not exceeding 10% and "Replacement Cost Clause" of insurers and shall in this regard file values are required under these clauses. The insurance policy

shall include the insurance of the foundation and all parts below ground level. Each policy of insurance shall show loss payable to the mortgagee, as its interest may appear. All insurance policies shall be in form and scope satisfactory to Chargee and its solicitors and the premiums on it shall be paid for a period of not less than one year. A third party company shall review the policies at the chargor's cost.

34. REPORTING REQUIREMENTS

The Chargor shall within 120 days of each fiscal year during the term of the Charge/Mortgage provide the Chargee with financial statement for the Chargor.

35. ADDITIONAL SECURITY

The loan secured by this Charge is also secured by a charge between Golden Dragon Ho 5 Inc., a chargor and the Chargee on the property legally described as BLK F PL 250; S/T 47B8778, LR244687; BROCKVILLE known municipally as 64, 68, 70 Reynold Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (the "Additional Security"). Any default under either this Charge or the Additional Security shall constitute a default under both charges and the Chargee shall have the option at its discretion to determine to proceed to enforce its remedies under either or both of the charges or any other security it may hold as security for the loan. Any payments received by the Chargee pursuant to either of the charges shall be applied to reduce the amount owing under the loan.



LRO # 4 Charge/Mortgage

Received as OC1788618 on 2016 05 12 at 15:51

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

yyyy mm dd Page 1 of 9

**Properties**

**PIN** 04894 - 0184 LT **Interest/Estate** Fee Simple  
**Description** BLK L PLAN 529418 SUBJECT TO CR472387, CR516418, CR534059, CR539535  
 NEPEAN  
**Address** 39 85 COSTELLO AVENUE  
 OTTAWA

**Chargor(s)**

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

**Name** GOLDEN DRAGON HO 7 INC.  
**Address for Service** 384 Bank Street, Suite 300A  
 Ottawa, Ontario

I, Chi Van Ho, President, have the authority to bind the corporation.

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

**Chargee(s)****Capacity****Share**

**Name** FIRST SOURCE FINANCIAL MANAGEMENT INC.  
**Address for Service** 1 Valleybrook Drive, Suite 100  
 Toronto, ON M3B 2S7

**Statements**

Schedule: See Schedules

**Provisions**

**Principal** \$ 7,287,500.00 **Currency** GDN  
**Calculation Period** monthly, not in advance  
**Balance Due Date** 2017/06/02  
**Interest Rate** See Schedule  
**Payments** \$ 63,765.63  
**Interest Adjustment Date** 2016 08 01  
**Payment Date** Interest only the first day of each month  
**First Payment Date** 2016 07 01  
**Last Payment Date** 2017 06 01  
**Standard Charge Terms** 200033  
**Insurance Amount** Full insurable value  
**Guarantor**

**Signed By**

Kelly Yateman 1 Toronto St., Suite 910 acting for Signed 2016 05 05  
 Toronto Chargee(s)  
 M5C 2V8  
 Tel 416-368-0800  
 Fax 416-368-6088

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

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LRO # 4 Charge/Mortgage

Received as OC1786818 on 2016 05 12 at 15:51

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

yyyy mm dd Page 2 of 9

**Submitted By**

MORRISON BROWN SOSNOVITCH LLP  
1 Toronto St., Suite 910  
Toronto  
M5C 2V6  
2016 05 12  
Tel 416-368-0600  
Fax 416-368-6068

**Fees/Taxes/Payment**

Statutory Registration Fee \$62.85  
Total Paid \$62.85

**File Number**

Chargor Client File Number : 20160416

**SCHEDULE "A"**

**1. STANDARD CHARGE TERMS**

The terms contained in this schedule are in addition to the terms contained in the Standard Charge Terms. In the event of any conflict between the terms contained in this schedule and those contained in the Standard Charge Terms, the terms contained in this schedule shall, to the extent of the conflict, prevail.

**2. DEFINITIONS**

In this Schedule, the following definitions apply:

- (a) "Commitment Letter" means the letter issued by First Source Mortgage Corporation for the Chargee and addressed to the Chargor and Golden Dragon Ho 5 Inc. dated April 12, 2016 as amended by letter dated April 20, 2016 and any amendments thereto, setting out the terms of the loan secured by this Charge/Mortgage, as it may be amended from time to time;
- (b) "Costs" means all of the fees, costs, charges, losses, damages and expenses incurred by the Charge/Mortgage as a direct or indirect consequence of granting the loan secured by this Charge/Mortgage including, without limitation, all expenses incurred in the construction, preservation, maintenance, repair, insuring and realization of the security contained herein, and all legal costs incurred by the Chargee as between a solicitor and his own client on a substantial indemnity basis.
- (c) "Prime Rate" shall mean the prime commercial lending rate of the Royal Bank of Canada Canadian Dollar loans as it may vary from time to time;
- (d) The terms "Chargee" and "Mortgagee" shall be considered interchangeable.
- (e) The terms "Chargor" and "Mortgagor" shall be considered interchangeable.

**3. NON-MERGER AND CONFLICT**

The Chargor's obligations contained in the Commitment shall survive the execution and registration of the Charge/Mortgage and any other security documentation and all advances of funds under the Charge/Mortgage, and the Chargor agrees that those obligations shall not merge in the execution and registration of the Charge/Mortgage and other security. In the event of any conflict between the terms hereof and the Commitment Letter, the Commitment Letter shall govern.

**4. INTEREST CALCULATION**

Interest is calculated and payable not in advance, monthly at the rate set out on page 1 of the Charge on the principal of:

- a) 10.5% per annum calculated and payable monthly until June 1, 2017; and
- b) at the Prime Rate plus 2% per month calculated from June 1, 2017 until the amount secured by this Charge is fully paid.

Interest is calculated on the amount outstanding from time to time, and is payable on the first day of each month following the interest adjustment date. The deemed reinvestment principle shall not apply.

**5. PAYMENTS BY CHARGE**

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 Property and all costs, charges, legal fees (as between solicitor and his own client) and expenses as deemed necessary by the Chargee to preserve the Property and/or to realize upon the Chargee's security and all such payments shall be deemed Costs hereunder.

#### 6. PREPAYMENT

Closed for six months and then open on any payment date with 15 days prior written notice, plus one month's interest, save and except the mortgage shall be fully open for prepayment without penalty or bonus during the last 15 days of the term.

#### 7. COSTS

Costs shall be forthwith due and payable by the Chargor to the Chargee and shall bear interest until fully paid.

#### 8. INSURANCE PROVISIONS

The insurance provisions of the Commitment Letter shall apply and be maintained by the Chargor throughout the term of the Charge.

#### 9. HAZARDOUS WASTE

Without limiting the generality of any other provision hereof, the Chargor shall forthwith reimburse the Chargee for all Costs directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances and such liability shall survive the discharge of this Charge and any other extinguishing of the obligations of the Chargor to the Chargee in respect of the Charge and any other exercise by the Chargee of any remedies available to it upon the occurrence of an Event of Default.

#### 10. NOT FOR CONSTRUCTION

The Chargor hereby covenants that no portion of the loan will be used for construction.

#### 11. LOAN TO VALUE

The Chargor shall maintain a maximum loan to value of 75%, to be tested semi-annually, as determined by the Chargee. Failure to maintain such maximum loan to value ratio may be considered an Event of Default, at the Chargee's option.

#### 12. EVENTS OF DEFAULT

The Chargor shall be in default under this Charge/Mortgage if any one or more of the following events of default (an "Event of Default") occurs and is continuing beyond any applicable cure period, at any time or times prior to registration of a complete discharge of this Charge/Mortgage:

- (a) the Chargor fails to maintain the requisite loan to value ratio, as set out in Section 11 hereof and the same is not cured within thirty (30) days after notice of same from the Chargee;
- (b) the Chargor defaults under any one or more of the covenants, conditions, terms, agreements, provisions and obligations contained in this Charge/Mortgage to be kept, observed and performed by the Chargor and the same is not cured within fifteen (15) days after notice of same from the Chargee;
- (c) the Chargor becomes insolvent, bankrupt or a trustee in bankruptcy is appointed for the Chargor or the Chargor makes a general assignment for the benefit of creditors or goes into liquidation either voluntarily or under an order of the court of competent jurisdiction or otherwise acknowledges his insolvency;
- (d) if at any time there is or has been any material discrepancy of inaccuracy in any written information, statements or representations at any time made or furnished to the Chargee by or on behalf of the Chargor, concerning the Chargor's financial condition and responsibility, the Chargee shall, if such material discrepancy or inaccuracy cannot be rectified or nullified by the Chargor within thirty (30) days of written notification thereof to the Chargor from the Chargee, be entitled

forthwith to withdraw and cancel its obligations hereunder or decline to advance further funds as the case may be, and to declare any monies theretofore advanced, with interest to be forthwith due and payable;

- (e) If in the Chargee's opinion the financial position of the Chargor and the Property given as security, and the Chargor's representations and warranties, shall have suffered a material adverse change; or if there be any action, suits, or pending proceedings of which the Chargor has knowledge; or if an event shall have occurred, which materially and adversely affects the whole or part of the value of the Property;
- (f) any or all of the shares issued and outstanding in the capital stock of the Chargor are directly or indirectly transferred, pledged, encumbered, hypothecated or dealt with in any manner whatsoever such that the Chargee determines, in its sole and unfettered discretion, that there is a change in control of the Chargor, save and except for a transfer to corporations which are related or affiliated to the Chargor, except with the prior consent of the Chargee, which consent shall not be unreasonably withheld;
- (g) there is rendered against the Chargor a final judgment, order or decree for the payment of money which remains unpaid for 30 days and which, in the sole opinion of the Chargee, will materially affect the Property, the financial condition of the Chargor or the value of the Property; and
- (h) the Chargor is in default of any other security granted pursuant to the Commitment Letter and the same is not cured within fifteen (15) days after notice of same from the Chargee.

If any of the foregoing Events of Default shall occur then, notwithstanding the provisions of any other agreement between the Chargor and the Chargee and at the option of the Chargee, the whole of the Principal Amount and Interest shall immediately become due and payable and the Chargee shall be relieved of any further obligations to advance monies to the Chargor. If an Event of Default is waived by the Chargee, such waiver shall not operate as a waiver of any other, further or continuation of the same Event of Default.

### 13. RIGHT TO DISTRAIN

The Chargee may distrain for arrears of any portion of the Principal Amount, Interest or any other amounts due and unpaid hereunder. The Chargor waives all rights to claim exemption and confirms that there is no limit in the amount for which the Chargee may distrain.

### 14. CHARGE NOT A CHARGE IN POSSESSION

It is agreed that the Chargee, in exercising any of its rights under this Charge, shall be deemed not to be a chargee in possession or a mortgagee in possession of the Property.

### 15. ADDITIONAL SECURITY

In the event that the Chargee, in addition to the Property, holds or shall hold, in the future, further security on account of the Principal Amount, it is agreed that no single or partial exercise of any of the Chargee's powers under this Charge or any of such further security (this Charge and any such further security are hereinafter together referred to as the "Security"), shall preclude other and further exercise of any other right, power or remedy pursuant to the Security. The Chargee shall at all times have the right to proceed against all, any or any portion of the Security in such order and in such a manner as the Chargee shall, in the Chargee's sole and unfettered discretion, deem fit and without waiving any rights which the Chargee might have with respect to the Security and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining Security.

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In the event due to default of the Chargor on the Property, beyond the applicable cure period, then the Chargee in addition to any other rights which it may have, shall be entitled to appoint a receiver manager or receiver, either privately or court appointed to manage the building and to

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The Chargor agrees to pay to the Chargee an administration fee of \$350.00, plus HST for each occurrence of any of the following events:

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- (ii) cheque dishonoured for any reason;
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In addition to the Management Costs, the Chargee or its agent will be entitled to an administration fee on the basis of \$350 per hour plus H.S.T., if applicable for each hour after the advance the Chargee or its agent are required to deal with default or potential default. This clause is also deemed to be proper notice to any subsequent charge or lien holder of the above-noted fees in the event of the Chargor's default.

30. DEFAULT ABANDONMENT

Subject to force majeure, in the event of abandonment for a period in excess of eight (8) consecutive days, the Chargee shall be entitled, after giving the Chargor fifteen (15) days notice of any abandonment or any failure to construct with due diligence and provided the Chargor fails to rectify same, forthwith to withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and to declare any monies theretofore advanced with interest to be forthwith due and payable at its sole option.

31. RECEIPT OF FUNDS

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

32. POSSESSION

In the event of default under the Mortgage by the Chargor and the Chargee obtains possession of the Property and it determines, in its sole discretion, that the Property requires work and improvements in order to market the Property, then the Chargee shall have the right, at its sole option, to complete such work on such terms as it deems advisable. The cost of completion of the servicing and work by the Chargee and its agents and all expenses incidental thereto shall be added to the Loan amount, together with a management fee of fifteen percent (15%) of the costs of the work and improvements completed by the Chargee. All costs and expenses, as well as said management fee, shall bear interest at the rate as herein provided for and shall form part of the Loan secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of Mortgage principal and interest hereunder or at law.

33. INSURANCE

Chargor shall maintain and provide evidence that proper and adequate insurance is in place for the Property, which insurance shall include but not be limited to coverage for not less than the full 100% "Replacement Cost" thereof, against the perils of "All Risk" and public liability insurance to such amounts of not less than \$5,000,000 on a per-occurrence basis. The Insurer or Insurers shall sign each policy of insurance and the policy shall contain a clause at least equivalent to IBC 3000 showing loss payable the mortgagees as their interest may appear in the first instance. During construction the Chargor shall maintain builders risk coverage. The Chargor shall arrange for the insurance following completion of construction, if any to be subject to "Stated Amount Co-Insurance Clause" not exceeding 10% and "Replacement Cost Clause" of



insurers and shall in this regard file values are required under these clauses. The insurance policy shall include the insurance of the foundation and all parts below ground level. Each policy of insurance shall show loss payable to the mortgagee, as its interest may appear. All insurance policies shall be in form and scope satisfactory to Chargee and its solicitors and the premiums on it shall be paid for a period of not less than one year. A third party company shall review the policies at the chargor's cost.

#### 34. REPORTING REQUIREMENTS

The Chargor shall within 120 days of each fiscal year during the term of the Charge/Mortgage provide the Chargee with financial statement for the Chargor.

#### 35. ADDITIONAL SECURITY

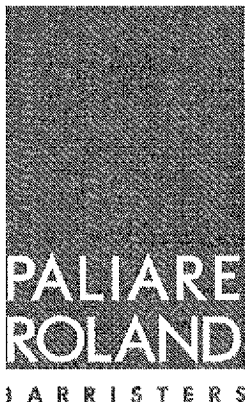
The loan secured by this Charge is also secured by a charge between Golden Dragon Ho 7 Inc., a chargor and the Chargee on the property legally described as BLK L PLAN 529418 SUBJECT TO CR472387, CR516418, CR534059, CR539535 NEPEAN known municipally as 39-85 Costello Avenue, Ottawa, Ontario (the "Additional Security"). Any default under either this Charge or the Additional Security shall constitute a default under both charges and the Chargee shall have the option at its discretion to determine to proceed to enforce its remedies under either or both of the charges or any other security it may hold as security for the loan. Any payments received by the Chargee pursuant to either of the charges shall be applied to reduce the amount owing under the loan.

This is Exhibit "Q" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of several overlapping loops and a final downward stroke.

---

*Commissioner for Taking Affidavits (or as may be)*

**Jeffrey Larry**

T 416.646.4330 Asst 416.646.7404

F 416.646.4301

E jeff.larry@paliareroland.com

[www.paliareroland.com](http://www.paliareroland.com)

March 14, 2017

File 21488

**VIA EMAIL**

Golden Dragon Ho 5 Inc. and Golden  
Dragon Ho 7 Inc.  
384 Bank Street, Suite 300A  
Ottawa, Ontario K2P 1Y4

Chi Van Ho  
384 Bank Street, Suite 300A  
Ottawa, Ontario K2P 1Y4

Dear Sirs:

**Re: First Source Mortgage Corporation Loan to Golden Dragon Ho 5 Inc.  
and Golden Dragon Ho 7 Inc. (collectively, the "Borrower")**

We are litigation counsel to First Source Mortgage Corporation (the "First Source").

The loan made May 12, 2016 by First Source to the Borrower (the "Loan") is currently in default as a result of the Borrower's failure to make the mortgage payment that was due on March 1, 2017.

I confirm that you advised David Mandel today that the Borrower has listed the Costello and Salisbury properties (the "Properties") and that you provided him with a copy of the listing agreements for the Properties.

In the circumstance, First Source agrees to hold off for now from enforcing on its security provided that:

- (i) the Properties remain listed for sale;
- (ii) the Borrower makes the March 2017 mortgage payment by no later than March 31, 2017; and
- (iii) the Borrower makes the April mortgage payment, and all subsequent mortgage payments, when due.

In the event that the Borrower fails to meet any of these conditions, First Source will immediately begin enforcing its security, including realizing on the Properties and attorning rents.

Thank you for your prompt attention to this matter.

Chris G. Paliare

Ian J. Roland

Ken Rosenberg

Linda R. Rothstein

Richard P. Stephenson

Nick Coleman

Margaret L. Waddell

Donald K. Eady

Gordon D. Capem

Lily I. Harmer

Andrew Lokan

John Monger

Odette Soriano

Andrew C. Lewis

Megan E. Shortreed

Massimo Starnino

Karen Jones

Robert A. Cenla

Nini Jones

Jeffrey Larry

Kristian Borg-Olivier

Emily Lawrence

Denise Sayer

Tina H. Lie

Jean-Claude Killey

Jodi Martin

Michael Fenrick

Jessica Latimer

Debra McKenna

Lindsay Scott

Alysha Shore

Denise Cooney

Zoë Paliare

Jesse Elders

## COUNSEL

Stephen Goudge, Q.C.

Robin D. Walker, Q.C.

## HONORARY COUNSEL

Ian G. Scott, Q.C., O.C.  
(1934 - 2006)

Yours very truly,  
**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**

A handwritten signature in black ink, appearing to read 'Jeffrey Larry', written in a cursive style.

Jeffrey Larry  
JL:m

c. D. Mandel

Doc 1915037 v1

This is Exhibit "R" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

---

*Commissioner for Taking Affidavits (or as may be)*

**From:** Jeff Larry  
**Sent:** Monday, April 17, 2017 6:46 PM  
**To:** chi.ho@chisuites.com  
**Cc:** David Mandel (david@firstsourcemortgage.ca)  
**Subject:** First Source/Golden Dragon Ho  
**Attachments:** Closing Statement.pdf; Statement of Account.pdf; FORBEARANCE AGREEMENT.DOCX

Mr. Ho

As you know, I am the litigation lawyer for First Source.

On March 14, 2017 I wrote to you to advise the First Source would hold off from enforcing on its mortgage provided that the borrower made the March 2017 payment by the end of the month and then made each payment thereafter when due. You acknowledged receipt of my letter and told me that you would respond to me when you were back from out of town. You never did respond, nor did the borrower make any of the payments. First Source has learned more recently that the borrower is in further default under the loan as it is in arrears of property taxes owing on each of the Ottawa and Brockville properties.

First Source now intends to take enforcement action unless the borrower (and you as guarantor) are willing to enter into a Forbearance Agreement in the form attached.

First Source's intended enforcement action includes moving quickly before the court to put a receiver in over the properties. The receiver, if appointed, will manage the properties, control the cash flow and then take over the sales process to market and sell the properties. All of the fees of the Receiver and their counsel (which can be considerable) will form a first charge on the property. Needless to say, a Receiver will add significant additional cost that ultimately will be borne by the borrower to the extent that there is equity in the property after the mortgagees are repaid in full.

I look forward to your comments on the Forbearance Agreement (or those comments from any counsel you may retain to assist you).

The amount presently owing to First Source totals \$7,290,144.92, as set out in the Forbearance Agreement. This amount is arrived at by taking the attached Closing Statement (as of today's date) and adding the following fees and charges (as per the Commitment) which are not yet included on that statement:

- Legal fees: \$5,000
- Late Charges – 8 (including April) at \$565.00 each = \$4520.00
- NSF Charges – 5 at \$565.00 each = \$2825.00

The attached Statement of Account shows a full accounting since the inception of this loan.


I look forward to hearing from you. If you do not respond, First Source will have no choice but to commence the application for a receiver.

Jeff



Jeffrey Larry, LL.B, MBA

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t: 416.646.4330  
f: 416.646.4301  
e: [jeff.larry@paliaroland.com](mailto:jeff.larry@paliaroland.com)  
w: [paliaroland.com](http://paliaroland.com) 

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





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**ACCOUNT CLOSING STATEMENT**

**FIRST SOURCE**  
FINANCIAL MANAGEMENT INC.

|                        |            |
|------------------------|------------|
| ACCOUNT NO             | 1219.16.04 |
| STATEMENT CLOSING DATE | 4/17/2017  |

**STATEMENT SUMMARY**

|                 |                       |
|-----------------|-----------------------|
| Payoff Amount   | <b>\$7,277,799.62</b> |
| Payoff Due Date | <b>4/17/2017</b>      |

After 4/17/2017, please pay an additional \$2,164.23 per day. This notice expires on 5/8/2017, at which time you are instructed to contact this office for additional instructions.

|                       |                |
|-----------------------|----------------|
| Interest Rate         | 10.500%        |
| Daily Periodic Rate   | 0.029167%      |
| Average Daily Balance | \$7,420,207.13 |

Property: 39-85 Costello Ave Nepean ON K2H 7C3

|   |
|---|
| <b>BORROWER</b>   |
| (CostelloAv) Golden Dragon Ho 5 Inc. and Golden Dragon Ho 7 Inc.<br>532 Montreal Road, Suite 110<br>Ottawa ON K1K 4R4 |

PLEASE DETACH THE TOP PORTION OF THIS STATEMENT AND RETURN IT WITH YOUR PAYMENT

Funds may be tendered any time up to 1:00pm April 17 2017 based on the existing statement.  
If funds tendered after 1:00 PM, April 17, 2017 please add additional per diem to NEXT business day.  
E. & O.E.

**ACCOUNT ACTIVITY**

| Date      | Reference | Description  | Reserve             | Charges            | Credits       | Balance        |
|-----------|-----------|--|---------------------|--------------------|---------------|----------------|
| 4/1/2017  |           | Balance Forward  | \$201,234.37        |                    |               | \$7,225,752.76 |
| 4/3/2017  |           | Late Charge  |                     | \$565.00           |               | \$7,226,317.76 |
| 4/13/2017 |           | Sched. A 2 n): Each 3 phone attendances and/or emails        |                     | \$10,170.00        |               | \$7,236,487.76 |
| 4/13/2017 |           | Sched. A.2 m): Each meeting required by the Borrower or      |                     | \$1,695.00         |               | \$7,238,182.76 |
| 4/13/2017 |           | Sched. A 2 k): Request for Discharge Statement or notice of  |                     | \$1,695.00         |               | \$7,239,877.76 |
| 4/13/2017 |           | Sched A. 2c) Failure to provide proof of current taxes after |                     | \$1,130.00         |               | \$7,241,007.76 |
| 4/17/2017 |           | Interest Charge  |                     | \$36,791.86        |               | \$7,277,799.62 |
|           |           |  | <b>\$201,234.37</b> | <b>\$52,046.86</b> | <b>\$0.00</b> |                |

**INTEREST CHARGE SUMMARY**

| Balance Date | Daily Balance  | Days | Daily Periodic Rate | Interest Rate | Finance Charges |
|--------------|----------------|------|---------------------|---------------|-----------------|
| 4/1/2017     | \$7,420,207.13 | 17   | 0.029167%           | 10.500%       | \$36,791.86     |
|              |                | 17   |                     |               | \$36,791.86     |

Note: Daily balances exclude reserve balances, Impound balances, late charges.



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STATEMENT OF ACCOUNT

**FIRST SOURCE**  
FINANCIAL MANAGEMENT INC.

|                |            |
|----------------|------------|
| ACCOUNT NO.    | 1219.16.04 |
| STATEMENT DATE | 4/17/2017  |

| STATEMENT SUMMARY                              |                |
|--|----------------|
| Statement Period                               | All Dates      |
| Account Balance                                | \$7,441,677.13 |
| Reserve Balance                                | \$201,234.37   |
| Impound Balance                                | \$0.00         |
| Interest Paid this Period                      | \$553,383.56   |
| Interest Paid in 2017                          | \$191,296.89   |
| Maximum Loan Amount                            | \$7,287,500.00 |
| Current Principal Balance                      | \$7,287,500.00 |
| Interest Rate                                  | 10.500%        |
| Property: 39-85 Costello Ave Napean ON K2H 7C3 |                |

**BORROWER**  
(CostelloAv) Golden Dragon Ho 5 Inc. and Golden Dragon Ho 7 Inc.  
532 Montreal Road, Suite 110  
Ottawa ON K1K 4R4

Please advise us immediately of any discrepancies in the transactions or investment activity on your statement of account or if you contemplate changing your address. When making inquiries by telephone or in writing please give your account number. We urge you to keep this statement with your investment records.

ACCOUNT ACTIVITY

| Date       | Reference | Description   | Reserve         | Charges      | Credits     | Balance        |
|------------|-----------|---|-----------------|--------------|-------------|----------------|
|            |           | Balance Forward   | -\$6,833,491.10 |              |             | \$6,833,491.10 |
| 5/11/2016  | CLOSING   | Funds Advanced  | \$7,287,500.00  |              |             | \$6,833,491.10 |
| 5/12/2016  | CLOSING   | Payment - Other   | -\$100.00       |              |             | \$6,833,491.10 |
| 5/12/2016  | CLOSING   | Payment - Other   | -\$100.00       |              |             | \$6,833,491.10 |
| 5/12/2016  | CLOSING   | Payment - Other   | -\$79.10        |              |             | \$6,833,491.10 |
| 5/12/2016  | CLOSING   | Payment - Other   | -\$1,850.00     |              |             | \$6,833,491.10 |
| 5/12/2016  | CLOSING   | Payment - Other   | -\$7,105.31     |              |             | \$6,833,491.10 |
| 5/12/2016  | CLOSING   | Payment - Other   | -\$135,750.00   |              |             | \$6,833,491.10 |
| 5/12/2016  |           | Deduct for Administration Fees (searches etc.) includes |                 | \$79.10      |             | \$6,833,570.20 |
| 5/12/2016  |           | Property Inspections                                    |                 | \$1,850.00   |             | \$6,835,420.20 |
| 5/12/2016  |           | Delivery  |                 | \$100.00     |             | \$6,835,520.20 |
| 5/12/2016  |           | Wiring Fee  |                 | \$100.00     |             | \$6,835,620.20 |
| 5/12/2016  |           | Deduct HST on administration charge by First Source     |                 | \$7,105.31   |             | \$6,842,725.51 |
| 5/12/2016  |           | Balance of Lender Fee owing as per CL                   |                 | \$135,750.00 |             | \$6,978,475.51 |
| 5/31/2016  |           | Finance Charge  |                 | \$44,024.49  |             | \$7,022,500.00 |
| 6/1/2016   | IAD       | Payment Received - Thank You                            | -\$44,024.49    |              |             | \$7,022,500.00 |
| 6/1/2016   | IAD       | Payment Reversed  | \$44,024.49     |              |             | \$7,022,500.00 |
| 6/1/2016   | IAD       | Payment Received - Thank You                            | -\$44,024.49    |              |             | \$7,022,500.00 |
| 6/30/2016  |           | Finance Charge  |                 | \$63,765.63  |             | \$7,086,265.63 |
| 7/1/2016   | 001361    | Payment Received - Thank You                            |                 |              | \$63,765.63 | \$7,022,500.00 |
| 7/1/2016   | 001361    | Payment Reversed - NSF                                  |                 | \$63,765.63  |             | \$7,086,265.63 |
| 7/3/2016   |           | Late Charge   |                 | \$565.00     |             | \$7,086,830.63 |
| 7/14/2016  |           | NSF Payment Charge                                      |                 | \$565.00     |             | \$7,087,395.63 |
| 7/19/2016  | WIRE      | Payment Received - Thank You                            |                 |              | \$32,101.29 | \$7,055,294.34 |
| 7/31/2016  |           | Finance Charge  |                 | \$63,765.63  |             | \$7,119,059.97 |
| 8/1/2016   | DD        | Payment - Other   |                 |              | \$31,664.00 | \$7,087,395.97 |
| 8/3/2016   | DD        | Payment - Other   | -\$0.34         |              | \$31,664.00 | \$7,055,731.97 |
| 8/3/2016   | DD        | Payment Reversed  | \$0.34          | \$31,664.00  |             | \$7,087,395.97 |
| 8/3/2016   |           | Late Charge   |                 | \$565.00     |             | \$7,087,960.97 |
| 8/4/2016   | 001362    | Payment Received - Thank You                            |                 |              | \$63,765.63 | \$7,024,195.34 |
| 8/4/2016   | 001362    | Payment Reversed - NSF                                  |                 | \$63,765.63  |             | \$7,087,960.97 |
| 8/12/2016  |           | NSF Payment Charge                                      |                 | \$565.00     |             | \$7,088,525.97 |
| 8/22/2016  | DRAFT     | Payment Received - Thank You                            |                 |              | \$63,000.00 | \$7,025,525.97 |
| 8/31/2016  |           | Finance Charge  |                 | \$64,158.21  |             | \$7,089,684.18 |
| 9/1/2016   | 001363    | Payment Received - Thank You                            |                 |              | \$63,765.63 | \$7,025,918.55 |
| 9/30/2016  |           | Finance Charge  |                 | \$63,775.76  |             | \$7,089,694.31 |
| 10/1/2016  | 001364    | Payment Received - Thank You                            |                 |              | \$63,765.63 | \$7,025,928.68 |
| 10/1/2016  | 001364    | Payment Reversed - NSF                                  |                 | \$63,765.63  |             | \$7,089,694.31 |
| 10/6/2016  |           | NSF Payment Charge                                      |                 | \$565.00     |             | \$7,090,259.31 |
| 10/31/2016 |           | Finance Charge  |                 | \$64,333.80  |             | \$7,154,593.11 |
| 11/1/2016  | DD        | Payment Received - Thank You                            |                 |              | \$63,765.63 | \$7,090,827.48 |

## ACCOUNT ACTIVITY

| Date       | Reference | Description  | Reserve      | Charges        | Credits      | Balance        |
|------------|-----------|--|--------------|----------------|--------------|----------------|
| 11/3/2016  |           | Late Charge  |              | \$565.00       |              | \$7,091,392.48 |
| 11/30/2016 |           | Finance Charge   |              | \$64,338.77    |              | \$7,155,731.25 |
| 12/1/2016  | DD        | Payment Received - Thank You                                 |              |                | \$63,765.63  | \$7,091,965.62 |
| 12/3/2016  |           | Late Charge  |              | \$565.00       |              | \$7,092,530.62 |
| 12/31/2016 |           | Finance Charge   |              | \$64,343.79    |              | \$7,156,874.41 |
| 1/1/2017   | DD        | Payment Received - Thank You                                 |              |                | \$63,765.63  | \$7,093,108.78 |
| 1/3/2017   |           | Late Charge  |              | \$565.00       |              | \$7,093,673.78 |
| 1/31/2017  |           | Finance Charge   |              | \$64,348.85    |              | \$7,158,022.63 |
| 2/1/2017   | 001373    | Payment Received - Thank You                                 |              |                | \$63,765.63  | \$7,094,257.00 |
| 2/1/2017   | 001373    | Payment Reversed - NSF                                       |              | \$63,765.63    |              | \$7,158,022.63 |
| 2/3/2017   |           | Late Charge  |              | \$565.00       |              | \$7,158,587.63 |
| 2/9/2017   |           | NSF Payment Charge   |              | \$565.00       |              | \$7,159,152.63 |
| 2/13/2017  | DD        | Payment Received - Thank You                                 |              |                | \$63,765.63  | \$7,095,387.00 |
| 2/28/2017  |           | Finance Charge   |              | \$64,577.13    |              | \$7,159,964.13 |
| 3/1/2017   | 000243    | Payment Received - Thank You                                 |              |                | \$63,765.63  | \$7,096,198.50 |
| 3/1/2017   | 000243    | Payment Reversed - NSF                                       |              | \$63,765.63    |              | \$7,159,964.13 |
| 3/3/2017   |           | Late Charge  |              | \$565.00       |              | \$7,160,529.13 |
| 3/7/2017   |           | NSF Payment Charge   |              | \$565.00       |              | \$7,161,094.13 |
| 3/17/2017  | RESERVE   | Payment Received - Thank You                                 | -\$63,765.63 |                |              | \$7,161,094.13 |
| 3/31/2017  |           | Finance Charge   |              | \$64,658.63    |              | \$7,225,752.76 |
| 4/13/2017  |           | Sched. A 2 n):Each 3 phone attendances and/or emails         |              | \$10,170.00    |              | \$7,235,922.76 |
| 4/13/2017  |           | Sched. A.2 m): Each meeting required by the Borrower or      |              | \$1,695.00     |              | \$7,237,617.76 |
| 4/13/2017  |           | Sched. A 2 k): Request for Discharge Statement or notice of  |              | \$1,695.00     |              | \$7,239,312.76 |
| 4/13/2017  |           | Sched A. 2c) Failure to provide proof of current taxes after |              | \$1,130.00     |              | \$7,240,442.76 |
|            |           |  | \$201,234.37 | \$1,203,037.25 | \$796,085.59 |                |



FORBEARANCE AGREEMENT

Among:

FIRST SOURCE MORTGAGE CORPORATION  
 ("First Source")

- and -

GOLDEN DRAGON HO 7 INC.

- and -

GOLDEN DRAGON HO 5 INC.

(collectively "**Golden Dragon**")

-and-

CHI VAN HO

("Ho")

**WHEREAS:**

1. First Source issued a commitment letter dated April 12, 2016 that was addressed to and accepted by Golden Dragon (collectively, the "**Commitment**") pursuant to which First Source, as lender, agreed to enter into a loan transaction with Golden Dragon, as borrower, and Ho, as guarantor upon the terms and conditions set out in the Commitment (the "**Loan Transaction**");
2. The Loan Transaction was completed on October 5, 2007;
3. Golden Dragon delivered a charge/mortgage of land (the "**First Mortgage**") secured against the real property municipally known as 39-85 Costello Avenue, Ottawa, Ontario (the "**Ottawa Property**") and a second collateral mortgage (the "**Collateral Mortgage**" and with the First Mortgage, the "**Mortgages**") on 64,68,70 Reynold Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (the "**Brockville Property**" and collectively the "**Properties**");
4. In addition to the Mortgages, Golden Dragon gave further security (with the Mortgages, the "**Security**") in the form of a General Assignment of Rents (the "**Assignment of Rents**") in connection with each property and secured against the respective property;
5. Ho guaranteed Golden Dragon's obligations under the Loan Transaction;
6. As a result of Golden Dragon being in default of its obligations under the Loan Transaction, First Source, by its solicitor, made formal demand on Golden Dragon and the Ho demand by letter dated August 18, 2016 demanding repayment of the entire amount then owing under the Mortgage;

7. First Source also delivered a Notice of Intention to Enforce Security dated August 18, 2016 (the "**Notice of Intention**") to Golden Dragon stating its intention to enforce its security pursuant to Section 244(1) of the Bankruptcy and Insolvency Act (Canada) (the "**BIA**");
8. As at the date hereof, Golden Dragon is indebted to First Source in the amount of \$7,290,144.92 inclusive of principal, interest, First Source's fees in accordance with the Commitment and legal fees.

NOW THEREFORE in consideration of First Source agreeing not to immediately proceed to exercise all of its rights and remedies under the Security and for other good and valuable consideration, the parties hereto agree as follows:

1. Golden Dragon and Ho acknowledge and confirm that the foregoing recitals are true and accurate and agree jointly and severally with First Source as follows:
  - (a) beginning May 1, 2017 and continuing on the first business day of each month thereafter, First Source or its representatives will attend at the Properties to collect the monthly rent from the tenants of the Properties (the "Rents"). Golden Dragon and Ho will provide such assistance as may be necessary to ensure that First Source receives the Rents. Golden Dragon and Ho further agree that to the extent they receive any Rents directly from any tenants of the Properties for the duration of the term of this Forbearance Agreement, they will immediately remit all of those Rents to First Source or First Source's representatives;
  - (b) to, at all times, keep First Source fully informed as to the efforts being made by Golden Dragon and Ho relating to the marketing of the Properties for sale; and in this regard, Golden Dragon and Ho shall promptly deliver to First Source copies of any and all listing agreements, marketing and advertising material, expression of interest, letters of intent, offers to purchase both before and after acceptance, and or amendment and/or waivers of any conditions applicable thereto or arising therefrom as well as, generally, any other documents of every nature and kind relating to the Properties from time to time;
  - (c) to, at any and all times provide First Source, as well as its consultants and representatives, complete and unimpeded access to the Properties including, without limitation, for purposes of collecting Rents as described above;
  - (d) not to take any steps to prohibit, prevent or delay the sale of the Properties by First Source by court action or otherwise and furthermore to provide First Source with its full co-operation with respect to its sale of the Properties following the Forbearance Expiry Date (as hereinafter defined);
  - (e) by no later than May 31, 2017, they will pay all arrears and bring current all property taxes owing on the Properties and provide First Source with proof of such payments;
2. Golden Dragon and Ho will deliver simultaneously with executed copies of this Agreement, a consent to a receiver in the form attached as Schedule "A" hereto, which consent can be relied upon by First Source upon at any time on or after the Forbearance Expiry Date (as defined below)
3. First Source agrees that until the earlier of:

- (i) June 1, 2017; and
- (ii) ten (10) days following the date upon which First Source delivers notice to Golden Dragon and Ho that there has been a default by Golden Dragon or Ho of their obligations herein (provided such default has not been cured within ten (10) days following the delivery of the aforesaid notice),

herein referred to as the "Forbearance Expiry Date", it shall not:

- (1) take any steps to list, market or accept any offer to purchase the Properties or any part thereof;
- (2) commence any claim for judgment and possession of the Real Property;
- (3) take steps to assign rents from the tenants of the Properties; and
- (4) issue a Notice of Sale to sell one or both of the Properties.

- 4. The parties hereto agree to keep the existence and terms of this agreement and any and all documents and agreements arising therefrom and all information with respect hereto confidential except to the extent as may be required to be disclosed in order to comply with any law or order of court of competent jurisdiction.
- 5. Time shall be of the essence of this agreement.
- 6. This agreement may be executed in any number of counterparts and exchanged electronically or by facsimile.
- 7. 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.

DATED this \_\_\_\_ day of April, 2017.

**FIRST SOURCE MORTGAGE CORPORATION**

Per: \_\_\_\_\_  
Name:  
Title:



**GOLDEN DRAGON HO 7 INC.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

---

**CHI VAN HO**

**GOLDEN DRAGON HO 5 INC.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Schedule "A"

**TO: FIRST SOURCE MORTGAGE CORPORATION**

**Re:** 39-85 Costello Avenue, Ottawa, Ontario (the "Ottawa Property"); and  
64, 68, 70 Reynold Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario  
(the "Brockville Property")

Golden Dragon Ho 7 Inc. and Golden Dragon Ho 5 Inc. hereby consent to the appointment of a Receiver over the Ottawa Property and the Brockville Property respectively and agree

DATED this day of April, 2017

**GOLDEN DRAGON HO 7 INC.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
**CHI VAN HO**

**GOLDEN DRAGON HO 5 INC.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

This is Exhibit "S" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a horizontal line and a downward curve.

---

*Commissioner for Taking Affidavits (or as may be)*

**Daniel Rosenbluth**

---

**From:** Jeff Larry  
**Sent:** Friday, April 21, 2017 2:04 PM  
**To:** 'chi.ho@chisuites.com'  
**Cc:** 'David Mandel (david@firstsourcemortgage.ca)'  
**Subject:** RE: First Source/Golden Dragon Ho

Mr. Ho

I am aware that you have received a letter of intent to purchase the two properties. While First Source is pleased that this may be moving in the right direction, they are only willing to hold off from taking enforcement action if you agree to sign the Forbearance Agreement. According to the LOI (and the partial Agreement of Purchase and Sale that you forwarded), the properties are scheduled to close May 31, 2017. Therefore, there shouldn't be any problem with entering into a Forbearance Agreement that expires immediately after May 31.

I need to hear back from you, failing which my client will have no choice but to take action.

Jeff

**Jeffrey Larry, LL.B, MBA**  
Paliare Roland Rosenberg Rothstein LLP  
155 Wellington Street West, 35th Floor  
Toronto, ON M5V 3H1  
t: 416.646.4330  
f: 416.646.4301  
e: [jeff.larry@paliareroland.com](mailto:jeff.larry@paliareroland.com)

---

**From:** Jeff Larry  
**Sent:** Monday, April 17, 2017 6:46 PM  
**To:** [chi.ho@chisuites.com](mailto:chi.ho@chisuites.com)  
**Cc:** David Mandel ([david@firstsourcemortgage.ca](mailto:david@firstsourcemortgage.ca))  
**Subject:** First Source/Golden Dragon Ho

Mr. Ho

As you know, I am the litigation lawyer for First Source.

On March 14, 2017 I wrote to you to advise the First Source would hold off from enforcing on its mortgage provided that the borrower made the March 2017 payment by the end of the month and then made each payment thereafter when due. You acknowledged receipt of my letter and told me that you would respond to me when you were back from out of town. You never did respond, nor did the borrower make any of the payments. First Source has learned more recently that the borrower is in further default under the loan as it is in arrears of property taxes owing on each of the Ottawa and Brockville properties.

First Source now intends to take enforcement action unless the borrower (and you as guarantor) are willing to enter into a Forbearance Agreement in the form attached.

First Source's intended enforcement action includes moving quickly before the court to put a receiver in over the properties. The receiver, if appointed, will manage the properties, control the cash flow and then take over the sales

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process to market and sell the properties. All of the fees of the Receiver and their counsel (which can be considerable) will form a first charge on the property. Needless to say, a Receiver will add significant additional cost that ultimately will be borne by the borrower to the extent that there is equity in the property after the mortgagees are repaid in full.

I look forward to your comments on the Forbearance Agreement (or those comments from any counsel you may retain to assist you).

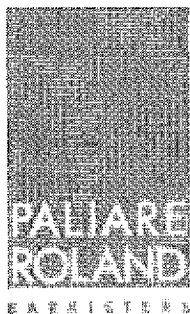
The amount presently owing to First Source totals \$7,290,144.92, as set out in the Forbearance Agreement. This amount is arrived at by taking the attached Closing Statement (as of today's date) and adding the following fees and charges (as per the Commitment) which are not yet included on that statement:

- Legal fees: \$5,000
- Late Charges – 8 (including April) at \$565.00 each = \$4520.00
- NSF Charges – 5 at \$565.00 each = \$2825.00

The attached Statement of Account shows a full accounting since the inception of this loan.

I look forward to hearing from you. If you do not respond, First Source will have no choice but to commence the application for a receiver.

Jeff



**Jeffrey Larry, LL.B, MBA**

t: 416.646.4330

f: 416.646.4301

e: [jeff.larry@paliareroland.com](mailto:jeff.larry@paliareroland.com)

w: [paliareroland.com](http://paliareroland.com)



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

This is Exhibit "T" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a horizontal line and a small flourish.

---

*Commissioner for Taking Affidavits (or as may be)*

**Daniel Rosenbluth**

---

**From:** Jeff Larry  
**Sent:** Thursday, May 18, 2017 6:05 PM  
**To:** 'Chi Ho'  
**Cc:** David Mandel (david@firstsourcemortgage.ca)  
**Subject:** RE: Chi where is my mortgage payment? Where is the signed Forebearance agreement????

Your email said you are back to day and would "deal with it". We were expecting to hear from you today.

If this is not dealt with tomorrow, First Source is proceeding with is application for a Receiver.

**Jeffrey Larry, LL.B, MBA**  
Paliare Roland Rosenberg Rothstein LLP  
155 Wellington Street West, 35th Floor  
Toronto, ON M5V 3H1  
t: 416.646.4330  
f: 416.646.4301  
e: [jeff.larry@paliareroland.com](mailto:jeff.larry@paliareroland.com)

---

**From:** Chi Ho [<mailto:chi.ho@chisuites.com>]  
**Sent:** Monday, May 15, 2017 7:17 PM  
**To:** Jeff Larry  
**Subject:** Re: Chi where is my mortgage payment? Where is the signed Forebearance agreement????

I will be back May 18. I will deal with it. Sorry. Chi Ho

Sent from my iPhone

On May 16, 2017, at 2:02 AM, <[Jeff.Larry@paliareroland.com](mailto:Jeff.Larry@paliareroland.com)> <[Jeff.Larry@paliareroland.com](mailto:Jeff.Larry@paliareroland.com)> wrote:

Mr. Ho

I am sorry to be writing to you as I know you are dealing with your mother's illness.

I understand from David Mandel that the most recent mortgage payment was not made even though you advised him that your office would make the payment in your absence. You also advised that your lawyers at Soloway Wright were reviewing the forbearance agreement and would provide you (or me) with comments. We have not heard anything.

My client has been patient but needs to move this forward.

If we don't receive payment from you and a response to the draft forbearance agreement sent to you earlier this month, First Source will move to enforce on its mortgage.

I look forward to hearing from you promptly.

**Jeffrey Larry, LL.B, MBA**

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Paliare Roland Rosenberg Rothstein LLP  
155 Wellington Street West, 35th Floor  
Toronto, ON M5V 3H1  
t: 416.646.4330  
f: 416.646.4301  
e: [jeff.larry@paliareroland.com](mailto:jeff.larry@paliareroland.com)

---

**From:** David Mandel [<mailto:david@firstsourcemortgage.ca>]  
**Sent:** Wednesday, May 03, 2017 3:03 PM  
**To:** Chi Ho  
**Cc:** Jeff Larry  
**Subject:** RE: Chi where is my mortgage payment? Where is the signed Forebearance agreement????

Very sorry for your mothers poor health and I hope her condition improves. However, please be in contact with your solicitor to complete the Forebearance agreement as May 18<sup>th</sup> is too far down the road for our investors given technology today. Thank you for your understanding.

Sincerely,  
David Mandel  
President

Direct: 416.221.2238 x 22  
Email: [david@firstsourcemortgage.ca](mailto:david@firstsourcemortgage.ca)  
Principal Broker License # 10434  
Administrator License First Source Financial Management Inc. # 12594  
1 Valleybrook Drive Suite 100 Toronto Ontario M3B 2S7  
Website: <http://www.firstsourcemortgage.ca/>  
Skype: davidmandel1

*Thank You For Your Business*

*The greatest compliment I can receive from my business associates is the continued and trusted referral of your colleagues and client funding opportunities.*

*I promise to treat every lending opportunity and investor you refer with the greatest consideration*

*David Mandel*

Your First Source For Non-Bank  
Commercial & Residential Mortgage Funding

<image001.jpg>

*"You have received this email message from David Mandel of First Source Mortgage Corporation This message is intended solely for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. Any other distribution, copying or disclosure is strictly prohibited. If you have received this message in error, please notify the sender immediately by replying to this email, and confirm the deletion of the original email and any attachment(s)."*

---

**From:** Chi Ho [<mailto:chi.ho@chisuites.com>]  
**Sent:** Wednesday, May 03, 2017 2:27 PM  
**To:** David Mandel  
**Subject:** Re: Chi where is my mortgage payment? Where is the signed Forebearance agreement????

I have forwarded the forbearance letter to my lawyer at Soloways wright. I am waiting to hear back from them.

I had an emergency from VIETNAM. My mom is dying at the hospital that I had left for VIETNAM on the 30th of April and will be back to Canada on the 18th of May to attend the care for my mom. Please accept my apology that I could not do what I could for this file due to my mom sickness. Chi Ho



Sent from my iPhone

On May 3, 2017, at 9:47 PM, David Mandel <[david@firstsourcemortgage.ca](mailto:david@firstsourcemortgage.ca)> wrote:

What about the Forbearance Agreement. This needs to be signed. We have made the changes we discussed. I need an answer now.

From: David Mandel  
Mobile Phone  
First Source Mortgage Corporation

On May 3, 2017, at 10:20 AM, Chi Ho <[chi.ho@chisuites.com](mailto:chi.ho@chisuites.com)> wrote:

I have instructed Lynn to make the payment but the branch manager is away until the 5th of the month. They hold all the rent as they are a big deposit. I will forward bank assistant email to you. Chi Ho

Sent from my iPhone

On May 3, 2017, at 4:17 AM, David Mandel <[david@firstsourcemortgage.ca](mailto:david@firstsourcemortgage.ca)> wrote:

Sincerely,  
David Mandel  
President

Direct: 416.221.2238 x 22  
Email: [david@firstsourcemortgage.ca](mailto:david@firstsourcemortgage.ca)  
Principal Broker License # 10434  
Administrator License First Source Financial Management Inc.  
# 12594  
1 Valleybrook Drive Suite 100 Toronto Ontario M3B 2S7  
Website: <http://www.firstsourcemortgage.ca/>  
Skype: davidmandel1

*Thank You For Your Business*

*The greatest compliment I can receive from my business associates is the continued and trusted referral of your colleagues and client funding opportunities.*

*I promise to treat every lending opportunity and investor you refer with the greatest consideration*

*David Mandel*

Your First Source For Non-Bank  
Commercial & Residential Mortgage

Funding  
<image001.jpg>

*"You have received this email message from David Mandel of First Source Mortgage Corporation This message is intended solely for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. Any other distribution, copying or disclosure is strictly prohibited. If you have*

*received this message in error, please notify the sender immediately by  
replying to this email, and confirm the deletion of the original email and any  
attachment(s)."*

204

This is Exhibit "U" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

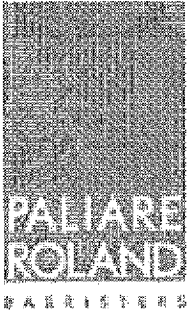
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*Commissioner for Taking Affidavits (or as may be)*

**From:** Jeff Larry  
**Sent:** Tuesday, May 23, 2017 10:31 AM  
**To:** chi.ho@chisuites.com  
**Subject:** Golden Dragon

You have still not responded. My client is forced to move forward with enforcing the mortgage.

Jeff



**Jeffrey Larry, LL.B, MBA**

t: 416.646.4330  
f: 416.646.4301  
e: [jeff.larry@paliareroland.com](mailto:jeff.larry@paliareroland.com)  
w: [paliareroland.com](http://paliareroland.com) 

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

This is Exhibit "V" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of several loops and a long tail, positioned above a horizontal line.

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*Commissioner for Taking Affidavits (or as may be)*

**NOTICE RE PAYMENT OF RENT**

**TO:** [INSERT NAME OF TENANT] or Current tenant of "suite # if name is different

**AND TO:** GOLDEN DRAGON HO 5 INC. ("Golden Dragon")

**RE:** 64, 68, 70 Reynold Drive and 10, 14, 18, 22 Salisbury Avenue, Brockville, Ontario (the "Property")

**WHEREAS** First Source Mortgage Corporation has an outstanding loan to Golden Dragon Ho 5 Inc. ("Golden Dragon");

**AND WHEREAS** as security for the loan, First Source holds a mortgage on the Property as well as a General Assignment of Rents in connection with all of the leases on the Property;

**AND WHEREAS** Golden Dragon is in default under the terms of the loan and mortgage;

**AND WHEREAS** the General Assignment of Rents permits First Source to collect rents directly from tenants if Golden Dragon is in default;

**NOW THEREFORE** you are hereby notified that effective immediately, all rents, charges or any other amounts that are due and payable to Golden Dragon ("Rent") shall be paid instead to First Source or any agent that First Source may retain to assist it with the collecting the Rent. Failure to comply may be considered a default under the terms of your rental agreement.

**THANK YOU FOR YOUR CO-OPERATION AND FEEL FREE TO DIRECT ANY INQUIRIES TO KIM COLLU AT 416 221 2238 ext. 24**

DATED this day of May, 2017

**FIRST SOURCE  
MORTGAGE CORPORATON**

David Mandel  
President  
Principal Broker License # 10434  
Administrator License First Source Financial Management Inc. # 12594  
1 Valleybrook Drive Suite 100 Toronto Ontario M3B 2S7  
Website: <http://www.firstsourcemortgage.ca/>



**FIRST SOURCE  
MORTGAGE CORPORATION**

NOTICE RE PAYMENT OF RENT

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**TO:** [INSERT NAME OF TENANT] or Current tenant of "suite # if name is different

**AND TO:** GOLDEN DRAGON HO 7 INC. ("Golden Dragon")

**RE:** 39-85 Costello Avenue, Ottawa, Ontario (the "Property")

**WHEREAS** First Source Mortgage Corporation has an outstanding loan to Golden Dragon Ho 7 Inc. ("Golden Dragon");

**AND WHEREAS** as security for the loan, First Source holds a mortgage on the Property as well as a General Assignment of Rents dated April 29, 2016 (registered against the Property on May 12, 2016) in connection with all of the leases on the Property;

**AND WHEREAS** Golden Dragon is in default under the terms of the loan and mortgage;

**AND WHEREAS** the General Assignment of Rents permits First Source to collect rents directly if Golden Dragon is in default;

**NOW THEREFORE** you are hereby notified that effective immediately, all rents, charges or any other amounts that are due and payable to Golden Dragon ("Rent") shall be paid instead to First Source or any agent that First Source may retain to assist it with the collecting the Rent. Failure to comply may be considered a default under the terms of your rental agreement.

**THANK YOU FOR YOUR CO-OPERATION AND FEEL FREE TO DIRECT ANY INQUIRIES TO KIM COLLU AT 416 221 2238 ext. 24**

DATED this day of May, 2017

**FIRST SOURCE  
MORTGAGE CORPORATON**

David Mandel  
President

Principal Broker License # 10434

Administrator License First Source Financial Management Inc. # 12594

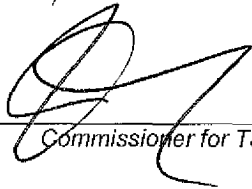
1 Valleybrook Drive Suite 100 Toronto Ontario M3B 2S7

Website: <http://www.firstsourcemortgage.ca/>



**FIRST SOURCE  
MORTGAGE CORPORATION**

This is Exhibit "W" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

---

*Commissioner for Taking Affidavits (or as may be)*



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Daniel Rosenbluth

redacted for privilege



**From:** Monique LANGLOIS [<mailto:moniquegodard@rogers.com>]

**Sent:** Monday, May 29, 2017 1:37 PM

**To:** Kim Collu

**Subject:** URGENT, Please reply

I had my daughter take a picture of this note received by Golden Dragon today at 1pm.

Attached is a letter indicating that we continue to pay our rent to Golden Dragon.

I however, called LTB and they confirmed with me that you have legal document indicating that I send my rent to you. And that the

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only way that would change is if you send a letter indicating otherwise.

Thought you should know that Chi Ho is trying everything in his power to get the rent.

Sincerely,  
Monique  
85 Costello Ave.  
613-421-5890

On Monday, May 29, 2017 1:26 PM, Gabby L. <[smileyface26@hotmail.ca](mailto:smileyface26@hotmail.ca)> wrote:

*Sent from my LG Mobile*

# GOLDEN DRAGON HO INC.

314 Park Street Unit 314A, Toronto, ON M5G 1Y4  
Tel: 613 630-1127 Fax: 613-630-1127 Email: [info@golden-dragon.com](mailto:info@golden-dragon.com)

Dear Tenants:

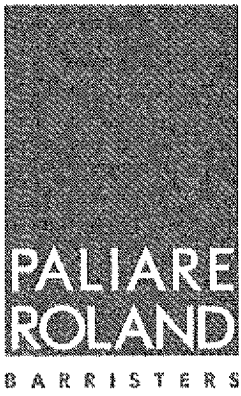
Contrary to the notice you received from First Source Mortgage Corporation and the other lenders that you continue to pay your rent to your landlord, Golden Dragon Ho Inc. so you will not be held not accrue debt. This document you have received from the First Source Mortgage Corporation is not a legal document and no arrangement has been made with the lenders. They are not legally allowed to collect rent or have any say in evictions.

If you have any questions feel free to contact us at the office 613-630-1127

Thank you

Management

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**Jeffrey Larry**  
T 416.646.4330 Asst 416.646.7404  
F 416.646.4301  
E jeff.larry@paliareroland.com  
[www.paliareroland.com](http://www.paliareroland.com)

May 29, 2017

File 92962

**VIA EMAIL**

Golden Dragon Ho 5 Inc. and Golden Dragon Ho 7 Inc.  
384 Bank Street, Suite 300A  
Ottawa, Ontario K2P 1Y4

Chi Van Ho  
384 Bank Street, Suite 300A  
Ottawa, Ontario K2P 1Y4

Dear Sirs:

**Re: First Source Financial Management Inc. Loan to Golden Dragon Ho 5 Inc. and Golden Dragon Ho 7 Inc. (collectively, the "Borrower")**

As you know, we are litigation counsel to First Source Financial Management Inc. ("First Source").

We have repeatedly given you notice that First Source would be taking steps to enforce its mortgage, given your failure to address the Borrower's defaults. You repeatedly assured me and Mr. Mandel that you would resolve the defaults when you returned from Vietnam. However, not only did you fail to do so, but you are now refusing to even respond to us.

This past weekend, First Source exercised its right under the General Assignment of Rents agreements to deliver rent attornment notices to the tenants of the two mortgaged properties.

First Source has now learned that you have sent your own notice to tenants and instructed them to continue to pay rent to the Borrower, despite the rent attornment notices delivered by First Source. The General Assignment of Rents agreements state expressly that the notice is binding on the Borrower and may not be contested by it.

Your actions are an improper interference with First Source's valid exercise of its rights under the General Assignment of Rents agreements.

Please immediately advise all tenants to remit rent to First Source in accordance with the valid notices delivered over the weekend. If you receive any rent payments, we expect you to remit them to First Source immediately.

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

COUNSEL  
Stephen Goudge, Q.C.

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

Finally, we have reached out to the Bank of Montréal and will be coordinating our efforts with them.

Yours very truly,

**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**

A handwritten signature in black ink, appearing to read 'Jeffrey Larry', written in a cursive style.

Jeffrey Larry

JL:d

c: D. Mandel

This is Exhibit "Y" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a cursive name.

---

*Commissioner for Taking Affidavits (or as may be)*

**Daniel Rosenbluth**

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**From:** Jeff Larry  
**Sent:** Monday, May 29, 2017 5:33 PM  
**To:** 'Chi Ho'; Daniel Rosenbluth  
**Cc:** David Mandel  
**Subject:** RE: First Source/Golden Dragon

Mr. Ho.

We have reached out to BMO and explained that First Source is attorning rents under its General Assignment of Rents. We will deal with BMO on that issue and, if appropriate, we will pass on to BMO rents related to Brockville. That is between First Source and BMO and is not a justification for you to refuse to co-operate, as required under the terms of the Assignments of Rents. I also point out that BMO's entitlement to rents, if any, only relates to Brockville.

**Jeffrey Larry, LL.B, MBA**  
Paliare Roland Rosenberg Rothstein LLP  
155 Wellington Street West, 35th Floor  
Toronto, ON M5V 3H1  
t: 416.646.4330  
f: 416.646.4301  
e: [jeff.larry@paliareroland.com](mailto:jeff.larry@paliareroland.com)

**From:** Chi Ho [<mailto:chi.ho@chisuites.com>]  
**Sent:** Monday, May 29, 2017 4:40 PM  
**To:** Daniel Rosenbluth  
**Cc:** David Mandel; Jeff Larry  
**Subject:** Re: First Source/Golden Dragon

Hi all

I have been talking to Mr. Paul Labell and explained to him why I could not do what I had promised. Mr Labell understood about it. He promised me that he would have a buyer who would take over my properties and paid First Source out. I also reached out to BMO and was told that they are the first to torrent the rent and asked no one can do that. Please get the consent from BMO before we can talk any further. In the mean time I will still collect the rent and release to BMO first and what left over I will pay to First Source. Thank you. Chi Ho.

On Mon, May 29, 2017 at 4:00 PM, <[Daniel.Rosenbluth@paliareroland.com](mailto:Daniel.Rosenbluth@paliareroland.com)> wrote:

Please see the attached letter from Jeff Larry.

Dan Rosenbluth

**Paliare Roland Rosenberg Rothstein LLP**

214

155 Wellington Street West, 35<sup>th</sup> floor

Toronto ON M5V 3H1

t: 416.646.6307

f: 416.646.4301

e: [daniel.rosenbluth@paliareroland.com](mailto:daniel.rosenbluth@paliareroland.com)



This is Exhibit "Z" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a horizontal line and a downward stroke.

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*Commissioner for Taking Affidavits (or as may be)*

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**Daniel Rosenbluth**

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**From:** Kim Collu <kcollu@firstsourcemortgage.ca>  
**Sent:** Friday, June 02, 2017 12:25 PM  
**To:** David Mandel  
**Subject:** FW: Work Orders

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**From:** Monique LANGLOIS [<mailto:moniquegodard@rogers.com>]  
**Sent:** Friday, June 02, 2017 11:23 AM  
**To:** Kim Collu  
**Subject:** Work Orders

Good morning Kim,

Lisa from Golden Dragon Ho 7 Inc. called me this morning to tell me that any and all work orders that I had or will have need to be taken care of by First Source.

She said that because I pay my rent to you they will not take care of work orders even the ones outstanding and the ones that are in common areas.

With that being said, I have work orders that need to be done. Can you please advise me of your procedures for this.

Sincerely,  
Monique  
85 Costello Ave., Nepean, Ont.

This is Exhibit "AA" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a horizontal line and a vertical stroke.

---

*Commissioner for Taking Affidavits (or as may be)*

Daniel Rosenbluth

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redacted for privilege



**From:** Paul B [<mailto:docanddev@yahoo.com>]  
**Sent:** Tuesday, May 30, 2017 10:32 AM  
**To:** Kim Collu  
**Subject:** Rent for 79 Costello Ave, Nepean, On

I received the notice-payment of rent letter, please case me at 613 4213551 concerning our landlord Chi.  
My rent is paid direct from Ontario disability, Chi is a bully to my daughter and me.

Waiting for your phone call  
Paul Bourguignon  
[Sent from Yahoo Mail on Android](#)

Order under Section 30  
Residential Tenancies Act, 2006


File Number: EAT-59505-16

In the matter of: 65 COSTELLO AVENUE  
OTTAWA ON K2H7C3

Between: Tina Renaud

and

Chi Suites Golden Dragon Ltd

|   |                                    |
|---|------------------------------------|
| I hereby certify this a true copy of  |                                    |
| <input checked="" type="checkbox"/> Order   | <input type="checkbox"/> Direction |
| Dated: FEB 03 2017  |                                    |
|  |                                    |
| (Signature of Staff Member)   |                                    |
| LANDLORD AND TENANT BOARD   |                                    |

Tenant

Landlord

Tina Renaud (the 'Tenant') applied for an order determining that Chi Suites Golden Dragon Ltd (the 'Landlord') failed to meet the Landlord's maintenance obligations under the *Residential Tenancies Act, 2006* (the 'Act') or failed to comply with health, safety, housing or maintenance standards.

This application was heard in Ottawa on January 31, 2017. Only the Tenant attended the hearing. Neither the Landlord, nor a representative for the Landlord, attended the hearing.

**Determinations:**

1. The Tenant alleged a number of serious maintenance problems, and all of these were substantiated by the documents she provided, including photographs and a report by the City of Ottawa by-law report dated August 25, 2016. These documents, in addition to the Tenant's candid testimony, establish that the Landlord has failed to meet its obligations under subsection 20(1) of the *Residential Tenancies Act, 2006* (the 'Act') to repair or maintain the rental unit and to comply with maintenance standards.
2. Subsection 29(2) of the Act and the decision of the Divisional Court in *Toronto Community Housing Corp. v. Vlahovich*, [2010] O.J. No. 1463, state that a remedy by this Board on a tenant application cannot go back farther than the one year period prior to the filing of the application. As the application was filed on August 31, 2016, no remedies will be issued for the period before August 31, 2015.
3. On the basis of the Tenant's submissions, which were uncontested, I find that notwithstanding the Tenant advising the Landlord of these problems, I find that the Landlord failed to:
  - (a) Fix the broken panes in the Tenant's daughter's bedroom (which caused cold air to come in) until October 1, 2016;
  - (b) Provide proper fencing in the yard until October 2, 2016;

- (c) Repair and replace the patio screen door for a period of one month in October, 2016 (so that no egress could be had out that door);
  - (d) Replace the master bedroom window from August 31, 2015 until October 2, 2016 (and which still suffers from condensation); and
  - (e) Replace the fan in the master bathroom from August 31, 2015, until October 2, 2016.
4. The Landlord has yet to repair:
- (a) the living room window, which cannot be properly shut (a safety hazard for toddlers);
  - (b) the exit by the back patio door by putting in a step so that nobody falls down when entering or exiting through that door;
  - (c) the cause of the leak in the main upstairs bathroom's plumbing;
  - (d) the front door which is still not weather-proof and cannot be properly closed;
  - (e) the parquet flooring in the Tenant's daughter's bedroom;
  - (f) the cracked ceiling in the Tenant's daughter's bedroom;
  - (g) the countertop edge in the kitchen (a sharp length of metal was an inappropriate solution and was quite reasonably removed by the Tenant after her daughter cut her hand on it); and
  - (h) the drainage system in the backyard, which causes large puddles after any amount of rain and makes the backyard un-usable.
5. Given the foregoing maintenance problems, I find it appropriate to award the Tenant the requested 20% rent abatement she requested. This rent abatement will cover the period from September 1, 2015, through January, 2017, and will amount to \$3,138.54 ( $\$923.10$  (monthly rent) x 17 (months) x 20% (abatement)).
6. I will also order the Landlord to repair the outstanding maintenance problems, failing which, the Tenant will be authorized to do so at the Landlord's expense.

**It is ordered that:**

1. The Landlord shall pay the Tenant \$3,138.54 as a rent abatement.
2. The Landlord shall also pay the Tenant \$45.00 for the cost of filing the application.
3. The total amount the Landlord owes the Tenant is \$3,183.54.
4. The Landlord shall pay the Tenant the full amount owing by February 14, 2017.
5. If the Landlord does not pay the Tenant the full amount owing by February 14, 2017 the Landlord will owe interest. This will be simple interest calculated from February 15, 2017 at 2.00% annually on the outstanding balance.
6. If the Landlord does not pay the Tenant the full amount owing by February 28, 2017, the Tenant may recover this amount by reducing her rent each month until the full amount has been recovered by the Landlord.

7. The Tenant has the right, at any time, to collect the full amount owing or any balance outstanding under this order.
8. On or before February 28, 2017, the Landlord shall repair by using professional workers with the appropriate tools and supplies:
  - (i) the living room window, so that it can properly shut;
  - (j) the exit by the back patio door by putting in a step;
  - (k) the cause of the leak in the main upstairs bathroom's plumbing;
  - (l) the front door so that it is weather-proof and can be properly closed;
  - (m) the parquet flooring in the Tenant's daughter's bedroom;
  - (n) the cracked ceiling in the Tenant's daughter's bedroom;
  - (o) the countertop edge in the kitchen; and
  - (p) the drainage system in the backyard.
9. The Landlord is prohibited from charging a new tenant an amount of rent in excess of the last lawful rent charged to this Tenant until the Landlord has completed the repairs ordered in paragraph 8.
10. The Landlord is prohibited from raising the Tenant's rent until the repairs ordered in paragraph 8 have been completed.
11. If the Landlord fails to make the appropriate repairs as ordered in paragraph 8 above, the Tenant shall be entitled to hire professional workers and to purchase the required supplies to make the repairs, and shall further be authorized to deduct the cost of so doing from her future rent.

**February 3, 2017**  
**Date Issued**

  
**Emily Crocco**  
Member, Landlord and Tenant Board

Eastern-RO  
255 Albert Street, 4th Floor  
Ottawa ON K1P6A9

If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.

This is Exhibit "CC" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

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*Commissioner for Taking Affidavits (or as may be)*



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**Daniel Rosenbluth**

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redacted for privilege



**From:** T [[mailto:tina\\_renaud@hotmail.com](mailto:tina_renaud@hotmail.com)]  
**Sent:** Tuesday, May 30, 2017 3:33 PM  
**To:** Kim Collu  
**Subject:** Costello Property Inquires

Morning Kim

So obviously we have many questions and concerns about our property and what is going to happen to us. I'm sure you have been bombarded with emails and phone calls with confused and outraged tenants.

As far as most of us are aware and understand from your letter CHI is no longer our landlord and should not have unit access or receive the rental fees.

As far as my unit, I had mentioned on the phone message Saturday when we received the notice that I have taken CHI Suites (Golden Dragon Ho 1,2,3,... ) to court and won through the Landlord Tenant Board and as of February 28th had the right to do my own repairs at my expense and deducted those cost off my rent. I have

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already made arrangements through a private professional contractor to take care of the repairs needed in my unit at full cost to me than deducted off my rent as per the courts decision.

Most of the repairs have been completed but now I'm not sure how to proceed with the completion of what I need done. The money I have paid so far has me at an almost 9 month credit of my rental fees. A couple of these repairs are still in the urgent phase but money comes slow and repairs are costly. The contractor has a great deal of patience and understands my financial situation. Chi owed me a rent abatement of over \$3000.00 that he never paid which would of helped a great deal with down payments of the work that needed to be completed.

Just a quick break down, let me know what you need me to fax or email to you I have digital copies of the LLTB decision as well as a receipt from the contractor. I need to know how to proceed with the urgent repairs, do I still do them myself so I know they are getting done?

As well we have concerns about the rights of CHI and staff about entering our units at this time. Please advise.

Regards,  
Tina Renaud  
613-315-3670  
65 Costello Ave  
Ottawa,

This is Exhibit "DD" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'G' followed by a horizontal line and a small flourish.

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*Commissioner for Taking Affidavits (or as may be)*

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Daniel Rosenbluth

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redacted for privilege



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**From:** Monique LANGLOIS [<mailto:moniquegodard@rogers.com>]

**Sent:** Friday, June 02, 2017 2:47 PM

**To:** Kim Collu

**Subject:** pictures

Good afternoon Kim,

You have mentioned to send you work orders that do not get done. This is a picture of my bedroom ceiling that leaks once a year from the spring thaw.

The landlord is completely aware of it and this picture was taken March 2017. Nothing has been done since and I ask all the time.

Monique  
85 Costello



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This is Exhibit "EE" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'R' followed by a horizontal line and a small flourish.

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*Commissioner for Taking Affidavits (or as may be)*

225

Daniel Rosenbluth

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redacted for privilege



**From:** Monique LANGLOIS [<mailto:moniquegodard@rogers.com>]  
**Sent:** Friday, June 02, 2017 3:03 PM  
**To:** Kim Collu  
**Subject:** Fw:

Hi again Kim,  
My daughter just took this picture for me.  
This is a picture of my fence in the backyard that is falling down. My husband has put up a brace hoping for the fence not to fall on anyone.

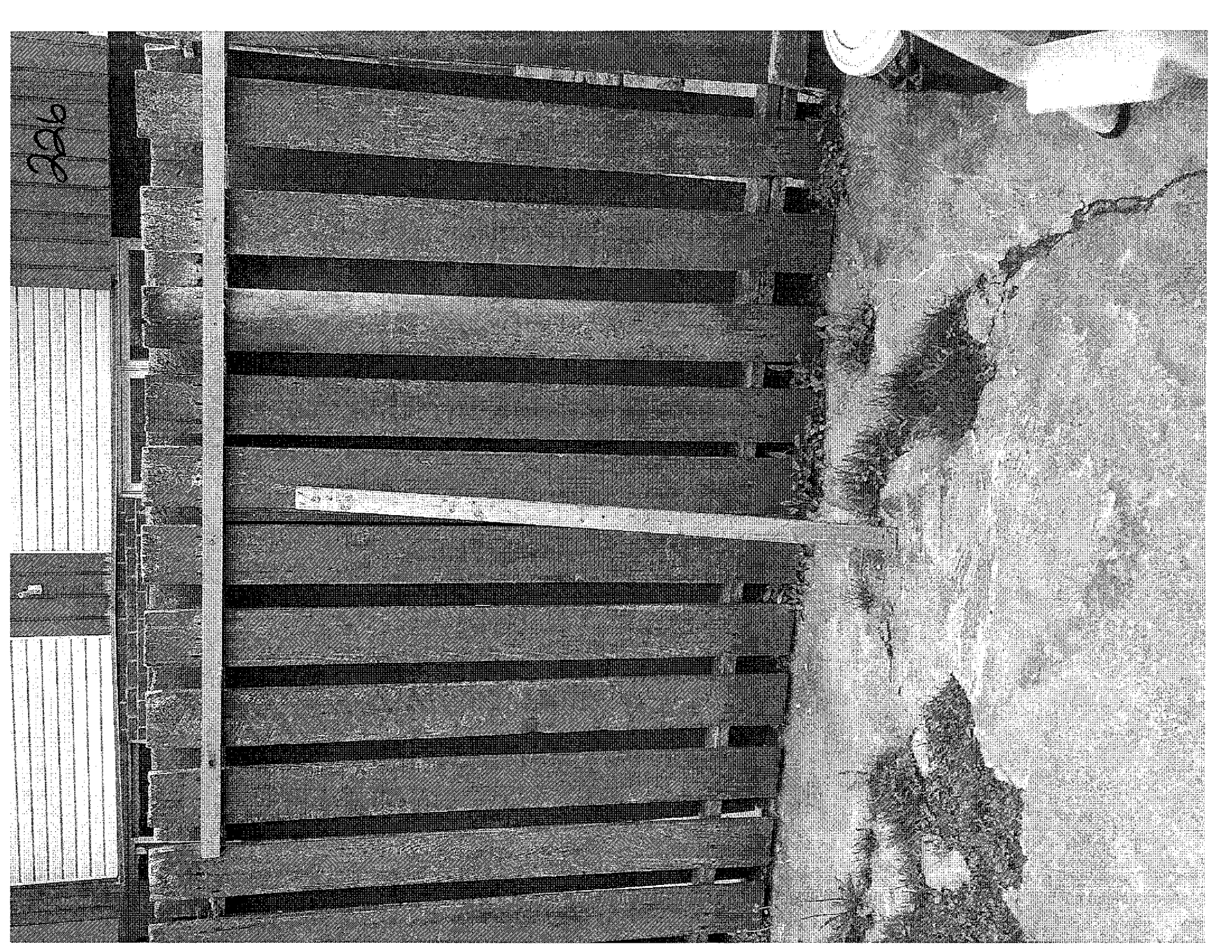
The work order # 3676 was made May 23. And today the employee for Chi, Lisa said they are not doing the repairs because Im giving my rent to First Source.

Monique  
85 Costello Ave.

On Friday, June 2, 2017 2:58 PM, Gabby L. <[smileyface26@hotmail.ca](mailto:smileyface26@hotmail.ca)> wrote:

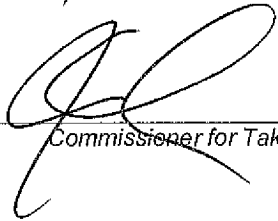
*Sent from my LG Mobile*





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This is Exhibit "FF" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the bottom.

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*Commissioner for Taking Affidavits (or as may be)*

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# Listing Agreement - Commercial Seller Representation Agreement Authority to Offer for Sale

Form 520  
for use in the Province of Ontario

This is a Multiple Listing Service® Agreement 

  
(Seller's Initials)

OR

This Listing is Exclusive 

(Seller's Initials)

BETWEEN:

**BROKERAGE:** KOBLE COMMERCIAL REAL ESTATE & BROKERAGE

100 GLOUCESTER STREET, STE 502 OTTAWA (the "Listing Brokerage")

**SELLER(S):** GOLDEN DRAGON HO 7 INC. (the "Seller")

In consideration of the Listing Brokerage listing the real property for sale known as 39 COSTELLO AVE OTTAWA

(the "Property")  
the Seller hereby gives the Listing Brokerage the **exclusive and irrevocable** right to act as the Seller's agent,

commencing at 12:01 a.m. on the 10 day of March, 2017

until 11:59 p.m. on the 9 day of September, 2017 (the "Listing Period"),

{ Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Real Estate and Business Brokers Act of Ontario (2002), **if the Listing Period exceeds six months, the Listing Brokerage must obtain the Seller's initials.** }

  
(Seller's Initials)

to offer the Property for sale at a price of:

Five Million Seven Hundred Thousand Dollars (\$Cdn 5,700,000.00)

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the property.


**1. DEFINITIONS AND INTERPRETATIONS:** For the purposes of this Agreement ("Authority" or "Agreement"):  
"Seller" includes vendor and a "buyer" includes a purchaser or a prospective purchaser. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, or the causing of a First Right of Refusal to be exercised, or an agreement to sell or transfer shares or assets. "Real property" includes real estate as defined in the Real Estate and Business Brokers Act (2002). The "Property" shall be deemed to include any part thereof or interest therein. A "real estate board" includes a real estate association. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.

**2. COMMISSION:** In consideration of the Listing Brokerage listing the Property for sale, the Seller agrees to pay the Listing Brokerage a commission of 3%+ HST % of the sale price of the Property or Or 2.5% if no co-operating Agent(s) involved

for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period and on the terms and conditions set out in this Agreement OR such other terms and conditions as the Seller may accept.

**INITIALS OF LISTING BROKERAGE:** 

**INITIALS OF SELLER(S):** 

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The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage), and to offer to pay the co-operating brokerage a commission of 1%+gst % of the sale price of the Property or .....

..... out of the commission the Seller pays the Listing Brokerage. The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone on

the Seller's behalf within 90 days after the expiration of the Listing Period (**Holdover Period**), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period. If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property.

Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.

In the event the buyer fails to complete the purchase and the deposit or any part thereof becomes forfeited, awarded, directed or released to the Seller, the Seller then authorizes the Listing Brokerage to retain as commission for services rendered, fifty (50%) per cent of the amount of the said deposit forfeited, awarded, directed or released to the Seller (but not to exceed the commission payable had a sale been consummated) and to pay the balance of the deposit to the Seller.

All amounts set out as commission are to be paid plus applicable taxes on such commission.

**3. REPRESENTATION:** The Seller acknowledges that the Listing Brokerage has provided the Seller with written information explaining agency relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Customer Service. The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage acting as an agent for more than one seller without any claim by the Seller of conflict of interest. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage.

The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Property.

**MULTIPLE REPRESENTATION:** The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will obtain the Seller's written consent to represent both the Seller and the buyer for the transaction at the earliest practical opportunity and in all cases prior to any offer to purchase being submitted or presented.

The Seller understand and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer, including a requirement to disclose all factual information about the Property known to the Listing Brokerage.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the Property will be disclosed to both Seller and buyer to assist them to come to their own conclusions.

**Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.**

**MULTIPLE REPRESENTATION AND CUSTOMER SERVICE:** The Seller understands and agrees that the Listing Brokerage also provides representation and customer service to other sellers and buyers. If the Listing Brokerage represents or provides customer service to more than one seller or buyer for the same trade, the Listing Brokerage shall, in writing, at the earliest practicable opportunity and before any offer is made, inform all sellers and buyers of the nature of the Listing Brokerage's relationship to each seller and buyer.

INITIALS OF LISTING BROKERAGE:



INITIALS OF SELLER(S):



- 4. **REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage by the Seller before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller's accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period described above, the Seller agrees to pay the Listing Brokerage the amount of commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
- 5. **MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or wilful act.
- 6. **WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.
- 7. **INDEMNIFICATION AND INSURANCE:** The Seller will not hold the Listing Brokerage and representatives of the Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or wilful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement or the accompanying data form. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury as a result of the Property being affected by any contaminants or environmental problems. The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (Listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.
- 8. **FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the spouse of the Seller has executed the consent hereinafter provided.
- 9. **FINDERS FEES:** The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the commission as described above.
- 10. **VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.
- 11. **USE AND DISTRIBUTION OF INFORMATION:** The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet; disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may, during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and

INITIALS OF LISTING BROKERAGE:



INITIALS OF SELLER(S):





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selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling:



consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.

12. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.

13. **CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Authority from the Seller to the Brokerage. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.

14. **ELECTRONIC COMMUNICATION:** This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.

15. **ELECTRONIC SIGNATURES:** If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the *Electronic Commerce Act 2000, S.O. 2000, c17* as amended from time to time.

16. **SCHEDULE(S)** A and data form attached hereto form(s) part of this Agreement.

**THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.**

[Authorized to bind the Listing Brokerage] DATE 3/10/17 Graeme Webster  
(Name of Person Signing)

**THIS AUTHORITY HAS BEEN READ AND FULLY UNDERSTOOD BY ME AND I ACKNOWLEDGE THIS DATE I HAVE SIGNED UNDER SEAL.** Any representations contained herein or as shown on the accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

GOLDEN DRAGON HO 7 INC.  
(Name of Seller)

[Signature of Seller/Authorized Signing Officer] DATE March 10, 17 [Tel. No.]  
(Seal)

[Signature of Seller/Authorized Signing Officer] DATE \_\_\_\_\_  
(Seal)

**SPOUSAL CONSENT:** The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

[Spouse] DATE \_\_\_\_\_  
(Seal)

**DECLARATION OF INSURANCE**

The broker/salesperson GRAEME WEBSTER/ MARC MORIN  
(Name of Broker/Salesperson)

hereby declares that he/she is insured as required by the Real Estate and Business Brokers Act (REBBA) and Regulations.

[Signature(s) of Broker/Salesperson]

**ACKNOWLEDGEMENT**

The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a true copy of

this Agreement on the 10 day of March, 2017

[Signature of Seller] Date March 10, 17

[Signature of Seller] Date: \_\_\_\_\_

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# OTTAWA REAL ESTATE BOARD LISTING AGREEMENT

(Authority for Sale or Lease)  
Schedule "A" and Data Form  
(for use in the province of Ontario)



This schedule is attached to and forms part of the Listing Agreement (Authority for Sale or Lease).

**BETWEEN:**  
**BROKERAGE:** KOBLE COMMERCIAL REAL ESTATE & BROKERAGE (the "Listing Brokerage")

**SELLER(S):** GOLDEN DRAGON HO 7 INC. (the "Seller")

for listing property known as 39 COSTELLO AVE OTTAWA (the "Property")

**Commencement date of Listing Agreement:** 10 day of March, 2017

Is H.S.T applicable to this sale or lease? Yes  No

**LEGAL DESCRIPTION** (including easements): BLK L PLAN 529418 SUBJECT TO CR472387, CR516418, CR534059, CR539535 NEPEAN

**PIN #** 046940184 **ROLL #** 061412073502000

**PROPERTY TAXES and YEAR:** TBD

**LISTING TERMS:** Listing Agreement to be Exclusive until March 28, 2017. To be added to MLS March 29, 2017

| Type | Amount | Lender |
|------|--------|--------|
|      |        |        |

**POSSESSION:** .....

**WARRANTIES:**  
The Seller(s) warrant(s) that all appurtenances and fixtures relating to the real property are owned by them and are included in the sale price; and also **included** are: .....

And **excluded** are: .....

**LEASES (including Long Term) / RENTAL EQUIPMENT:**

| Item   | Amount | Term | Buyout Amount |
|--|--------|------|---------------|
| Is Lease Assignable? Yes <input type="radio"/> No <input type="radio"/>    |        |      |               |
| Is Lease Dischargeable? Yes <input type="radio"/> No <input type="radio"/> |        |      |               |

| Item   | Amount | Term | Buyout Amount |
|--|--------|------|---------------|
| Is Lease Assignable? Yes <input type="radio"/> No <input type="radio"/>    |        |      |               |
| Is Lease Dischargeable? Yes <input type="radio"/> No <input type="radio"/> |        |      |               |

**OTHER:**

Condominium/Association/Common Fee: \$ ..... Frequency: .....

Condominium/Association/Common Fee Includes: .....

Locker # ..... Exclusive Use?  Owned  Parking Space # ..... # ..... Exclusive Use?  Owned

**Lock Box Authorization:**

INITIALS OF SELLER(S)  
[Signature]

The seller does hereby authorize the Listing Brokerage to make use of a lock box on the property. The Seller fully understands the operation of the lock box and hereby releases the Listing Brokerage from any liability for its use.

INITIALS OF SELLER(S)  
[Signature]

The Seller does not authorize the Listing Brokerage to place a lock box on the property.

INITIALS OF LISTING BROKERAGE: [Signature]

INITIALS OF SELLER(S): [Signature]

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**Form 815**

for use in the Province of Ontario

**The Commercial REALTOR® Consumer Relationship**

In Ontario, the real estate profession is governed by the Real Estate and Business Brokers Act, 2002, and Associated Regulations (REBBA 2002 or Act), administered by the Real Estate Council of Ontario (RECO). All Ontario REALTORS® are registered under the Act and governed by its provisions. REBBA 2002 is consumer protection legislation, regulating the conduct of real estate brokerages and their salespeople/brokers. The Act provides consumer protection in the form of deposit insurance and requires every salesperson/broker to carry errors & omission (E&O) insurance.

When you choose to use the services of a Commercial REALTOR®, it is important to understand that this individual works on behalf of a real estate brokerage, usually a company. The brokerage is operated by a Broker of Record, who has the ultimate responsibility for the employees registered with the brokerage. When you sign a contract, it is with the brokerage, not with the salesperson/broker employee.

The Act also requires that the brokerage (usually through its Commercial REALTORS®) explain the types of service alternatives available to consumers and the services the brokerage will be providing. The brokerage must document the relationship being created between the brokerage and the consumer, and submit it to the consumer for his/her approval and signature. The most common relationships are "client" and "customer", but other options may be available in the marketplace.

**Client**

A "client" relationship creates the highest form of obligation for a Commercial REALTOR® to a consumer. The brokerage and its salespeople/brokers have a fiduciary (legal) relationship with the client and represent the interests of the client in a real estate transaction. The Commercial REALTOR® will establish this relationship with the use of a representation agreement, called a Listing Agreement with the seller and a Buyer Representation Agreement or Mandate with the buyer. The agreement contains an explanation of the services the brokerage will be providing, the fee arrangement for those services, the obligations the client will have under the agreement, and the expiry date of the agreement. Ensure that you have read and fully understand any such agreement before you sign the document.

Once a brokerage and a consumer enter into a client relationship, the brokerage must protect the interests of the client and do what is best for the client. A brokerage must strive for the benefit of the client and must not disclose a client's confidential information to others. Under the Act, the brokerage must also make reasonable efforts to determine any material facts relating to the transaction that would be of interest to the client and must inform the client of those facts. Although they are representing the interests of their client, they must still treat all parties to the transaction with fairness, honesty, and integrity.

**Customer**

A buyer/tenant or seller/landlord may not wish to be under contract as a client with the brokerage but would rather be treated as a customer. A Commercial REALTOR® is obligated to treat every person in a real estate transaction with honesty, fairness, and integrity, but unlike a client, provides a customer with a restricted level of service. Services provided to a customer may include showing the property or properties, drafting the offer, presenting the offer, etc. Brokerages use a Customer Service Agreement to document the services they are providing to a buyer/tenant or seller/landlord customer.

Under the Act, the Commercial REALTOR® has disclosure obligations to a customer and must disclose material facts known to the brokerage that relate to the transaction.

**What Happens When...**

Buyer(s) and the seller(s) are sometimes under contract with the same brokerage when properties are being shown or an offer is being contemplated. There can also be instances when there is more than one offer on a property and more than one buyer and seller are under a representation agreement with the same brokerage. This situation is referred to as multiple representation. Under the Act, the Commercial REALTORS® and their brokerage must make sure all buyers, sellers, and their Commercial REALTORS® confirm in writing that they acknowledge, understand, and consent to the situation before their offer is made. Commercial REALTORS® typically use what is called a Confirmation of Co-operation and Representation form to document this situation.

Offer negotiations may become stressful, so if you have any questions when reference is made to multiple representation or multiple offers, please ask your Commercial REALTOR® for an explanation.

**Critical Information**

Commercial REALTORS® are obligated to disclose facts that may affect a buying or selling decision. It may be difficult for a Commercial REALTOR® to judge what facts are important. They also may not be in a position to know a fact. You should communicate to your Commercial REALTOR® what information and facts about a property are important to you in making a buying or selling decision, and document this information to avoid any misunderstandings and/or unpleasant surprises.

Similarly, services that are important to you and are to be performed by the brokerage, or promises that have been made to you, should be documented in your contract with the brokerage and its salesperson/broker.

To ensure the best possible real estate experience, make sure all your questions are answered by your Commercial REALTOR®. You should read and understand every contract before you finalize it.

**Acknowledgement by:** GOLDEN DRAGON HO 7 INC.

(Names)

I/we have read, understand, and have received a copy of Working with a Commercial REALTOR®

**Sellers:** As seller(s), I/we understand that

Koble Commercial Real Estate and Brokerage

(Name of Brokerage)

(initial one)

is representing my interests, to be documented in a separate written agency representation agreement, and I understand the brokerage may represent and/or provide customer service to other sellers and buyers.

is not representing my interests, to be documented in a separate written customer service agreement, but will act in a fair, ethical and professional manner.

(Signature)

(Date)

(Signature)

(Date)

**Buyers:** As buyer(s), I/we understand that

(Name of Brokerage)

(initial one)

is representing my interests, to be documented in a separate written agency representation agreement, and I understand the brokerage may represent and/or provide customer service to other buyers and sellers.

is not representing my interests, to be documented in a separate written customer service agreement, but will act in a fair, ethical and professional manner.

(Signature)

(Date)

(Signature)

(Date)

Please note that Federal legislation requires REALTORS® to verify the identity of sellers and buyers with whom they are working. For the purposes of this information, the term "seller" can be interpreted as "landlord" and "buyer" can mean "tenant." This form is for information only and is not a contract.

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This is Exhibit "GG" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a large, stylized initial 'P' followed by a horizontal line and a small flourish.

---

*Commissioner for Taking Affidavits (or as may be)*



# Listing Agreement - Commercial

## Seller Representation Agreement

### Authority to Offer for Sale

Form 520  
for use in the Province of Ontario

This is a Multiple Listing Service® Agreement  OR This Listing is Exclusive   
(Seller's Initials)

BETWEEN:  
BROKERAGE: KOBLE COMMERCIAL REAL ESTATE & BROKERAGE

100 GLOUCESTER STREET, STE 502 OTTAWA (the "Listing Brokerage")


SELLER(S): GOLDEN DRAGON HO 5 INC. (the "Seller")

In consideration of the Listing Brokerage listing the real property for sale known as 64-70 REYNOLDS DR & 10-22 SALISBURY AVE

(the "Property") the Seller hereby gives the Listing Brokerage the **exclusive and irrevocable** right to act as the Seller's agent,

commencing at 12:01 a.m. on the 10 day of March, 2017,

until 11:59 p.m. on the 9 day of September, 2017 (the "Listing Period"),

{ Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Real Estate and Business Brokers Act of Ontario (2002), if the Listing Period exceeds six months, the Listing Brokerage must obtain the Seller's initials. } 

to offer the Property for sale at a price of:  
Seven Million Seven Hundred Fifty Thousand Dollars (\$Cdn 7,750,000.00)

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the property.


**1. DEFINITIONS AND INTERPRETATIONS:** For the purposes of this Agreement ("Authority" or "Agreement"):  
"Seller" includes vendor and a "buyer" includes a purchaser or a prospective purchaser. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, or the causing of a First Right of Refusal to be exercised, or an agreement to sell or transfer shares or assets. "Real property" includes real estate as defined in the Real Estate and Business Brokers Act (2002). The "Property" shall be deemed to include any part thereof or interest therein. A "real estate board" includes a real estate association. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.

**2. COMMISSION:** In consideration of the Listing Brokerage listing the Property for sale, the Seller agrees to pay the Listing Brokerage a commission of 3%+HST % of the sale price of the Property or Or 2.5% if no co-operating Agent(s) involved.

for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period and on the terms and conditions set out in this Agreement OR such other terms and conditions as the Seller may accept.

INITIALS OF LISTING BROKERAGE: 

INITIALS OF SELLER(S): 

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The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage), and to offer to pay the co-operating brokerage a commission of 1%+hst % of the sale price of the Property or .....

..... out of the commission the Seller pays the Listing Brokerage. The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone on

the Seller's behalf within 90 days after the expiration of the Listing Period (**Holdover Period**), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period. If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property.

Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.

In the event the buyer fails to complete the purchase and the deposit or any part thereof becomes forfeited, awarded, directed or released to the Seller, the Seller then authorizes the Listing Brokerage to retain as commission for services rendered, fifty (50%) per cent of the amount of the said deposit forfeited, awarded, directed or released to the Seller (but not to exceed the commission payable had a sale been consummated) and to pay the balance of the deposit to the Seller.

All amounts set out as commission are to be paid plus applicable taxes on such commission.

**3. REPRESENTATION:** The Seller acknowledges that the Listing Brokerage has provided the Seller with written information explaining agency relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Customer Service. The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage acting as an agent for more than one seller without any claim by the Seller of conflict of interest. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage.

The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Property.

**MULTIPLE REPRESENTATION:** The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will obtain the Seller's written consent to represent both the Seller and the buyer for the transaction at the earliest practical opportunity and in all cases prior to any offer to purchase being submitted or presented.

The Seller understand and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer, including a requirement to disclose all factual information about the Property known to the Listing Brokerage.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the Property will be disclosed to both Seller and buyer to assist them to come to their own conclusions.

**Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.**

**MULTIPLE REPRESENTATION AND CUSTOMER SERVICE:** The Seller understands and agrees that the Listing Brokerage also provides representation and customer service to other sellers and buyers. If the Listing Brokerage represents or provides customer service to more than one seller or buyer for the same trade, the Listing Brokerage shall, in writing, at the earliest practicable opportunity and before any offer is made, inform all sellers and buyers of the nature of the Listing Brokerage's relationship to each seller and buyer.

INITIALS OF LISTING BROKERAGE: 

INITIALS OF SELLER(S): 

- 4. **REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage by the Seller before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller's accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period described above, the Seller agrees to pay the Listing Brokerage the amount of commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
- 5. **MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or wilful act.
- 6. **WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.
- 7. **INDEMNIFICATION AND INSURANCE:** The Seller will not hold the Listing Brokerage and representatives of the Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or wilful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement or the accompanying data form. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury as a result of the Property being affected by any contaminants or environmental problems.  
The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (Listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.
- 8. **FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the spouse of the Seller has executed the consent hereinafter provided.
- 9. **FINDERS FEES:** The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the commission as described above.
- 10. **VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.
- 11. **USE AND DISTRIBUTION OF INFORMATION:** The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the internet; disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may: during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such services which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and

INITIALS OF LISTING BROKERAGE: 

INITIALS OF SELLER(S): 

selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("Information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling:



(Does)



(Does Not)

consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.

**12. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.

**13. CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Authority from the Seller to the Brokerage. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.

**14. ELECTRONIC COMMUNICATION:** This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems; in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.

**15. ELECTRONIC SIGNATURES:** If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the *Electronic Commerce Act 2000, S.O. 2000, c17* as amended from time to time.

**16. SCHEDULE(S)** A ..... and data form attached hereto form(s) part of this Agreement.

**THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.**

(Authorized to bind the Listing Brokerage) ..... DATE 3/10/17 Graeme Webster  
(Name of Person Signing)

**THIS AUTHORITY HAS BEEN READ AND FULLY UNDERSTOOD BY ME AND I ACKNOWLEDGE THIS DATE I HAVE SIGNED UNDER SEAL.** Any representations contained herein or as shown on the accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

GOLDEN DRAGON HO 5 INC.  
(Name of Seller)

(Signature of Seller/Authorized Signing Officer) ..... DATE March 10, 17 ..... (Tel. No.)  
(Seal)

(Signature of Seller/Authorized Signing Officer) ..... DATE .....  
(Seal)

**SPOUSAL CONSENT:** The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

(Spouse) ..... DATE .....  
(Seal)

**DECLARATION OF INSURANCE**

The broker/salesperson GRAEME WEBSTER/ MARC MORIN  
(Name of Broker/Salesperson)

hereby declares that he/she is insured as required by the Real Estate and Business Brokers Act (REBBA) and Regulations.

(Signature(s) of Broker/Salesperson)

**ACKNOWLEDGEMENT**

The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a true copy of

this Agreement on the 10 day of March, 2017

(Signature of Seller) ..... Date: March 10, 2017

(Signature of Seller) ..... Date: .....

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# OTTAWA REAL ESTATE BOARD LISTING AGREEMENT

(Authority for Sale or Lease)  
Schedule "A" and Data Form  
(for use in the province of Ontario)



This schedule is attached to and forms part of the Listing Agreement (Authority for Sale or Lease).

BETWEEN:

**BROKERAGE:** KOBLE COMMERCIAL REAL ESTATE & BROKERAGE (the "Listing Brokerage")

**SELLER(S):** GOLDEN DRAGON HO 5 INC. (the "Seller")

for listing property known as 64-70 REYNOLDS DR & 10-22 SALISBURY AVE (the "Property")

Commencement date of Listing Agreement: 10 day of March, 2017

Is H.S.T applicable to this sale or lease? Yes  No

**LEGAL DESCRIPTION** (Including easements): BLK F PL 250; S/T 47B8778, LR244687; BROCKVILLE

**PIN #** 441750386 **ROLL #** 080201002504600

**PROPERTY TAXES and YEAR:** TBD

**LISTING TERMS:** Listing Agreement to be Exclusive until March 28, 2017. To be added to MLS March 29, 2017.

**EXISTING FINANCING:**

| Type | Amount | Lender |
|------|--------|--------|
|------|--------|--------|

**POSSESSION:**

**WARRANTIES:**

The Seller(s) warrant(s) that all appurtenances and fixtures relating to the real property are owned by them and are included in the sale price; and also included are:

And excluded are:

**LEASES (Including Long Term) / RENTAL EQUIPMENT:**

| Item   | Amount | Term | Buyout Amount |
|--|--------|------|---------------|
| Is Lease Assignable? Yes <input type="checkbox"/> No <input type="checkbox"/>    |        |      |               |
| Is Lease Dischargeable? Yes <input type="checkbox"/> No <input type="checkbox"/> |        |      |               |

| Item   | Amount | Term | Buyout Amount |
|--|--------|------|---------------|
| Is Lease Assignable? Yes <input type="checkbox"/> No <input type="checkbox"/>    |        |      |               |
| Is Lease Dischargeable? Yes <input type="checkbox"/> No <input type="checkbox"/> |        |      |               |

**OTHER:**

Condominium/Association/Common Fee: \$ ..... Frequency: .....

Condominium/Association/Common Fee Includes: .....

Locker # ..... Exclusive Use?  Owned  Parking Space # ..... # ..... Exclusive Use?  Owned

**Lock Box Authorization:**

INITIALS OF SELLER(S)  
[Signature]

The seller does hereby authorize the Listing Brokerage to make use of a lock box on the property. The Seller fully understands the operation of the lock box and hereby releases the Listing Brokerage from any liability for its use.

INITIALS OF SELLER(S)  
[Signature]

The Seller does not authorize the Listing Brokerage to place a lock box on the property.

INITIALS OF LISTING BROKERAGE: [Signature]

INITIALS OF SELLER(S): [Signature]

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**Form 815**

for use in the Province of Ontario

**The Commercial REALTOR® Consumer Relationship**

In Ontario, the real estate profession is governed by the Real Estate and Business Brokers Act, 2002, and Associated Regulations (REBBA 2002 or Act), administered by the Real Estate Council of Ontario (RECO). All Ontario REALTORS® are registered under the Act and governed by its provisions. REBBA 2002 is consumer protection legislation, regulating the conduct of real estate brokerages and their salespeople/brokers. The Act provides consumer protection in the form of deposit insurance and requires every salesperson/broker to carry errors & omission (E&O) insurance.

When you choose to use the services of a Commercial REALTOR®, it is important to understand that this individual works on behalf of a real estate brokerage, usually a company. The brokerage is operated by a Broker of Record, who has the ultimate responsibility for the employees registered with the brokerage. When you sign a contract, it is with the brokerage, not with the salesperson/broker employee.

The Act also requires that the brokerage (usually through its Commercial REALTORS®) explain the types of service alternatives available to consumers and the services the brokerage will be providing. The brokerage must document the relationship being created between the brokerage and the consumer, and submit it to the consumer for his/her approval and signature. The most common relationships are "client" and "customer", but other options may be available in the marketplace.

**Client**

A "client" relationship creates the highest form of obligation for a Commercial REALTOR® to a consumer. The brokerage and its salespeople/brokers have a fiduciary (legal) relationship with the client and represent the interests of the client in a real estate transaction. The Commercial REALTOR® will establish this relationship with the use of a representation agreement, called a Listing Agreement with the seller and a Buyer Representation Agreement or Mandate with the buyer. The agreement contains an explanation of the services the brokerage will be providing, the fee arrangement for those services, the obligations the client will have under the agreement, and the expiry date of the agreement. Ensure that you have read and fully understand any such agreement before you sign the document.

Once a brokerage and a consumer enter into a client relationship, the brokerage must protect the interests of the client and do what is best for the client. A brokerage must strive for the benefit of the client and must not disclose a client's confidential information to others. Under the Act, the brokerage must also make reasonable efforts to determine any material facts relating to the transaction that would be of interest to the client and must inform the client of those facts. Although they are representing the interests of their client, they must still treat all parties to the transaction with fairness, honesty, and integrity.

**Customer**

A buyer/tenant or seller/landlord may not wish to be under contract as a client with the brokerage but would rather be treated as a customer. A Commercial REALTOR® is obligated to treat every person in a real estate transaction with honesty, fairness, and integrity, but unlike a client, provides a customer with a restricted level of services. Services provided to a customer may include showing the property or properties, drafting the offer, presenting the offer, etc. Brokerages use a Customer Service Agreement to document the services they are providing to a buyer/tenant or seller/landlord customer.

Under the Act, the Commercial REALTOR® has disclosure obligations to a customer and must disclose material facts known to the brokerage that relate to the transaction.

**What Happens When...**

Buyer(s) and the seller(s) are sometimes under contract with the same brokerage when properties are being shown or an offer is being contemplated. There can also be instances when there is more than one offer on a property and more than one buyer and seller are under a representation agreement with the same brokerage. This situation is referred to as multiple representation. Under the Act, the Commercial REALTORS® and their brokerage must make sure all buyers, sellers, and their Commercial REALTORS® confirm in writing that they acknowledge, understand, and consent to the situation before their offer is made. Commercial REALTORS® typically use what is called a Confirmation of Co-operation and Representation form to document this situation.

Offer negotiations may become stressful, so if you have any questions when reference is made to multiple representation or multiple offers, please ask your Commercial REALTOR® for an explanation.

**Critical Information**

Commercial REALTORS® are obligated to disclose facts that may affect a buying or selling decision. It may be difficult for a Commercial REALTOR® to judge what facts are important. They also may not be in a position to know a fact. You should communicate to your Commercial REALTOR® what information and facts about a property are important to you in making a buying or selling decision, and document this information to avoid any misunderstandings and/or unpleasant surprises.

Similarly, services that are important to you and are to be performed by the brokerage, or promises that have been made to you, should be documented in your contract with the brokerage and its salesperson/broker.

To ensure the best possible real estate experience, make sure all your questions are answered by your Commercial REALTOR®. You should read and understand every contract before you finalize it.

**Acknowledgement by: GOLDEN DRAGON HO 5 INC.**

(Names)

I/we have read, understand, and have received a copy of Working with a Commercial REALTOR®

**Sellers:** As seller(s), I/we understand that

**Koble Commercial Real Estate & Brokerage**

(Name of Brokerage)

(Initial one)

\_\_\_\_\_

is representing my interests, to be documented in a separate written agency representation agreement, and I understand the brokerage may represent and/or provide customer service to other sellers and buyers.

\_\_\_\_\_

is not representing my interests, to be documented in a separate written customer service agreement, but will act in a fair, ethical and professional manner.

(Signature)

(Date)

(Signature)

(Date)

**Buyers:** As buyer(s), I/we understand that

(Name of Brokerage)

(Initial one)

\_\_\_\_\_

is representing my interests, to be documented in a separate written agency representation agreement, and I understand the brokerage may represent and/or provide customer service to other buyers and sellers.

\_\_\_\_\_

is not representing my interests, to be documented in a separate written customer service agreement, but will act in a fair, ethical and professional manner.

(Signature)

(Date)

(Signature)

(Date)

Please note that Federal legislation requires REALTORS® to verify the identity of sellers and buyers with whom they are working. For the purposes of this information, the term "seller" can be interpreted as "landlord" and "buyer" can mean "tenant." This form is for information only and is not a contract.

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This is Exhibit "HH" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of a stylized, cursive letter 'A' with a long horizontal stroke extending to the right.

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*Commissioner for Taking Affidavits (or as may be)*





Welcome Properties

We

Map / Search

Amine - Multi-Residential...

Previous · Next · 4 of 320 at 1 per page

2017-06-05 **39 COSTELLO AVENUE, Ottawa K2H 7C3** ML#: 1



Status: **Active**  
 Dist/Neigh: **7601- Leslie Park**  
 Municipality:  
 Neigh Name: **Leslie Park**  
 Site Area: **47161**  
 Lot Size: **160' x 292'**  
 Zoning: **RESIDENTIAL - Residential Third Density (R3)**  
 Zoning Desc: **R3Z(660)**  
 Ind Type:  
 Occupancy:  
 Title:  
 Legal: **BLK L PLAN 529418 SUBJECT TO CR472387, CR51 CR539535 NEPEAN**  
 List Price: **\$4,400**  
 Lease Rate: **\$1,200**  
 Trans Type: **Sale**  
 Sub Type: **Apart Units**  
 Lease Type:  
 Fronting: **South**  
 # Acres:  
 Bldg Sqft: **31,400**  
 Total Sqft:

1 / 21

Directions/Remarks

Directions: **Queensway to Exit Pinecrest/Greenbank turn West on Monterey South on Costello.**  
 Public Remarks: **Seller motivated. 24 townhouses (1,124sf + 560sf partially finished basement). All 3 bed, 1 full b bath some recreational room in basement. Wood/tile flooring. 2 buildings connected via the under garage (31 parking spaces under ground). 1 gas meter/unit. Gas heating system. Washer and dryer. Leased gas hot water heater tanks. 25 electric meters. Mansard/shingle roofs. Few windows w/wc Entrance to unit from garage + outside. Rent ranges from \$1,100 to \$1,250 a month + Hydro dep condition could reach \$1,350 if rented to students. Lot: 47,161sf. Zoning code: R3Z(660). Very close Greenbank ramp from Queensway (Hwy 417) and Algonquin College. Property needs TLC. All offers delivered by June 23rd the presentation will be done on June 27th. Seller will give preference to buyers purchases 70 Reynolds Drive in Brockville (77 unit Apt). Property to be sold AS-IS, WHERE IS with inspect.**

General/Industrial/Warehouse


|                                  |                                     |                  |                |
|----------------------------------|-------------------------------------|------------------|----------------|
| NOI:                             | Ann Gross Inc: <b>\$0</b>           | Op Cost/Yr:      | Oth Cost Yr:   |
| Year Built: <b>1970 / Approx</b> | Unit of Measure: <b>Square Feet</b> | Master Record:   |                |
| RentSqft:                        | OfficeSqft:                         | Warehs Sqft:     | Retail Sqft:   |
| UsableSqft:                      | OtherSqft:                          | VacSqft:         | Sign: <b>N</b> |
| Tenancy:                         | Parking:                            | Add Cost:        | Esc/Yr%:       |
| Power:                           | Ceiling Height:                     | Loading:         |                |
| Lease Option:                    | Existing Improv: <b>0</b>           |                  |                |
| Ten Inducements:                 |                                     |                  |                |
| Fire Retrofit:                   | Enviro Assess:                      | Fire Protection: |                |
| Management Co: <b>Owner</b>      |                                     | Manage Phone:    |                |

Apartment/MultiFamily

|                             |                         |                         |                         |                         |          |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------|
| #Storeys: <b>2</b>          | Tot # Units: <b>24</b>  | # Bach Units: <b>0</b>  | 1 Bedrm Units: <b>0</b> | 2 Bedrm Units: <b>0</b> | 3 Bedrm  |
| #Oth Units:                 | Tot # Park:             | # Surf Park: <b>0</b>   | # Under Park: <b>31</b> | # Deck Park:            | # Elevat |
| Rooming Lic: <b>No</b>      |                         |                         |                         |                         |          |
| Management: <b>\$0</b>      | Supply: <b>\$0</b>      | Rental Inc: <b>\$0</b>  | Vac Loss:               |                         |          |
| Prop Taxes: <b>\$60,000</b> | Advertising: <b>\$0</b> | Parking Inc: <b>\$0</b> | ADS:                    |                         |          |
| Insurance: <b>\$0</b>       | Security: <b>\$0</b>    | Other Inc: <b>\$0</b>   | Cash Flow:              |                         |          |
| Water/Sewage: <b>\$0</b>    | Lawn/Snow: <b>\$0</b>   |                         | Vacancy %: <b>2</b>     |                         |          |

Checked 0 Print Email

This is Exhibit "II" referred to in the Affidavit of David Mandel  
sworn June 7, 2017

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

---

*Commissioner for Taking Affidavits (or as may be)*

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中文

70 REYNOLDS Drive

Brockville, ON K6V 1W7

For Sale

\$5,950,000

Mortgage Calculator



Residential Style 1970 Year Built

Property ID: 101239562

Photos (1/29)

Map and Directions

Street View

Commute Time

Walk Score



Request a Showing

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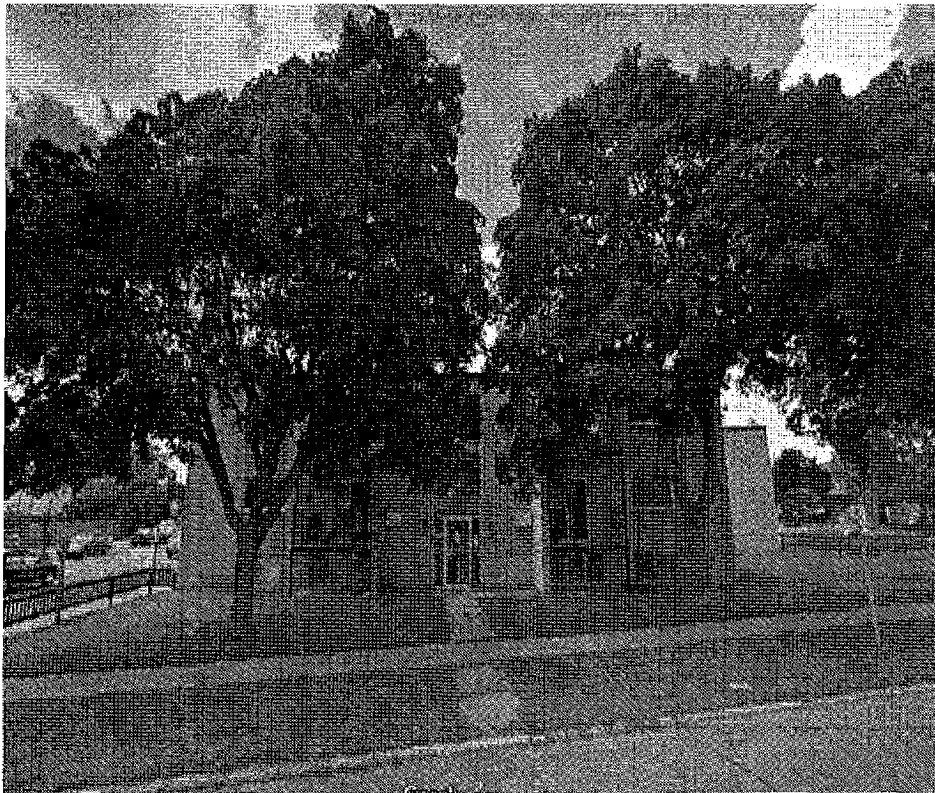
Listed By

Pascale Hamel  
Sales Representative  
CENTURY 21 Explorer  
Realty Inc.,  
Brokerage\*  
Home: 819-800-  
1910  
Direct: 819-210-  
6604

Request Information

I was searching on  
Century21.ca and found  
the property at 70  
REYNOLDS Drive. Please  
send me more information.

Contact



**70 REYNOLDS Drive** - Seller motivated. 77 units multi res. 2 bedroom. Units average 640sf to 695sf. Rent \$750 to \$975 + hydro. 11 elec. meters/building. Electric Heating system. Hot water heater tank/unit. 7 laundry rooms w/1 set of washer/dryer, 11 lockers, 11 garbage bins. Flat roof. 4 sides brick sidings. 1/2 windows w/newer metal frame. Some balconies made of concrete w/reinforced bars and others are made of wood. 22 units renovated (open concept, kitchen, flooring, bathrooms, appliances). +/- 68 parking spaces. Lot 2.6 acres. Est. 30% vacancy rate. All offers must be delivered in writing to listing agent on 06/23. Presentation 06/27. Preference to buyer who purchases 39 Costello ave in Ottawa (24 townhouse units with underground garage). All offers must be delivered in writing to listing agent on June 23rd. Presentation on June 27th. Property to be sold AS-IS, WHERE IS with the right to inspect.

## Property Details

ID: 1062971

Property ID: 101239562 Style: Other

|                          |                      |                         |
|--------------------------|----------------------|-------------------------|
| Year Built: 1970         | Status: Active       | Storeys: 2              |
| Parking Type             | New Construction: No | Estimated Annual Taxes: |
| Description: None 0 cars |                      | \$105,000               |
| Neighbourhood:           |                      |                         |
| Brockville Center Town   |                      |                         |

## Features

**Consentto Con...** No

**Other** Zoning Description - 0, Vacancy Percentage - 30.0000, Vacancy Loss Ratio VL - 0, Total Parking - 68, Total Number of Units - 77, Tax Year - 2016, Surface Parking for Units - 68, Sched Rental Income SRI - 0, Property Type - Commercial, Property Sub Type - Apartment 5+ Units, Possession Information - At Closing, Parking Income - 0, Parcel Number - 0802010025046000000, Other Income - 0, Number of Elevators - 0, Number of Bachelor Units - 0, Number of 3 Bedroom Units - 0, Number of 2 Bedroom Units - 77, Number of 1 Bedroom Units - 0, Net Oper Income Multi NOI - 0, Lot Size Met Frontage - 0.00, Lot Size Met Depth - 0.00, Lease Rate - 800.0000, Laundry Other Income - 0, Gross Operating Income - 0, Fronting On - Southeast, Effect Rental Income - 0, District Neighbourhood Num - 810- Brockville, Annual Gross Income - 0, Age Description - Approx

**Other Listing C...** No

Listed By Pascale Hamel of CENTURY 21 Explorer Realty Inc.,  
Brokerage\*

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**TAB 3**

ONTARIO  
SUPERIOR COURT OF JUSTICE

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

and

**GOLDEN DRAGON HO 5 INC. and GOLDEN DRAGON HO 7 INC.**


Respondents

**CONSENT**

**COLLINS BARROW TORONTO LIMITED** hereby consents to act as Receiver of the properties known municipally as 64, 68 and 70 Reynold Drive and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario (defined as the "Brockville Property" in the Notice of Application filed in this matter) and 39 - 85 Costello Avenue, Ottawa, Ontario (defined as the "Ottawa Property" in the Notice of Application).

June 7, 2017

**COLLINS BARROW TORONTO LIMITED**

  
\_\_\_\_\_  
DANIEL WEISS  
SENIOR VICE-PRESIDENT

I have authority to bind the corporation



FIRST SOURCE FINANCIAL MANAGEMENT INC.  
Applicant

-and- GOLDEN DRAGON HO 5 INC. et al.  
Respondents

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
  
PROCEEDING COMMENCED AT  
OTTAWA

**APPLICATION RECORD**

**Paliare Roland Rosenberg Rothstein LLP**  
155 Wellington Street West  
35th Floor  
Toronto ON M5V 3H1  
Tel: 416.646.4300  
Fax: 416.646.4301

**Jeffrey Larry** (LSUC# 44608D)  
Tel: 416.646.4330  
**Daniel Rosenbluth** (LSUC# 74044U)  
Tel: 416.646.7496

Lawyers for the Applicant